



**Telecommunications  
Industry  
Ombudsman**

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Ombudsman

13 May 2013

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Dear Mr Paull

**Public Consultation: draft Credit Reporting Code**

Thank you for providing the Telecommunications Industry Ombudsman (TIO) with the opportunity to comment on the draft Credit Reporting (CR) Code.

We enclose our submission on the draft CR Code. In this submission, we have focussed our comments on the following:

- (a) an overview of TIO complaint statistics relevant to credit reporting and privacy issues in the telecommunications industry
- (b) our comments on the strengths of the draft CR Code
- (c) our general comments about the draft CR Code, and
- (d) our specific comments on a number of key issues in the draft CR Code.

In addition, my office has also prepared detailed feedback and suggestions on specific clauses in the draft CR Code. This is set out in **Attachment A** for your consideration.

If you require any further information, please contact David Brockman, the TIO's Executive Director – Industry, Community and Government, on 03 8600 8700.

Yours sincerely

Simon Cohen  
**Ombudsman**

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*"... providing independent, just, informal and speedy resolution of complaints"*

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Telecommunications Industry Ombudsman

# **Telecommunications Industry Ombudsman – Submission on the draft Credit Reporting Code**

May 2013



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## About the TIO

The Telecommunications Industry Ombudsman (TIO) is authorised under Part 6 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* to provide an independent alternative dispute resolution service for small business and residential consumers in Australia who have a complaint about their telecommunications services.

We aim to resolve these complaints quickly in a fair, independent and informal way, having regard not only to the law and to good industry practice, but also to what is fair and reasonable in all the circumstances. Before the TIO becomes involved in a complaint, the service provider is given an opportunity to resolve the complaint with its customer.

We are independent of telecommunications companies, consumer groups and government. Our services are provided at no cost to consumers.

For most complaints we receive, we establish the issues in the dispute and the resolution sought, and then refer the consumer or small business to a designated point of contact at their relevant telephone or internet service provider. The provider is given a final opportunity to resolve the matter directly with the consumer, without the TIO's direct involvement. Around 90% of complaints we receive each year are resolved at this stage of the process.

Where the consumer and service provider do not reach an agreement at this early stage, the TIO becomes more directly involved by seeking to conciliate an agreed resolution between the parties. Around 7% of complaints are resolved using this conciliation process.

Complaints that cannot be resolved by conciliation are escalated for formal investigation by the TIO. If the complaint remains unresolved after formal investigation and the TIO is of the view that it would be fair and reasonable to do so, the TIO can make binding determinations on a service provider up to a value of \$50,000 and non-binding recommendations up to a value of \$100,000 in respect of each complaint.

We record complaints according to service types – internet, mobile, landline and mobile premium services (MPS), and by the types of issues that these complaints present. These issues include connection delays, credit management disputes, contractual disputes, customer service/complaint handling and billing disputes. Every complaint involves at least one issue. Some complaints can involve multiple issues – for example, a complaint about a delay in rectifying a faulty landline service may also involve a claim that the consumer's complaint about this fault was not acknowledged or escalated (a complaint handling issue).

Further information about the TIO is available at [www.tio.com.au](http://www.tio.com.au).

## **TIO response to the draft Credit Reporting Code**

The TIO welcomes the opportunity to comment on the consultation draft of the Credit Reporting Code (the draft CR Code).

We view the draft CR Code, once registered and implemented, as integral to the overarching framework of privacy regulation in Australia. The substantive changes to credit reporting and to the collection, use and disclosure of personal information by the Privacy Amendment (Enhancing Privacy Protection) Act 2012 mean that more credit reporting information can be collected from individuals and shared within the credit industry. To this end, we support the measures and controls in the draft CR Code that:

- protect the privacy of individuals who are the subject of credit reporting, and
- promote the integrity of information relied upon by credit providers when determining eligibility for credit.

We have reviewed the draft CR Code in the context of the following factors:

1. Our response is from the perspective of an external dispute resolution scheme dealing with complaints made by residential and small business consumers about telecommunications providers.
2. To this end, the functions and powers of the TIO relate to receiving, facilitating resolutions of, investigating, making determinations or directions about, and reporting on complaints made to the TIO about privacy and credit reporting where these relate to services provided by members of the TIO scheme.
3. We have regard to the law, industry standards and codes – including the current Privacy Act 1988 and the current Credit Reporting Code – when we conciliate, investigate and resolve telecommunications complaints. The inherent value of these instruments is recognised across the TIO.
4. We have drawn on our experience and familiarity with handling privacy and credit management complaints from consumers to highlight a number of opportunities for improvement that can be made to the draft CR Code. We have focused on areas that if strengthened, would drive improved industry practices and better outcomes for consumers and credit providers.

