

Data Sharing and Trace Searches with Credit Reference Agencies

What is a Credit Reference Agency?

Credit Reference Agencies ("CRAs") are companies that collect and store information about consumer payment behaviour, (e.g., how you have maintained your credit and utility accounts) which is reported by many different organisations, including utility companies like us. They also use information from public sources like county court judgments, the Electoral Roll, and bankruptcy and insolvency data. The three main consumer CRAs in the UK are Equifax, Experian and TransUnion.

How we work with CRAs and how your personal data will be used by them

We will share your details with one or more CRAs (in particular your personal data including: name, address, date of birth, account information relating to balance payment history and defaults). This means that we will share your personal data with them and the payment status of your account (both when you do and do not pay on time), and they will give us information about you so that we can understand your ability to pay. It is really important that you let us know if any of your personal data changes so that we can update our records and contact you if we need to.

CRAs may supply the information we and other organisations provide to them about you to others. Information obtained by lenders from CRAs, about potential borrowers, is used to decide whether to offer credit. It is also used to verify the identity, age and residency of individuals, to identify and track fraud, to combat money laundering and to help recover payment of debts. Government bodies may also access this credit data to check that individuals are entitled to certain benefits and to recover unpaid taxes and similar debts.

CRAs can also help us try to trace you if you have moved and we owe you money, or you owe us money. They may also provide information to help us identify who is liable for our charges at a property we supply, so that we can take steps to get in touch or set up a billing account to obtain payment.

How do we use information obtained from CRAs about you?

We use your personal data on its own, in an aggregated anonymous form, or mixed with publicly available demographic information to summarise your payment management activity. We do this to:

- ensure the accuracy of our records, populate your details, carry out an identity and verification check;
- ensure we deliver the best possible service to you (ie. favourable tariffs that you may qualify for);
- use the right method and right message to communicate with you;
- understand how you use water to help our business planning and to keep you informed about your water usage; and
- identify service disruption that may affect you

If your account is in arrears, we will use the information we collect from CRAs to profile you (so that we can better understand your payment patterns). This includes:

- the use of statistical analysis;
- credit scorecards;
- payment trends;
- behaviour analysis; and
- aggregated and anonymised demographic information in your area (eg.: age, gender, marital status, income, and employment).

We do this so we can manage your account and find the best possible solution that fits your circumstances.

We will also verify your income upon application for an affordability scheme (these searches will leave a 'footprint' on your credit file (ie. a record which lasts for two years which only you (the customer) and the CRAs can view). We also use information obtained from CRAs to make decisions regarding your account, your ability to pay and to enhance the effectiveness of our collections processes. Further information about data sharing can be found on our website at:

<https://corporate.dwrcymru.com/en/legal-privacy/privacy-policy>.

We will disclose information obtained or provided to CRAs where we are required to do so by a court order or when we are specifically required to do so by law (eg. on request from the Department of Works and Pensions for certain purposes or where requested from law enforcement agencies for the purposes of detecting and/or preventing crime).

How we share information with CRAs

We share information about you and how you manage your account and payments on all new and existing accounts with CRAs. We share information with CRAs regarding the way in which you conduct your account with us (eg. payment behaviours, such as whether you pay and/or keep up to date with agreed payment arrangements). If you fail to make an agreed payment arrangement, miss payments, or make late payments we will share this information with the CRAs.

Each month we will automatically share your account balance and a status reflecting your payment behaviour with the CRAs in the following way:

- If you pay your bills on time, we will share a status of '0' along with your account balance which tells the CRA and any lenders viewing your credit report that you are up to date with your payments to us and the amount you owe (£).
- If your bill is overdue by at least 1 month and we subsequently agree an arrangement to pay with you (which is an affordable amount for you but which will not clear your arrears) we will report the overall account balance, whilst reporting a status to represent the age of the balance (ie. a status "1" represents it is overdue by a month or more, "2" for 2 months or more and so on up to 6 so the markers will continue to increase). However, the credit report will show you are making payments as the balance outstanding will reduce each month and we share a status of 'I' indicating an 'arrangement to pay' with the CRA (as we do with any payment plan which is not sufficient to clear arrears).
- If you have an unpaid debt following a move from your property but continue to make some payments without an agreed payment plan or do not make any payment, the months in arrears indicator will continue to increase each month that the total balance remains unpaid. However, the outstanding balance will reflect any payments that have been made.

