

15 August 2014

Timothy Pilgrim  
Privacy Commissioner  
Office of the Australian Information Commissioner  
GPO Box 5218  
Sydney NSW 2001

**RE: Representative complaint about Veda Advantage Ltd**

Dear Mr Pilgrim,

The organisations below are making a representative complaint under s.36 of the Privacy Act 1988. The details of the complaint appear below.

**Complainants:** Financial Rights Legal Centre, Consumer Action Law Centre, Financial Counselling Australia and Australian Privacy Foundation.

**Respondent:** Veda Advantage Ltd

**Class members:** Members of the public seeking to access a free copy of their credit report from Veda Advantage.

**Nature of the complaints made on behalf of the class members:**

Veda Advantage is breaching its obligations under the Credit Reporting Privacy Code (CR Code) by not providing consumers with easy access to their free credit reporting information. For example:

1. Access to obtain a free credit report on the Veda websites ([www.veda.com.au/yourcreditandidentity](http://www.veda.com.au/yourcreditandidentity) and [www.mycreditfile.com.au](http://www.mycreditfile.com.au)) is not as available and as easy to identify and access in comparison to a paid credit report.
2. The phone number for Veda (1300 762 207) leads to a message that states a free copy of your credit report can be obtained by visiting the Veda website. There is an option to get a paid copy of a credit report over the phone, but there is no option to get a free credit report over the phone.
3. The identification requirements to obtain a free credit report are more onerous than those for a paid copy of a credit report.

## Nature of the relief sought:

The relief sought by class members is for Veda to take immediate action to ensure that its service, whereby individuals may obtain their credit reporting information free of charge, is as available and easy to identify and access as its fee-based service. This action should include:

1. Altering its websites in order to provide visual references to free credit report options on par with any paid service references. If a paid service is advertised at the top of a webpage without needing to scroll down, the free option should be advertised in the same way.
2. If consumers can order a paid service credit report over the telephone with Veda, they should be able to order a free credit report over the telephone.
3. The identification requirements to obtain a free credit report should be exactly the same as the identification requirements to obtain a paid service credit report.

## Questions of law or fact that are common to the complaints of the class members:

Class members contend that Veda is in breach of:

1. 19.3(a) of the CR Code on the Veda website by failing to mention the matters set out in 19.3(a) of the CR Code on the Veda credit and identity website ([www.veda.com.au/yourcreditandidentity](http://www.veda.com.au/yourcreditandidentity));
2. 19.3(b) of the CR Code on both of its websites because the free credit report is not as easy to identify and access as its fee-based service; and
3. 19.3(b) of the CR Code as a free copy of a credit report is not accessible at all by calling Veda on its 1300 number even though a fee-based service is available through this method.

## Law

The CR Code states:

*19.3 If a CRB has a service whereby an individual (whether personally or through another **access seeker**) may for a fee obtain their **credit reporting information** (fee-based service):*

*(a) the information made available by the CRB about the **fee-based service** must prominently state that individuals have a right under Part IIIA to obtain their **credit reporting information** free of charge in the following circumstances:*

*(i) if the access request relates to a CP's decision to refuse the individual's **consumer credit** application;*

*(ii) if the access request relates to a decision by a CRB or CP to correct **credit reporting information** or **credit eligibility information** about the individual; and*

*(iii) once every 12 **months** (this is in addition to any access given in accordance with paragraphs 19.3(i) or*

*(b) the CRB must take reasonable steps to ensure that its service, whereby individuals may obtain their **credit reporting information** free of charge, is as available and easy to identify and access as its **fee-based service**.*

## Fact

### **Access to a free credit report on the Veda websites**

My Credit File website [www.mycreditfile.com.au](http://www.mycreditfile.com.au) (See Appendix A)

At the top of the webpage is a heading 'My Veda Alert'. Next to a picture below the heading is a caption:

*"My Veda Alert*

*Get your credit report to help ensure your credit history is accurate and up to date. Your credit file will be despatched in one working day. You also receive email alerts whenever specific changes occur on your credit file for 12 months.*

*Buy Now \$79.95"*

This is clearly an advertisement for the fee based service to access an individual's credit report.

Further down the page (after scrolling down) there is a box after "Buy Now" with the words "Free File find out more".

The free file is not as easy to access and identify as Veda's fee based service because:

- The reference to the free service is much further down the page
- The free service requires completion of a form to be contacted and only after that contact has occurred will access be given to a form to complete. It is also noted that the "identification contact form" asks the individual to agree to Veda marketing.

Veda website [www.veda.com.au/yourcreditandidentity](http://www.veda.com.au/yourcreditandidentity) (See Appendix A)

This website compares a number of Veda paid products and does not mention free access to a credit report. Four products are compared being Starter, Access, ID and Plan. It would be reasonable for a person looking at this web page to assume that these four products were the only options.

There are several links to these pages and none of those pages refers to the option of free access.

### **Phone access to a free credit report**

Currently, Veda provides access to obtain a paid copy of an individual's credit report over the phone. Veda does not provide access to an individual to get a free copy of their credit report over the phone. Any individual seeking a free copy of their credit report over the phone is referred to the Veda website.

### **Identification requirements to get a credit report**

The identification requirements to obtain a paid credit report from Veda are:

- Name and date of birth
- Driver's licence number (if available)
- Employment
- Previous creditor (if known)
- Contact details
- Current address
- Previous addresses (optional)
- Pay by credit card

The identification requirements for a free credit report are:

(The differences from above are in **bold**)

- Full name and Date of birth
- Drivers licence number (**and there is no option if a drivers licence is not held**)
- **Two forms of identification: 1) copy of driver's licence, passport, birth certificate or proof of age card, as well as a document issued by an official body which includes your name and address (ie. rates notice, utility bill or bank statement)**
- Your current employer (**although no option to not have an employer**)
- Name of organisation to which you last applied for credit (**although not optional**)
- Your current residential addresses
- Your previous addresses (**although unlike the paid product, there is no option to not have a previous address**)
- A daytime phone number
- How you'd like the file sent

There is no reason at all why the identification requirement for access to a credit report (whether it is paid or free) should differ. The access requirements should be identical as required under the CR Code.