We set out in this submission:

- (a) an overview of TIO complaint statistics relevant to credit reporting and privacy issues in the telecommunications industry
- (b) our comments on the strengths of the draft CR Code
- (c) our general comments about the draft CR Code, and
- (d) our specific comments on a number of key issues in the draft CR Code.

We trust that the information in this submission will assist in a final draft of the Credit Reporting Code.

## Complaints to the TIO

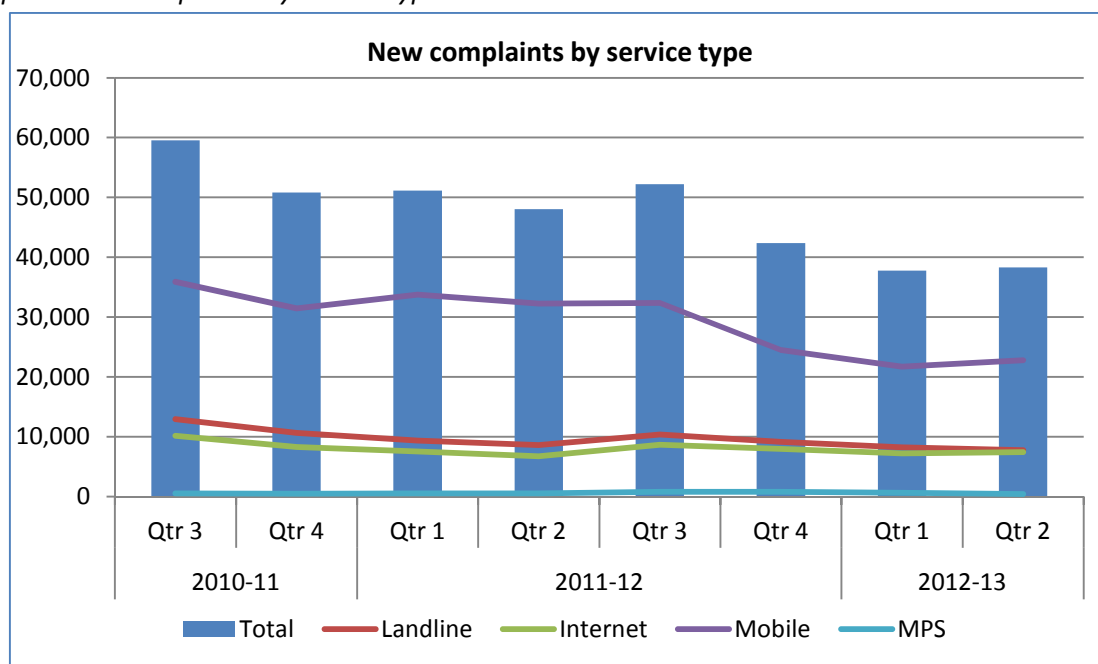
### Overall trends for new complaints

When a consumer – residential or small business – contacts us about an expression of grievance or dissatisfaction about a matter within the TIO’s jurisdiction that the service provider has had an opportunity to consider, we record this as a ‘new complaint’.

The TIO recorded and handled around 193,702 new complaints from small business and residential consumers in 2011-12. This compares with 167,772 new complaints recorded during 2009-10 and 197,682 in 2010-11. Over the first two quarters of 2012-13, we recorded more than 76,000 new complaints.

The graph below shows the breakdown of new complaints recorded by the TIO by service type – internet, landline, mobile and mobile premium services (MPS) – over the last eight quarters up to quarter 2 of 2012-13.<sup>1</sup>

Graph 1: New complaints by service type



### Main issues for new complaints

We record new complaints by the types of issues that these complaints present. These issues include connection delays, credit management disputes, privacy issues, contractual or transfer disputes, customer service/complaint handling issues and billing disputes.

<sup>1</sup> Details of TIO complaints data for the full financial year 2011-12 are available in the TIO’s 2012 Annual Report at [http://www.tio.com.au/\\_data/assets/pdf\\_file/0011/107975/TIO-2012-Annual-Report.pdf](http://www.tio.com.au/_data/assets/pdf_file/0011/107975/TIO-2012-Annual-Report.pdf). Details of TIO complaints data for quarter 2 of 2012-13 were released in the February edition of TIO Talks at [http://www.tio.com.au/\\_data/assets/pdf\\_file/0011/127865/TIO-Talks\\_No1\\_2013\\_FINAL.pdf](http://www.tio.com.au/_data/assets/pdf_file/0011/127865/TIO-Talks_No1_2013_FINAL.pdf).

Through 2011-12 and the first two quarters of 2012-13, customer service and billing and payments issues formed 23.9% and 19.2% respectively of the issues we recorded for new complaints. Issues relating to faulty services formed 17.9% while issues regarding complaint handling and contract disputes made up 14.5% and 9.6% respectively.

