

20 October 2014

Nerida Caesar  
Chief Executive Officer  
Veda Advantage Ltd  
Level 15, 100 Arthur Street, North Sydney, 2060

CC. Karen Toohey, Assistant Commissioner at Office of the Australian Information Commissioner  
CC. Matthew Strassberg and Margaret O'Connell, Veda.

Dear Nerida,

**RE: The Veda Paid Credit Report and VedaScores**

We wish to raise two complaints with Veda being about the paid Veda credit report and the failure to include the credit score in the Veda free credit report.

For the sake of clarity, we note that we consider the issues raised to be of broad public interest and do not intend to keep this letter confidential. We contend that the public needs to be aware of the issues raised.

The paid report from Veda

The current cost of a paid credit report from Veda is \$79.95.

The CR Code states at s.19:

*Part IIIA obliges CRBs and CPs to provide access on request by an individual to **credit reporting information** held about the individual and to do so within a reasonable period (in the case of a CRB this cannot be longer than 10 days). A CRB is not permitted to charge for access if the individual (whether directly or through an agent) has not made a request for access within the preceding 12 months. If a request has been made within the preceding 12 months, the CRB may impose a charge but this must not be excessive.*

We contend that:

1. A CRB is not permitted to charge for access if the individual (whether directly or through an agent) has not made a request for access within the preceding 12 months; and
2. The cost of the Veda paid credit report is excessive and unreasonable.

1. A CRB is not permitted to charge for access if the individual (whether directly or through an agent) has not made a request for access within the preceding 12 months

Veda is charging for access to a credit report even when the individual has not requested a credit report in the previous 12 months. Veda does not check for this in the process of requesting the paid credit report or ask for details about when a credit report was last obtained.

When users click on the 'Buy Now' red button at the top of Veda's 'mycreditfile' website they are taken directly to the form that they need to fill out in order to receive their paid credit reports. We contend that according to the CR Code there should be a 'prominent' statement about a user's right to a free credit report that pops up immediately upon clicking 'Buy Now' or at the very least, before they are asked to enter their credit card details. Many consumers would not be aware of their right to a free credit report and would simply click on the 'Buy Now' option without further navigating Veda's website. Section 19.3(a) clearly intends for information about free credit reports to be prominently stated before a consumer is asked to pay for this 'significant kind of personal information.' Please see attached screen shots on the process for obtaining a paid credit report online from Veda.

We contend that Veda is in breach of this requirement since the introduction of the CR Code. We contend that an audit is required and any individual who has paid for a credit report when s/he has not accessed a credit report in the previous 12 months must be refunded the fee.

We refer to the explanatory memorandum on s. 20R which supports the above position:

s 20R:

*Subclauses (5) and (6) deal with access charges and requires credit reporting bodies to provide individuals with free access to their credit reporting information once every 12 months, on request of the access seeker. Subclause (5) states that the credit reporting body must not charge an access seeker for making a request or for access if a request has not been made to the body in the previous 12 months. Subclause (6) provides that, if subclause (5) does not apply, any charge by the credit reporting body for giving access must not be excessive and must not apply to the making of the request. This is the same test that applies under APP 12.8.*

*It is considered that credit reporting information is a particularly significant kind of personal information. As credit reporting information is used for matters relating to an individual's credit related activities where errors or omissions may have significant consequences for the individual, **it is essential that the individual be able to obtain free access on a reasonably regular basis. It is considered that free annual access should generally be sufficient.** However, there may be circumstances where an individual requires more regular access in a 12 month period, for example where the individual is the victim of fraud or identity fraud. Credit reporting bodies are not required to charge in every instance after the first free access in 12 months and it is expected that bodies will be flexible in the application of any charges for access.*

We also contend that the Privacy Commissioner should regularly audit compliance with this requirement.

2. The cost of the Veda paid report is excessive and unreasonable

The cost of the Veda credit report is \$79.95. The cost of a credit report from Dunn & Bradstreet is \$30. An Experian credit report is free.

We refer to the recent report (March 2014) by the New Zealand Privacy Commissioner on the cost of Veda Advantage's credit report of NZ\$51.95 which found that amount to be unreasonable and excessive. The Privacy Commissioner determined that only the actual cost should be charged. A copy of the report is attached.

We contend that the reasoning in the report applies in Australia. We contend that based on the reasoning in the report the Veda charges in Australia are unreasonable and excessive.

We request details on the actual costs to Veda of sending out the report and request that the \$79.95 be lowered to this amount immediately. In our view, the cost should not exceed \$30.

VedaScore

It is our understanding that a free credit report does not include information about the individual's VedaScore.

19.4 Where **credit reporting information** is provided to an **access seeker** free of charge by a CRB as required by Part IIIA, the Regulations or this CR code:

(a) the CRB must provide the **access seeker** with access to:

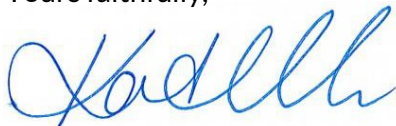
- (i) all **credit information** in relation to the individual currently held in the databases that the CRB utilises for the purposes of making disclosures permitted under Part IIIA; and
- (ii) all current **CRB derived information** about the individual that is available;

We contend that 19.4(a)(ii) clearly requires the derived information (being the VedaScore) to be clearly disclosed in the free credit report.

We look forward to your response to the matters raised.

