

Key Issue Brief

Consumer Complaint Handling

ARCA is working to create an industry framework that drives consistent, timely and fair resolution of consumer complaints in relation to credit reporting and requests for correction of credit reporting data.

- ARCA is considering what changes should be made to current practices as part of the reforms to the credit reporting regime
- ARCA believes that all users of the credit reporting system should be a member of an OAIC-approved External Dispute Resolution (EDR) scheme
- Credit Providers should only investigate and respond to consumer complaints and requests for data information correction when it relates to data they have supplied to a Credit Reporting Agency

The changes under consideration and development relate to the method by which consumer requests for correction or complaints are addressed. This involves issues related to both information supplied by Credit Providers to Credit Reporting Agencies and vice versa; and also complaints about acts or practices by Credit Providers or Credit Reporting Agencies.

Subsequently, consumers will experience a more accessible, manageable and therefore improved complaints process.

Currently, a consumer may contact the Credit Provider who supplied the questionable data, or a Credit Reporting Agency that holds the data (with the exception of public data). For complaints relating to public data the consumer must contact the Credit Reporting Agencies.

Therefore a Credit Provider can only investigate and respond to consumer complaints relating to data they have supplied to a Credit Reporting Agency.

- Where a consumer contacts an organisation who is not the supplier of the information, the consumer will be formally referred to the relevant party to investigate and respond to the complaint. The timeline for response to the complaint should commence from the moment the consumer contacts the relevant party. The timelines for response should be in accordance with existing complaint handling guidelines already established by existing regulations.
- Where a Credit Provider determines that corrections need to be made to a consumer's file, they will apply any required updates or corrections to data held in the Credit Provider's systems and data that the Credit Provider has supplied to Credit Reporting Agencies.

- Where a Credit Reference Agency determines that corrections need to be made to a consumer's file, they will correct the data they hold and liaise with the supplier of the information to get that data corrected at its source.

ARCA believes that all users of the credit reporting system should be a member of an OAIC approved External Dispute Resolution (EDR) scheme. As part of the complaint handling process, the consumer will be made aware of the relevant EDR schemes available to them, and the fact that this EDR process is free of charge.

Material explaining the complaints handling process will be made available free of charge to consumers.

About ARCA

ARCA brings together the talent, energy and perspectives of its members and staff to bring about positive change.

Combining experience and insights, expertise and passion with industry collaboration, ARCA promotes the effective use of consumer analytics and data sharing to improve responsible lending practices and promote better lending decisions.

Access to responsible credit is a fundamental part of today's modern economy.