### **Credit management issues for new complaints**

#### ***General trends***

We record a variety of issues related to credit management including credit assessment, disputed default listings, over-commitment, the suspension and disconnection of services, and collection action over disputed debts.

Between January 2011 and December 2012, credit management issues formed on average, 10.6% of all issues recorded for new complaints. As Graph 2 below illustrates, we saw a continuous upward trend from January 2011 until December 2012 with credit management issues peaking at 13% of all new complaint issues in quarter 4 of 2011-12.

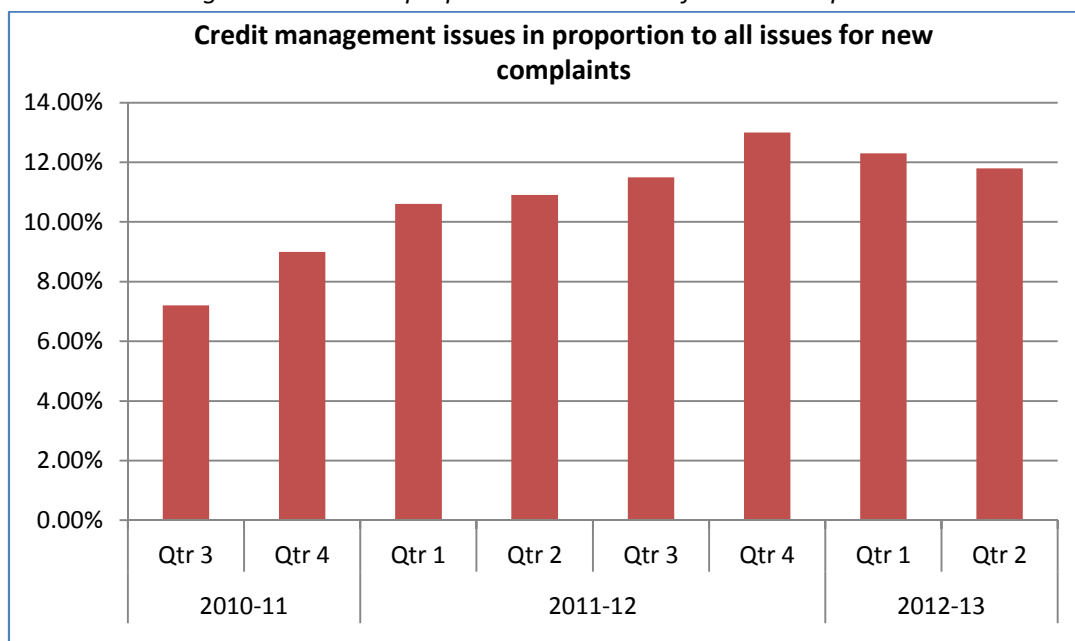
However, there has been a decline in recent quarters, with quarter 2 of 2012-13 dropping back to almost the same proportion of credit management issues received in quarter 3 of 2011-12. Some of the credit management issues that decreased in this period include:

- providers failing to negotiate or re-negotiate payment arrangements with consumers – these issues fell from 1,076 in quarter 4 of 2011-12 to 583 in quarter 2 of 2012-13
- credit defaults where the debt was disputed – these issues fell slightly from 1,022 in quarter 4 of 2011-12 to 908 in quarter 2 of 2012-13, and
- consumers not being notified prior to their services being suspended or disconnected – these issues fell from 1,514 in quarter 4 of 2011-12 to 891 in quarter 2 of 2012-13.

Notwithstanding these improvements, credit management issues continue to be an area of concern in new complaints to the TIO. Graph 2 illustrates the proportion of credit management issues recorded for new complaints over the past eight quarters up to quarter 2 of 2012-13.



Graph 2: Credit management issues in proportion to all issues for new complaints



### Issues about credit defaults

While the most common credit management issues in new complaints relate to over-commitment, the conduct of collections agents and the suspension or disconnection of services, issues about credit defaults are also common.

We capture complaint issues about the listing of credit defaults using the following categories:

