

Experian FAQs

Experian Collections Network



Contents

1. EXPERIAN COLLECTIONS NETWORK (ECN)	4
1.1.1 What is an ECN?	4
1.1.2 As a creditor, why would I want my own ECN? What's in it for me?	4
1.1.3 As a creditor, why do I need to work with Experian on this? Could I set an ECN up myself?	4
1.1.4 As a creditor, what contracts need to be in place in order for me to set up an ECN?	4
1.1.5 As a Contributor, could I join multiple ECNs?	4
1.1.6 What support do I as a Sponsor Creditor get in terms of building a membership base for my ECN?	4
1.1.7 Will there be a user group/forum for each ECN or a group across ECN to monitor use and development? If so, who has responsibility for controlling and setting these up?	5
1.1.8 As a Sponsor Creditor, how much will it cost me to set up my own ECN? How is the pricing structured going forward?	5
1.1.9 Will this ever develop into an Industry version? Is this the first step to a CAIS type environment?	5
2. THE PILOT	6
2.1.1 Who is involved in the pilot?	6
2.1.2 Why did Arrow Global become the pilot Sponsor Creditor?	6
2.1.3 What contracts need to be in place in order for me to contribute to PCB?	6
2.1.4 What happens to the addresses you store? Are they validated and can I get access to these?	6
2.1.5 What are the commercials of joining PCB? Who pays for what?	6
2.1.6 What audit rights and validation are built into the PCB processes?	6
2.1.7 What happens if two or more DCAs know the same customers?	6
2.1.8 Why are 3PDMs important to the system?	6
2.1.9 Why are IPs important to the system?	7
2.1.10 How will the pilot affect the industry solution?	7
3. CONSENT	8
3.1.1 From where does Experian get consent to hold the customer's information?	8
3.1.2 From where do debt collection agencies (DCAs) get customer consent?	8
3.1.3 From where do third party debt managers (3PDMs) get customer consent?	8
3.1.4 From where do IPs get consent?	8
3.1.5 Why are the fair obtaining clauses important?	8
4. LEGAL AND REGULATORY	9
4.1.1 Why do regulators care about this database?	9
4.1.2 How do regulators and industry bodies view the PCB?	9
4.1.3 Which regulators / bodies have you approached with this solution and what was the response?	9
4.1.4 Have the regulators specifically endorsed the product?	9
4.1.5 Can consumers request a data subject access request for PCB data?	9

5. TECHNICAL	10
5.1.1 Experian’s Infrastructure and process.....	10
5.1.2 What data do I need to provide?	10
5.1.3 Does the data supplied need to be at customer or account level?	10
5.1.4 How is the information stored?.....	10
6. CREDIT ACCOUNT INFORMATION SHARING (CAIS)	11
6.1.1 Does this include / can I get access to CAIS data?	11
6.1.2 Does the creation of this system lead to a reduction in motivation to improve CAIS data?	11
6.1.3 How is the information within the ECN different from CAIS?	11

1. Experian Collections Network (ECN)

1.1.1 What is an ECN?

ECN is a closed user group sponsored by a creditor or debt owner (**Sponsor Creditor**) and contributed to by third party debt managers (**3PDMs**), Insolvency Practitioners (**IPs**) and Debt Collection Agencies (**DCAs**) (together **Contributors**), which provides compliance benefits to the creditor through the identification of existing relationships between 3PDMs and/or IPs and/or DCAs, and customers.

1.1.2 As a creditor, why would I want my own ECN? What's in it for me?

By developing an independent ECN, a Sponsor Creditor would improve data accuracy and increase compliance through better 3PDM recognition, DCA selection and complaints avoidance. The Sponsor Creditor would also gain commercial benefits in the form of:

- Identification of additional 3PDM and IP relationships
- Reduction in collections costs
- Quicker DCA returns from better collections on matched accounts

1.1.3 As a creditor, why do I need to work with Experian on this? Could I set an ECN up myself?

As a licensed credit reference agency, Experian has the necessary permissions to be able to store and hold data from multiple sources for the use in trace and collections activity. Experian's advanced matching technology enables Experian to efficiently link consumers in the database. This ensures that when matching to the creditor portfolio, creditors have the relevant information to make appropriate DCA selections, improve data accuracy, recognise 3PDMs and IPs and reduce complaints.

