The Manager

Financial Services Unit

Financial System Division

The Treasury

Langton Crescent

PARKES ACT 2600

Friday 23 February 2017

**Exposure Draft** ***National Consumer Credit Protection Amendment (Mandatory Comprehensive Credit Reporting) Bill 2018***

We welcome the opportunity to provide comments on the exposure draft of the *National Consumer Credit Protection Amendment (Mandatory Comprehensive Credit Reporting) Bill 2018* (Cth) (“the Bill”).

MoneyPlace is an Australian marketplace lender that has operated since 2015. We hold both an Australian Financial Services Licence and an Australian Credit Licence and have been active in promoting best practices in the marketplace lending space. MoneyPlace was one of the first credit providers to supply comprehensive credit information to the three main credit reporting bodies in May 2017, including repayment history information dating back to September 2016.

MoneyPlace is a member of the Australian Retail Credit Association (“ARCA”) and our staff sit on several of ARCA’s working groups, including those concerning hardship, repayment history information and consumer education.

MoneyPlace broadly endorses ARCA’s submissions to this consultation, but also wishes to make the following comments on the Bill:

1. **133CR Initial bulk supplies of credit information—requirements**

It has been noted that section 133CR(2) could be read as meaning a licensee could provide incomplete portfolios (e.g. mortgages, personal loans, credit cards) of credit accounts to achieve the 50% of eligible credit accounts requirement. For example, providing 40% of credit card accounts could mean the overall 50% credit accounts contribution is met, assuming the licensee has other credit products to contribute at a later stage.

It would be helpful if the provision was restated in the positive to say complete portfolios must be submitted to credit reporting bodies.

1. **133CS Initial bulk supplies of credit information—exceptions**

It has been noted that an exception exists for repayment history information (RHI) that is older than 3 months.

The RHI component allows for a rolling 24-month payment status to be recorded on credit accounts which provides a detailed view of past and present credit account payments by the consumer. To ensure maximum value to the industry, it would be helpful if this provision was restated to ensure the last 12 months – of RHI is provided rather than the prior 3 months. The exception being for credit providers who have been operating for less than 12 months and therefore contribute data to the first available month.

1. **133CV On disclosure of information supplied under Division 2**

It could be interpreted that section 133CV(3) opens up the possibility of multiple data sharing models between credit providers and credit reporting bodies, outside of the Australian Retail Credit Association (ARCA) Principles of Reciprocity and Data Exchange (PRDE).

In our view, creating a framework that enables the on-supply of big 4 bank PRDE data could severely undermine the PRDE that industry has established together with ARCA. Disparate data sharing agreements outside of the PRDE will lead to significant consequences for small credit provides like MoneyPlace. The expectation being that the PRDE would help to ensure there is a ‘level playing field’ in regards coverage, quality and depth of comprehensive credit reporting information that can be leveraged to help ensure responsible lending obligations are achieved.

We would welcome the opportunity to discuss our submissions further.

Kind regards,

Paul Abbey

Chief Risk Officer