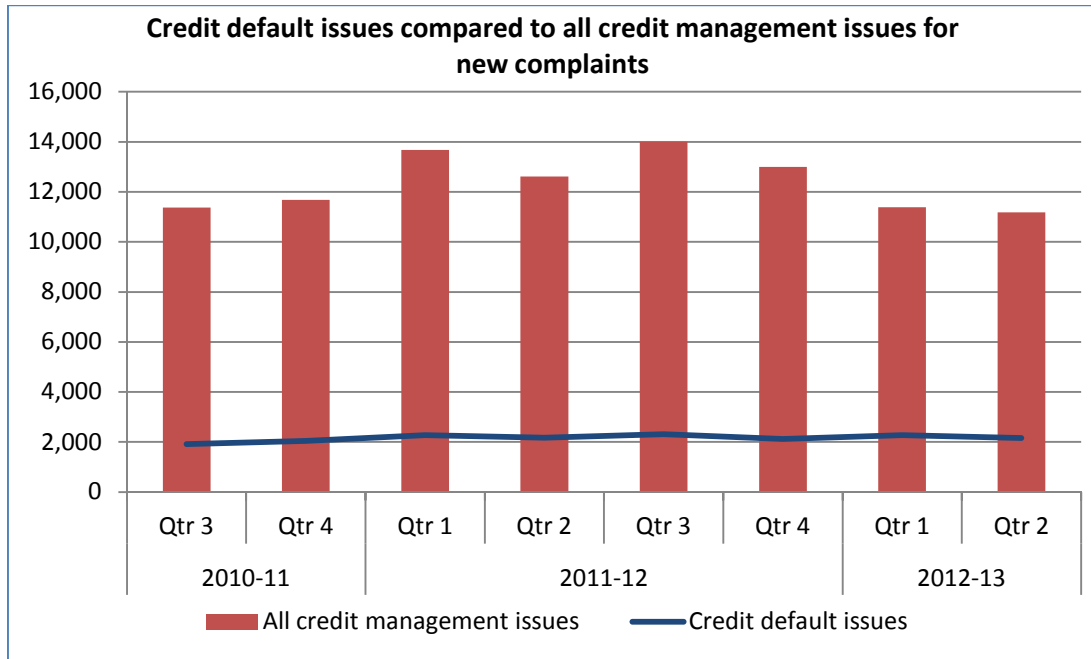
- *Credit default – disputed debt*: for example, where a provider lists a credit default in relation to a debt that is in dispute
- *Credit default – notification*: for example, a provider failing to warn the consumer that it was intending to list a debt with a credit reporting agency
- *Credit default – failure to update or remove*: for example, a provider's failure to update a credit default listing once payment has been made or organise its removal once a dispute has been resolved.

Providers of telecommunications services have an obligation to follow specific rules – as outlined in the Telecommunications Consumer Protections (TCP) Code 2012 and the current Credit Reporting Code – prior to listing a default against a consumer<sup>2</sup>. We often receive complaints where providers have failed to comply with these rules and, as a consequence, consumers may be unaware that a credit default has been listed against their name until sometime later. Delays in resolving disputes regarding credit defaults can cause significant detriment to consumers as they may not be able to obtain credit while the default remains in place.

<sup>2</sup> In addition, the TIO issues a number of position statements which outline our general approach to particular types of complaints and what may be fair and reasonable outcomes to these complaints. See, for example, the position statement on Disputed Default Listings at [http://www.tio.com.au/\\_data/assets/pdf\\_file/0014/9032/DISPUTED-DEFAULT-LISTINGS.pdf](http://www.tio.com.au/_data/assets/pdf_file/0014/9032/DISPUTED-DEFAULT-LISTINGS.pdf).

Graph 3 illustrates the issues recorded about credit defaults compared to all credit management issues for new complaints over the past eight quarters up to quarter 2 of 2012-13. As indicated in the graph below, issues relating to credit defaults have remained steady at around 2,100 issues on average each quarter over the past eight quarters.

Graph 3: Credit default issues compared to all credit management issues for new complaints