### Response from Veda Advantage

It is noted that these complaints were sent to Veda's CEO Nerida Caesar; Chief Data Officer Simon Bligh and Senior Adviser for External Relations Matthew Strassberg on 14 April 2014 (*Attached as Appendix B*). A response to these complaints was sent to the Complainants on 14 May 2014 (*Attached at Appendix C*). The Complainants submit that Veda's response to the above complaints was inadequate for the following reasons:

1. Veda's response states that they are working on a new portal which will make access to free reports easier, but it won't be available for consumers until October 2014. Veda gives a number of excuses why the new portal was not available in time for the launch of the new code. Complainants submit that Veda have had a long time to prepare for the new credit reporting regime, and moreover Complainants have repeatedly notified Veda about the problem of access to free reports. There is no reasonable explanation why this solution has been delayed.
2. Veda states that since March 2014 it has provided four times the number of free credit reports as it did any of its paid consumer services. Complainants submit that the number of customers that have requested a free credit file is irrelevant to how accessible that option is. Just because many Australians have successfully navigated Veda's websites does not mean that Veda has ensured that the ability for "*individuals [to] obtain their **credit reporting information** free of charge, is as available and easy to identify and access as its **fee-based service***" (19.3(b) of the CR Code)
3. Veda asserts that its promotion of the free service is "as prominent" as the fee based service, however Complainants disagree for the reasons given above. The Complainants also don't accept that the current situation satisfies the Code, which says the free service must be "*as available and easy to identify and access as the fee based service*"
4. In response to the Complainants April letter, Veda has increased the size of the 'Free File' button on the mycreditfile website. The Complainants believe this is an improvement, but it is still not as prominent as the "my veda alert" service which is larger, more eye-catching and can be seen without scrolling down the screen. The Complainants argue that this is the fee-based service that should be used as a comparison when considering the Code requirements.

5. Veda argues that it does not breach the Code because it has established an alternative website portal for the paid product which doesn't mention the free product ([www.veda.com.au/yourcreditandidentity](http://www.veda.com.au/yourcreditandidentity)) however Complainants submit this is avoidance of the requirement. To accept this argument, Veda's main website ([www.mycreditfile.com.au](http://www.mycreditfile.com.au)) should not have reference to the paid product at all.
6. Veda states that access to a free report by telephone is not an issue covered by the CR Code. Complainants do not accept that phone-based provision of credit report is not covered by the code. Clause 19.3 covers, "If a CRB has a service whereby an individual (whether personally or through another access seeker) may for a fee obtain their credit reporting information (fee-based service)" – there is no reason to read down "service" so as not to include telephone service. Information on the phone service to go to the website, is not the same as getting access to the free credit report directly through the phone service (as is the case with the paid service.) Therefore it breaches the provision of being "as available and easy to access".
7. Veda's final "reason" on page 7 of its response to the Complainants states "where information about the fee-based service is available, the CR Code requires a CRB to provide information about free access. It does not oblige a CRB to provide free access per se in all cases, as you imply." Complainants submit this reason is irrelevant in considering whether there is a breach of 19.3(b). The requirement in 19.3(b) is not limited to providing information about free access, but requires the free service to be as available and accessible as the fee based service.

### Concluding Remarks

Complainants recognise that there is a limitation in clause 19.3(b) requiring the CRB to only take "reasonable steps". Complainants acknowledge this limitation, but we submit that is indeed 'reasonable' to ensure the Veda website is at all times compliant with the requirements given the fact that updating websites comes at a very minimal cost.

### **Impact on consumers**

It needs to be stressed that low income and/or otherwise disadvantaged individuals may not have access to the internet. The telephone may be their only workable access point to obtain their credit report. It is noted that the Veda phone number (1300 762 207) is very difficult to find on the website. We are concerned that accessing a credit report by phone will become more difficult. Although this issue is not covered in the CR Code we contend that phone access is essential and the Veda phone number should be prominently available on its website and in the phone directory.

We are concerned that many consumers would find it very difficult to find the free option to get their credit report on the Veda websites and may be misled into believing they have to pay for the report. Many low income and/or disadvantaged consumers may be caused further financial hardship to pay for the report.

We note that the approach by Veda in making it difficult for consumers to obtain a free copy of their credit report is inconsistent with the advertising on its website encouraging people to manage their credit report. It is also inconsistent with the statements by Veda employees at many consumer consultations over the years that stressed that it is important to Veda for individuals to have access to their reports to improve accuracy.

## Impact on our services

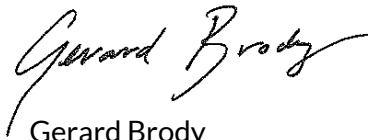
As services providing advice and assistance to consumers, it is often very difficult to arrange for our clients to obtain access to their free credit report. Staff in our telephone advice services have to spend time on directing a consumer to find the very difficult free option on the internet. This takes up valuable time when we could be assisting other consumers. If the consumer does not have access to the internet, then we need to read out in detail the requirements for access and the address so consumers can write to obtain a copy of their credit report. In the alternative, we need to mail copies of the Veda website instructions.

If you have any questions or concerns regarding this complaint please do not hesitate to contact the Financial Rights Legal Centre on (02) 9212 4216.

Yours faithfully,



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Insurance Law Service: 1300 663 464

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