1.1.4 As a creditor, what contracts need to be in place in order for me to set up an ECN?

- Non-disclosure agreement with the Sponsor Creditor and Contributor
- Standard contribution agreement between the Contributor and Experian
- Agreement between the Sponsor Creditor and the Contributor
- Agreement between the Sponsor Creditor and Experian.

1.1.5 As a Contributor, could I join multiple ECNs?

Yes. Contributors are able to join multiple ECNs. Contributors' data will only reside within ECNs that the Contributor contributes to. However Experian will work with Sponsor Creditors to facilitate reciprocity subject to compliance considerations and requisite consents and approvals.

1.1.6 What support do I as a Sponsor Creditor get in terms of building a membership base for my ECN?

Experian will support Sponsor Creditors in creating a suitable ECN such that the Sponsor Creditor and its contributors can work together to make appropriate DCA selections, improve data accuracy, recognise 3PDMs and IPs and reduce complaints. Obviously, the contributions to any ECNs will be at the discretion of the Contributors.

1.1.7 Will there be a user group/forum for each ECN or a group across ECN to monitor use and development? If so, who has responsibility for controlling and setting these up?

Experian will convene an appropriate industry forum across ECN groups to encourage dialogue around utilisation, performance and development of the ECN environment. The goal will be to promote data sharing and accuracy where compliant to do so.

1.1.8 As a Sponsor Creditor, how much will it cost me to set up my own ECN? How is the pricing structured going forward?

Pricing is determined by the size of the creditor account base, number of ECN contributors and utilisation of the database.

1.1.9 Will this ever develop into an Industry version? Is this the first step to a CAIS type environment?

Experian are facilitating the development of a community of ECNs. We would expect that any move to an industry version would be driven by the requirements of the community of ECNs. However, for the avoidance of doubt, any data sharing across ECNs or any industry solution will always be subject to the consents of the Sponsor Creditors and, where applicable, Contributors.

2. The pilot

2.1.1 Who is involved in the pilot?

Experian piloted the Experian Collections Network with Arrow Global as Sponsor Creditor with the support of 24 other participants under the name Pilot Collections Bureau (**PCB**).

2.1.2 Why did Arrow Global become the pilot Sponsor Creditor?

Arrow Global brought the concept to Experian for their support. Arrow Global sponsors the project financially and operationally.

2.1.3 What contracts need to be in place in order for me to contribute to PCB?

- Non-disclosure agreement with Arrow Global
- Standard contribution agreement between the Contributor and Experian
- Agreement between Arrow Global and the Contributor
- Agreement between Arrow Global and Experian
- Master Servicing Agreement between Arrow Global and the Contributor

2.1.4 What happens to the addresses you store? Are they validated and can I get access to these?

Stored addresses within PCB are used in the ETL process. Addresses submitted to PCB are private to PCB and are not directly transported into other Experian products or services.

2.1.5 What are the commercials of joining PCB? Who pays for what?

PCB is free to all contributors – Arrow Global is funding the pilot.

2.1.6 What audit rights and validation are built into the PCB processes?

The contracts between the parties as specified above in 6.1.3 contain the necessary audit rights and contractual assurances in regards to validation.

2.1.7 What happens if two or more DCAs know the same customers?

Arrow Global will work with the relevant DCAs with different 'tie breakers' to ensure that the consumer preference is honoured where possible.

2.1.8 Why are 3PDMs important to the system?

Consumers will nominate and appoint 3PDMs as their advisors and representatives; however this data is not captured in CAIS which leads to gaps in the data and knowledge. Arrow Global can use PCB data to identify and recognise 3PDMs at source before they are bypassed, thereby honouring the customers' letters of authority and reducing errors and unnecessary customer contacts/concerns.

2.1.9 Why are IPs important to the system?

IP data is publicly available however PCB offers enhanced matching to otherwise challenging to use public sources.

IP data is also important because the Experian matching technology is an effective verification tool when partnered with PCB data to verify insolvencies.

2.1.10 How will the pilot affect the industry solution?

Experian will leverage learnings from the pilot with Arrow Global to produce a development roadmap for an industry solution.