If you have any questions or concerns regarding this complaint please do not hesitate to contact the Financial Rights Legal Centre on (02) 9212 421

Yours faithfully,



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Principal Solicitor  
Financial Rights Legal Centre  
(formerly the Consumer Credit Legal Centre NSW)  
Ph 0282041350





Gerard Brody  
Chief Executive Officer  
Consumer Action Law Centre  
Ph: (03) 9670 5088



Fiona Guthrie  
Executive Director  
Financial Counselling Australia  
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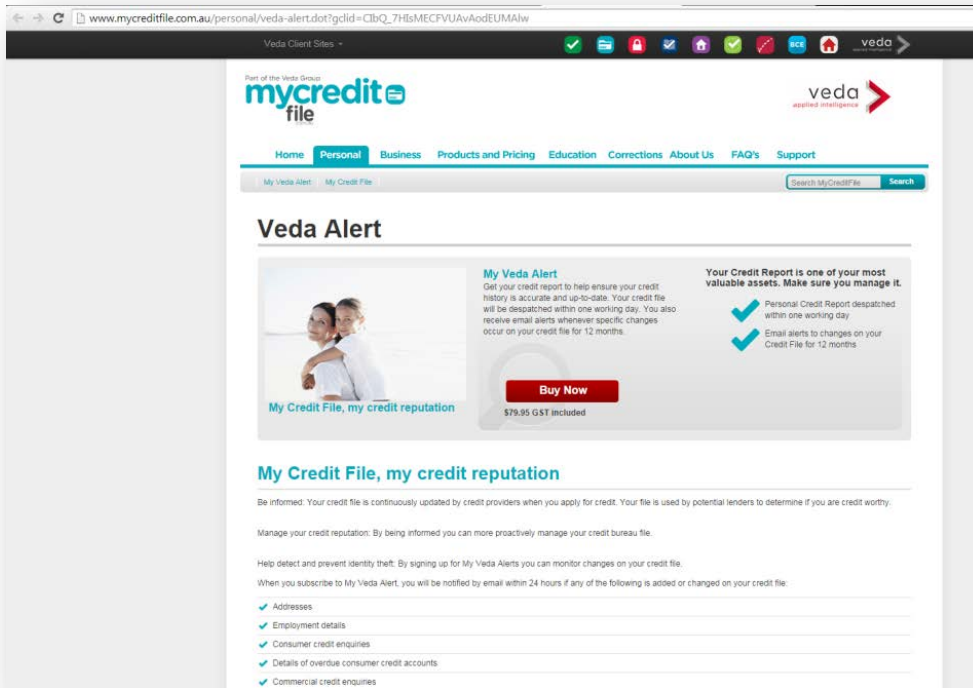
Roger Clarke  
Chair, for the Board of the Australian Privacy Foundation  
Australian Privacy Foundation  
Ph: (02) 6288 1472



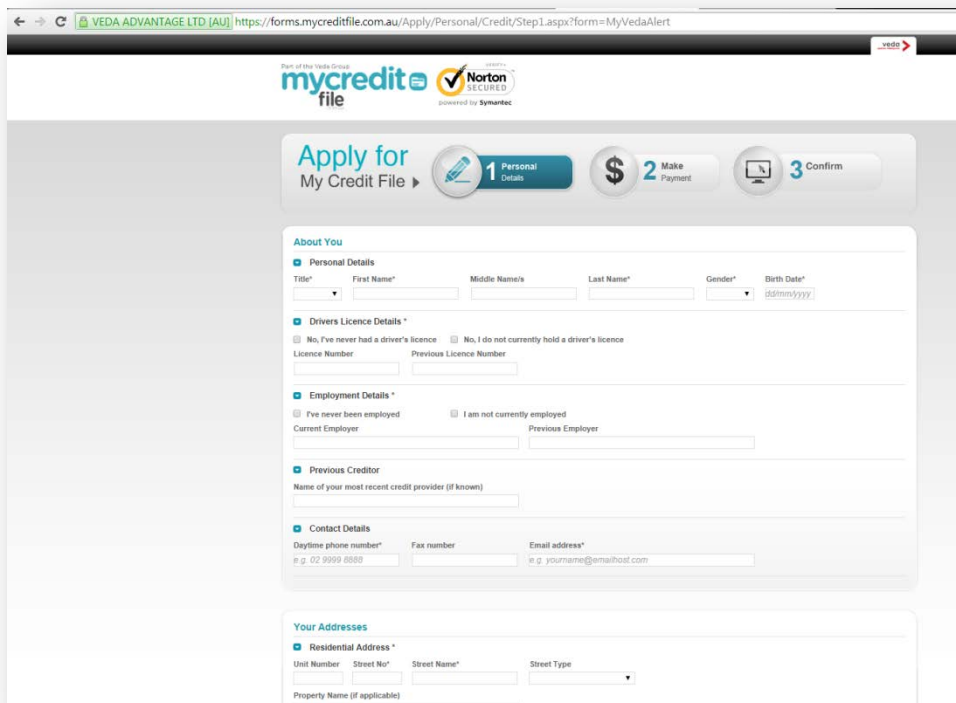
**Australian  
Privacy  
Foundation**

# Screen shots on the process for obtaining a paid credit report online from Veda.

## 1) Home Page of [www.mycreditfile.com.au](http://www.mycreditfile.com.au)



## 2) Step One: Personal Details



### 3) Step 2: Make Payment

VEDA ADVANTAGE LTD [AU] https://forms.mycreditfile.com.au/Apply/Personal/Credit/Step2.aspx

mycredit file Norton SECURED powered by Symantec

Apply for My Credit File

1 Personal Details 2 Make Payment 3 Confirm

Product Description	Price (Inc. GST)
My Veda Alert	\$79.95

Payment  
Payment Details  
I'd like to pay by\*

Delivery  
Delivery Details  
I'd like to get my file by\*

BACK CONTINUE

My Credit File © Copyright 2014. All rights reserved. Version 1.1 veda

There is no message about your right to a free credit report at any step before you are asked to enter your payment details.