We are also permitted to notify a default to the CRAs which will escalate the status of your account to an '8'. An account can be notified as being in default once a debt is three months overdue; has been included in a bankruptcy, CCJ, Individual Voluntary Arrangement or similar, or is in arrears, or you have left your address without notifying us. Prior to a default being registered you will receive written notification (to the address we have on our records for you) which includes a deadline date by which you need to make the required payment or set up an agreed arrangement with us. If you do not make payment by the due date shown on the letter, we will then notify a default to the CRAs. A default will remain on a credit report for a period of six years but, once the debt has been paid, it will be marked as satisfied.

How could data sharing affect me?

Where agreed payments are made on time the sharing of information about the regular payment of water bills will contribute positively towards building a credit history, particularly for customers who make limited use of credit services. However, lenders also use the balance outstanding to calculate total levels of debt owed and this could impact your score if you have high levels of debt.

The reporting of late payment or non-payment is likely to negatively impact your credit rating and ability to obtain credit or access services. Generally, a higher number has a more detrimental impact on a credit score.

What should I do if I think Welsh Water has shared incorrect data?

If you think Welsh Water has made a mistake that is affecting your credit report, contact us on **0800 052 0145** or use our Live Chat service. Alternatively, you can raise a dispute by visiting the relevant CRA's website or contacting them directly on:

TransUnion

One Park Lane
Leeds
LS3 1EP

0330 0247574
consumer@callcreditgroup.com

Experian

PO Box 9000
Nottingham
NG80 7WP

0344 481 8000
consumer.helpservice@uk.experian.com

Equifax

PO Box 100436
Leicester
LE3 4FS

0800 0142955

Find out more about credit and CRAs in the Information Commissioner's guide; 'Credit Explained': <https://ico.org.uk/your-data-matters/credit/> You can also get more detail on the CRAs and the way they use and share Personal Data in the Credit Reference Agency Information Notice (CRAIN) by clicking here.

Frequently Asked Questions

When do we default a customer?

If a customer has been in arrears of more than £50 for between 90 and 120 days, and is not on an agreed arrangement with us, then we will issue a Notice of Intention to default letter.

After sending the intention to default letter, if the customer doesn't pay the full outstanding amount within 28 days, or agree a payment arrangement with us, then their account will be defaulted with the CRA and will show that the entire balance is due.

How can I avoid a default?

The simplest way to avoid a default is to pay the outstanding debt in full. Alternatively, you could set up a payment plan but it's important you stick to that because, if you break the payment plan, the default will be registered.

I have an arrangement with a Debt Collection Agency, why have you defaulted me?

An account must be at least 90 days in arrears to be sent to a DCA and therefore qualifies for a default. The account has been sent to the DCA because we have been unable to engage with you to make payments directly to us.

A default has been registered and it's impacting my ability to get credit, how do I get it removed?

We are required to ensure that the data we supply to the CRAs is accurate and up to date, therefore, we cannot remove or amend data where it is factually correct. Other companies use the data that's shared to make credit decisions (serious decisions regarding creditworthiness are made based on the information held by the CRAs)

I have paid the Default amount in full, what happens now?

The default will show as satisfied with the CRA. This means that anyone looking at your credit file will know that the debt has been paid.

Who controls what such agencies are allowed to do with my data?

All organisations that collect and process personal data are regulated by UK Data Protection Law and the Information Commissioner's Office ("ICO"). All Credit Reference Agencies are in regular dialogue with the ICO. Use of the Electoral Register is controlled under the Representation of the People Act 2000.

How long does a default or late payment marker remain on my credit file?

A default or late payment will remain on your credit file for six years.

Will my credit report still be affected even after I have moved out?

Yes, if you have a balance outstanding when you leave a property, we will continue to report to CRAs until the balance is cleared. If unpaid, we could still default you (even if you no longer live at the relevant property).