### Privacy issues for new complaints

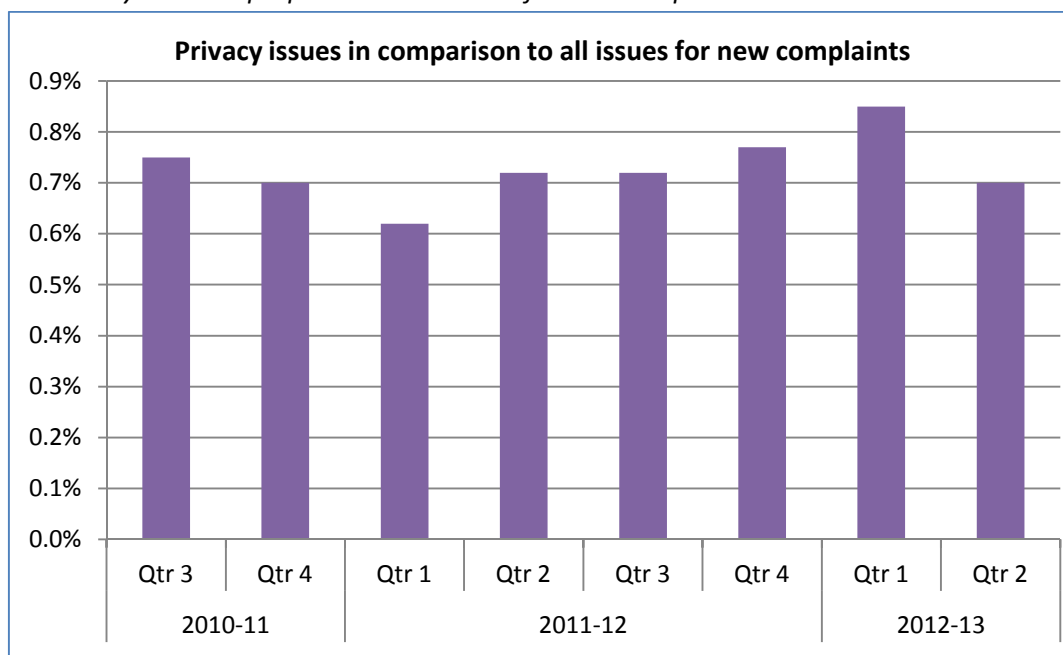
#### General trends

We record several issues related to privacy including the collection of personal information by providers, a consumer’s access to this information, the accuracy of the information collected, and its disclosure. Other issues surrounding unwelcome communications and telemarketing are also recorded by the TIO.

Between January 2011 and December 2012, privacy related issues made up 0.73% of new complaint issues recorded by the TIO. During this time, the TIO has seen a decrease of 39% in privacy issues recorded for new complaints, with around 1,200 issues recorded in quarter 3, 2010-11 compared to around 730 issues recorded in quarter 2, 2012-13.

Graph 4 illustrates the proportion of privacy issues recorded for new complaints over the past eight quarters up to quarter 2 of 2012-13.

Graph 4: Privacy issues in proportion to all issues for new complaints



#### **Issues about consumer personal information**

We record new complaints about privacy issues surrounding a consumer’s personal information. We capture these issues using the following categories:

- *Consumer personal Information – access/accuracy:* where access to information is denied or information held by the provider is inaccurate
- *Consumer personal information – collection:* where information collected, stored or disposed of in a manner that is contrary to what is set out in the Privacy Act or relevant codes
- *Consumer personal information – disclosure: other information:* where there has been disclosure of personal information related to a consumer’s account (other than an unlisted number). This may include where a provider’s representative is alleged to have used a consumer’s personal information for a purpose other than what it was provided for.

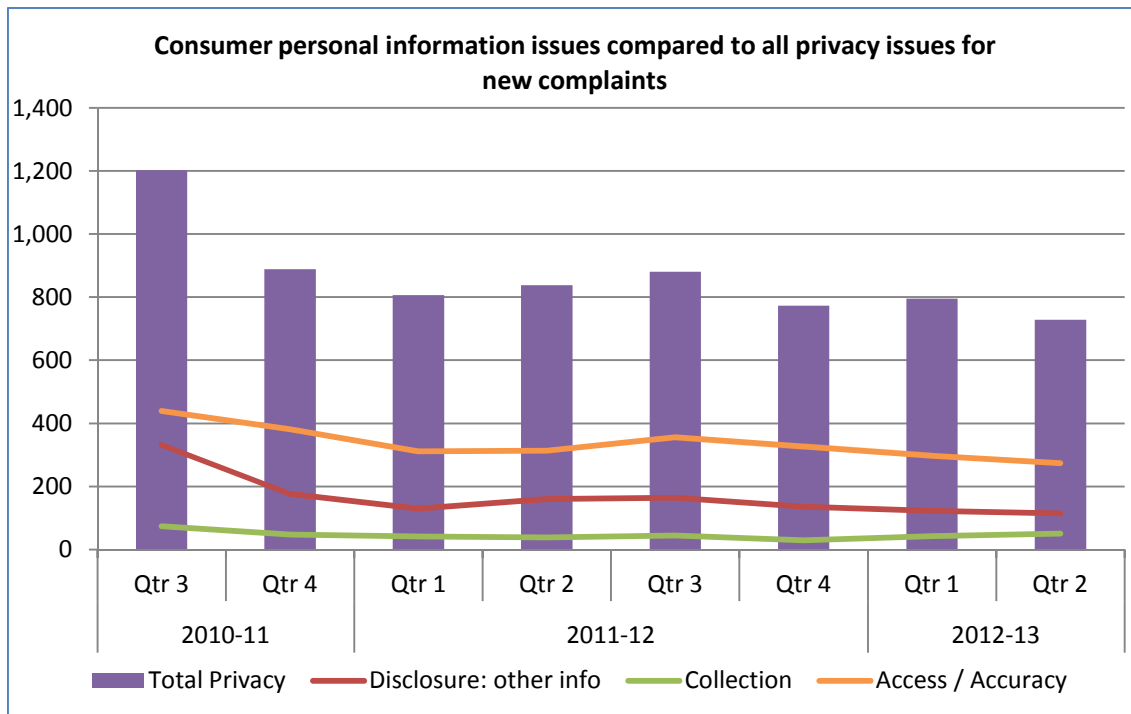
We note that over the period from January 2011 to December 2012, around 40% of all privacy complaint issues related to consumers accessing their personal information and the accuracy of this information. These issues commonly relate to a provider’s records not being correctly updated – often in relation to when consumers move address.