3. Consent

3.1.1 From where does Experian get consent to hold the customer's information?

Experian is permitted to hold the customer's information under the fair obtaining clause of the original credit agreement.

3.1.2 From where do debt collection agencies (DCAs) get customer consent?

There are two distinct sources of customer consent:

- The fair obtaining clause in the original credit agreement between creditor and consumer; and
- Creditor consent.

The Information Commissioner's Office (**ICO**) reviewed this consent issue and has determined that the fair obtaining clause is adequate from a data protection point of view.

3.1.3 From where do third party debt managers (3PDMs) get customer consent?

There are two distinct sources of customer consent:

- **The fair obtaining clause in the original credit agreement** - this provides consent to the customer's data being passed to third party organisations for credit, collections and other specified purposes.
- **The terms and conditions of 3PDMs' agreements** - the customer and their authorised representative have an obligation under the original credit agreement to provide accurate and up to date information to their creditors. The customer's agreement with the 3PDM enables the 3PDMs to liaise with creditors to manage and maintain the customers' accounts and, with written authorisation from the customer, allows 3PDMs to act as the sole point of contact for the customer's creditors.

3.1.4 From where do IPs get consent?

Any information contained in the insolvency register is publicly available information.

3.1.5 Why are the fair obtaining clauses important?

The fair obtaining clause represents the original consent in the original agreement between a creditor and its consumer, assignable to parties with legitimate business interests. Consent cascades from the original creditor through to all other subsequent owners of the debt that the consumer's information can be made available and used for the purposes of trace and collections.

4. Legal and regulatory

4.1.1 Why do regulators care about this database?

Regulator feedback has confirmed that using data matching products to improve data accuracy and customer recognition is a positive step for compliance with regulatory guidelines.

4.1.2 How do regulators and industry bodies view the PCB?

Regulators and industry bodies view the PCB as an effective way of complying with a number of areas of the OFT Debt Collections Guidelines 2011, including:

- Relevant information should be passed on, and appropriate due diligence performed, regarding customers with financial difficulties
- Verify the accuracy and adequacy of relevant data
- Verify identity of the customer before demands for payment made
- Keep the number of DCAs contacting the consumer to a minimum
- Litigation should be used as a last resort

4.1.3 Which regulators / bodies have you approached with this solution and what was the response?

Please refer to the compliance paper recently produced by Experian.

4.1.4 Have the regulators specifically endorsed the product?

No regulator will endorse specific products. However regulators have reviewed the product's details and are satisfied that the product delivers compliance benefits – please refer to the compliance paper recently produced by Experian.

4.1.5 Can consumers request a data subject access request for PCB data?

Yes. The PCB database is a data source and is included in the standard Experian Data Subject Access Request process.

5. Technical

5.1.1 Experian's Infrastructure and process

All technical information is available from Experian on request

5.1.2 What data do I need to provide?

Appendix 2 contains the current file specification document.

5.1.3 Does the data supplied need to be at customer or account level?

Data should be supplied at the account level. Experian will place this data into an Extended Transformation and Load (ETL) process which will clean and match the data at customer level. Providing the data at the account level will allow a more accurate representation of paying / non paying customers.

5.1.4 How is the information stored?

The data is stored in a secure server which adheres to Experian's standard security processes and procedures.

6. Credit Account Information Sharing (CAIS)

6.1.1 Does this include / can I get access to CAIS data?

The ECN solution does not include access to CAIS information. Experian can provide access to CAIS based on qualification through a series of bureau products.

6.1.2 Does the creation of this system lead to a reduction in motivation to improve CAIS data?

No. All CAIS contributors need to ensure that the most accurate data is submitted. ECN provides additional information to that which is provided by CAIS data.

6.1.3 How is the information within the ECN different from CAIS?

The current CAIS format does not collect the point of payment information required for the ECN to function properly.

The sources of ECN are a broader list of contributors including 3PDMs, DCAs and IPs who currently do not contribute to CAIS.

The data required for PCB is less than that required by CAIS and used for a narrower permitted purpose.

Finally, the issues addressed by PCB –the missing source of payment data and the new categories of contributors – would make achieving the ECN objectives via CAIS impractical.