These issues can lead to more serious complaints such as problems with consumers not receiving bills or notifications of credit management, potentially leading to increased financial hardship as additional fees are added to original debts.

Issues regarding the improper disclosure of personal information are the second most common new complaint issue the TIO captures in respect of privacy.

Graph 5 illustrates the issues recorded about customer personal information compared to all privacy issues for new complaints over the past eight quarters up to quarter 2 of 2012-13.

Graph 5: Consumer personal information issues compared to all privacy issues for new complaints



### Strengths of the draft CR Code

We would like to acknowledge the significant effort and work that has gone into the review, consultation process and development of the draft CR Code. We also appreciate the opportunity given to the TIO and other external dispute resolution schemes by the code developers to attend workshops about the design, development and scope of the draft CR Code.

The draft CR Code as a whole represents a major step forward and we acknowledge a number of strengths in the draft CR Code in comparison to the existing Credit Reporting Code, including the following:

1. The design of the draft CR Code:
  - The topic by topic approach has an introductory section that outlines its intent. This provides useful information and improves accessibility of the draft CR Code.
  - The source references for each topic or clause with the relevant sections of the privacy legislation or other instrument improves the usefulness and ease of understanding of the draft CR Code.
  - The Explanatory Notes to each topic and clauses in the draft CR Code are a useful way to provide guidance and clarification to credit providers and credit reporting bodies as they navigate and implement the CR Code.

2. The introduction of requirements for the training of staff employed by credit reporting bodies and credit providers (clause 2.3 of the draft CR Code) will ensure that they are aware of and understand the obligations set down in the CR Code.
3. The inclusion of the rule that prevents credit providers disclosing an overdue payment as default information to a credit reporting body in the event the consumer has sought financial hardship assistance (clause 9.1 of the draft Code).
4. Providing clarity to the term 'payment information' as defined in the Act (clause 10.1 of the draft Code). This ensures that credit providers, credit reporting bodies and consumers have a greater understanding of what constitutes a payment and when this information can be disclosed.
5. The ability for consumers to obtain a free credit report at least once every 12 months, when a credit provider has denied an application for credit and when a credit provider or credit reporting body has made a correction to credit reporting information (clause 20.3 of the draft Code). We consider that consumers should be able to access their credit reports without charges being incurred if they have had a credit application rejected or if their credit information has been corrected. This enables a consumer to check the veracity and accuracy of the information contained in their credit information and, if necessary, request corrections or alterations which may reverse a credit provider's original decision.
6. The ability for a consumer to have default information removed in extenuating circumstances (clause 21.5 of the draft Code). Consumers may face circumstances that are beyond their control due to natural disaster, illness or error on the part of their credit provider which can place them in difficulty. To add a credit default in such situations can only exacerbate their circumstances. As such, we consider the ability for a consumer to have default listings removed in these instances to be a positive step for all parties.

We believe that the above areas are improvements on the current CR Code and will deliver improved outcomes for consumers and credit providers if there is strong commitment and adherence to these requirements by all credit providers and credit reporting bodies.

## **General comments on the draft CR Code**

### **Structure and scope**

There are several areas where we believe the structure and cohesiveness of the draft CR Code could be further improved. We offer the following broad suggestions:

- (a) We suggest that clarification be included in the Introductory Statement to the draft CR Code about the interrelationship between the principles of the Privacy Act and the rules of the Code to aid in its interpretation and use. More specifically, we suggest that the draft CR Code might specify the objectives of the credit reporting system and promote adoption within credit providers of a culture consistent with the objectives, in addition to compliance with the prescriptive rules.

(b) It is unclear whether certain provisions in the existing CR Code will remain in the revised Code – where these provisions contain important safeguards. Some examples are outlined below.

- Clause 1.6(b) in the current Code indicates that “*adequate facilities*” must be available for responding to requests for access to credit information. Clause 3.1 of the draft CR Code simply states that a policy regarding the management of credit reporting information be published on a credit reporting body’s website. The draft CR Code could include a requirement for the policy to outline specific procedures, including providing “*adequate facilities*” to respond to requests for access to credit information – for example, how a credit reporting body may cater to the needs of individuals who may require assistance when seeking access to their credit information.
- Clauses 2.17 and 2.18 of the current CR Code state that where a credit provider is requested by an individual’s agent to disclose “*personal information relating to the individual’s credit arrangements*” it must be satisfied that the agent has the “*specific written agreement of the individual*” and that the information to be provided is that only “*permitted under the scope of the individual’s written agreement.*” Clause 20.1 of the draft CR Code does not prescribe the necessity for these measures and the explanation attached to this clause only indicates that the Explanatory Notes *could* provide such guidance. We consider that these provisions should remain within clause 20.1 of the draft CR Code to ensure that there is no room for error when credit reporting bodies and credit providers are supplying information either to individuals directly or to their agents.
- Clause 2.7(b) in the current CR Code only allows a credit provider to list an overdue payment with a credit reporting body if a *written* notice was sent to the *last known address* of the individual. The new provisions in the draft CR Code make no reference to whether this would still be required and lacks clear guidance on where the notice should be sent. We consider that this provision should be included and indeed, updated to reflect the manner in which consumers now receive information from their credit providers. For example, if a consumer normally receives invoices via the post, then the written notice should be issued in the same manner. However, if they receive information or invoices through email, the credit provider should ensure that this is also available.

(c) In order to facilitate understanding of which provisions from the existing Code have remained in the draft CR Code and which have been removed, we suggest that a concordance table accompany the draft CR Code. Any existing provisions which have been removed from the draft CR Code may include an explanation as to why they have been removed or replaced.

### **Accessibility**

We note that the language and structure of the draft CR Code is somewhat complex. We acknowledge that this is unavoidable given that the draft CR Code needs to be consistent with the language and structure of the relevant provisions of the amended Privacy Act. However, this

complexity may make it difficult for consumers, credit reporting bodies and credit providers (including their employees) to understand and use the Code.

We suggest that once the draft CR Code is finalised and registered, a simplified outline or summary of the Code is made publically available. This would improve accessibility of the Code and its usefulness to consumers and credit reporting bodies/credit providers.

### **Internal and external dispute resolution**

A robust and effective internal dispute resolution (IDR) process within credit reporting bodies/credit providers lends transparency, accountability and trust in the credit reporting framework. Early identification and resolution of credit reporting disputes also ensure that any problems with the credit reporting body/credit provider's systems, processes and practices can be quickly addressed.

There are occasions when even the most comprehensive IDR process will not deliver resolution of disputes. It is at this point that prompt referral to an external dispute resolution (EDR) mechanism can assist. A well-functioning IDR process should feature explicit advice about the individual's rights to go to the relevant EDR scheme for assistance. Prompt referral will encourage early resolution of the complaint and better outcomes for both the credit reporting body/credit provider and the individual.

We note that there are a number of 'touch-points' within the draft CR Code where complaints from individuals are likely to arise. We further note that a few of these touch points make reference to internal or external dispute resolution processes while others are silent, for example:

- disclosure of default information when there is hardship (clause 9.1 of the draft CR Code)
- disclosure of default information where the notification may be non-compliant (clause 9.2 of the draft CR Code), and
- the right to access credit reporting or credit eligibility information free of charge (clause 20.3 of the draft CR Code).

We suggest that for these touch points where disputes are likely to arise, reference to internal and external dispute resolution should be included in these clauses. In addition, we suggest that this includes reference to an individual's right to go to a recognised external dispute resolution scheme for help to resolve their complaint free of charge.

### **Specific comments on the draft CR Code**

#### **Key issues about the draft CR Code**

We have considered the key issues that have been raised in the Consultation Paper for the draft CR Code. We understand that these key issues have emerged from the various stakeholder consultations undertaken during the development of the draft CR Code. We agree that concerns regarding these matters will need to be addressed prior to the registration of the CR Code. Our specific comments on several of these issues – in so far as they relate to the telecommunications industry – are outlined below.

***Preconditions to a default listing***

We have concerns regarding the ambit and overall fairness of clauses 9.2 and 9.3 of the draft CR Code around default information. We understand that the intention behind these clauses is to prevent confusion for individuals and credit providers and that the amount to be listed as a default is up to date and accurate.

However, we are concerned that clauses 9.2 and 9.3 could be inherently unfair – particularly in the event of an acceleration clause being in play. We also have concerns that these clauses go beyond the intent of section 6Q of the amended Privacy Act which make reference to ‘a payment’ that is at least 60 days overdue.

The TIO has long taken the view that credit providers must ensure that the necessary processes and procedures are followed prior to a default being listed. If a credit provider has undertaken all reasonable actions to recover a debt, then it is entitled to refer a default to a credit reporting body. In the case of telecommunications services, a contractual arrangement is usually still in place at the time a payment may be overdue which – if unpaid – can lead to the disconnection of the service and early termination fees being applied. Consistent with the provisions of the amended Privacy Act, we require the unpaid amount to be overdue for at least 60 days before it is listed by the credit provider with the credit reporting body.

We do not consider it good industry practice for a telecommunications provider or any other credit provider to include subsequent charges – such as early termination fees – in a default listing on the basis that these amounts are now due and payable at the time of the listing. If the amount due as a result of an acceleration or similar clause is not overdue for at least 60 days at the time of disclosure, the full amount should not, in our opinion, be disclosed. In our view and on a careful reading of section 6Q of the amended Privacy Act, the only amount that should be default listed is any payment that is overdue for at least 60 days.

If the approach proposed in clauses 9.2 and 9.3 of the draft CR Code is taken, we believe this would unfairly penalise the individual and is not necessarily an accurate reflection of the debt the default relates to. We believe that this will lead to more complaints about disputed defaults and corrections as individuals may consider that a default is listed for a certain amount, only to discover that a completely different amount is listed.

***Refusal of credit – disclosure in notification letter***

We understand that sub-clause 17.3(e) of the draft CR Code requires generic information to be provided in the refusal of credit notification to the individual – rather than information about the specific factors that led to the particular individual’s credit application being refused. We acknowledge that it will be useful for individuals to have general information in a refusal of credit notification to help them understand the general factors that may have been taken into account when a credit provider assessed an application for credit.

However, we also consider that it would be useful for individuals to have more specific information about the reasons for which their application for credit has been refused.



We note that the Explanatory Memorandum (page 175) to section 21(P)(2) of the amended Privacy Act suggests that the draft CR Code should include the obligation to notify the individual about which *elements* of the individual's credit eligibility information may have led to the refusal of credit. In this regard, we note that credit eligibility information includes credit reporting information (credit information and CRB derived information) and CP derived information (which could include the credit provider's credit scores). We further note that sections 20R/21T and sections 20T/21V of the amended Privacy Act give individuals the right to respectively access or correct their credit eligibility or credit reporting information and derived information.

As such, we suggest that clause 17.3 of the draft CR Code should include an obligation for the credit provider to explain what elements of the individual's credit eligibility information – for example whether this was the credit reporting information, CRB derived information or CP derived information – that may have impacted on the credit provider's decision to refuse credit.

This could help an individual take the necessary steps to access or seek the correction of their credit eligibility or credit reporting information and derived information if there are any errors or incomplete information. In providing both generic and specific factors that led to the refusal of credit, credit providers are less likely to have protracted disputes regarding refusal of credit and consumers will have a greater understanding of how the decision has been reached.

In addition, we suggest that sub-clause 17.3(f) of the draft CR Code requires credit providers to include in the written notice of refusal, information that explains the individual's right to access or correct credit eligibility information and how to make a complaint (including reference to the recognised external dispute resolution scheme), instead of only making reference to the credit provider's access and correction processes and complaint processes.

#### ***Access to a free credit report from a credit reporting body***

We support the clause in the draft CR Code which enables a consumer to obtain a credit report once every 12 months, when a credit provider has denied an application for credit and when a credit provider or credit reporting body has made a correction to credit reporting information (clause 20.3(a) of the draft CR Code).

In addition, we consider that consumers should be able to access their credit reports free of charge if they have a dispute about their default listing or the underlying debt that relates to the default listing. In our experience, a consumer may need to access their credit reporting information several times in the course of a disputed default listing – initially when they first find out about a default listing, then when they seek to try to resolve their dispute directly with the credit provider and again if they seek assistance to resolve their dispute from a third party or a recognised external dispute resolution scheme. We suggest that clause 20.3(a) of the draft CR Code includes a requirement that an individual can access their credit reporting information free of charge when they dispute a default listing or when there are extenuating circumstances such as financial hardship.

We also suggest that clause 9 of the draft CR Code (on default information) includes a requirement for credit providers and credit reporting bodies to give information about the right to access a free credit report if an individual disputes a default listing.

We further consider that accessibility of a free credit report is vital and as such, prominent headings should be clearly visible on credit reporting bodies' websites or in their printed information to ensure that consumers have an awareness of their right to obtain a copy of their credit report without incurring charges. We suggest that the code developers consult with financial counsellors and other representative groups to identify ways to promote consumer awareness about access to a free credit report.

***Credit reporting body membership of a recognised external dispute resolution scheme***

We support the inclusion of a requirement for credit reporting bodies to be members of a recognised external dispute resolution scheme. Consumers should have the ability to have disputes resolved internally with a credit reporting body. Consumers should also have the ability to gain access to the appropriate external dispute resolution body if their complaint remains unresolved. A requirement for credit reporting bodies to obtain membership of a recognised external dispute resolution scheme will ensure appropriate outcomes will be achieved.

***Credit provider membership of a recognised external dispute resolution scheme***

We acknowledge that the issue of credit providers becoming members of external dispute resolution schemes where there may not be a recognised scheme for a particular industry, may be problematic. However, the TIO supports the principle behind credit providers becoming members of external dispute resolution schemes and sees the benefit of this being adopted. Such a requirement will ensure that every consumer has an external avenue of redress if required.

**Clause by clause feedback**

My office has prepared detailed feedback and suggestions on specific clauses in the draft CR Code. This is set out in **Attachment A**.