



Consumer Credit
Legal Centre NSW

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14 April 2014

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

cc. Matthew.strassberg@veda.com.au

Dear Ms. Caesar,

Re: Complaint to OAIC regarding consumer access to free credit reports

We wish to make a complaint about access to free credit reports from Veda. We contend that Veda is breaching the Credit Reporting Privacy Code (CR Code).

The following consumer and privacy advocate organisations are signatory to this complaint:

1. Consumer Credit Legal Centre NSW
2. Financial Counselling Australia
3. Consumer Action Law Centre
4. Australian Privacy Foundation

Background to the complaint

Consumer and privacy advocates have repeatedly raised concerns with Veda over the last 5 years (at least) about the difficulty for individuals to access their free credit report on the Veda websites. The complaints have been expressed at numerous consultation meetings with Veda.

The main complaints have been:

- That the free option is extremely difficult to find when the paid option was obvious
- The free option is very difficult to use because significantly more identification documents are required (as opposed to the paid option)

The Privacy Act (as amended) and the CR Code commenced on 12/3/14. This complaint is under the new CR Code.

The complaint

The complaints are:

1. Access to a free credit report on the Veda websites is not as easy to access as the fee based service on either the Veda website (www.vedaadvantage.com.au) or the My Credit File website (www.mycreditfile.com.au).
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. There is no option to get a free credit report over the phone.
3. The identification requirements to get a free credit report are more onerous than to get a paid copy of a credit report

The CR Code

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**.

Access to a free credit report on the Veda websites

My Credit File website www.mycreditfile.com.au

Veda Alert is the heading at the top of the web page to access a credit report. 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 then a box after “Buy Now” for “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 noted that the “identification contact form” asks the individual to agree to Veda marketing.

Veda website www.vedadvantage.com.au/yourcreditandidentity

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.

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

We 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**
- 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.**

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.

We contend that Veda is clearly in breach of 19.3(b) of the CR Code as a free copy of a credit report is not accessible at all by calling Veda.

Identification requirements to get a credit report.

The identification requirements to get 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 **(it does not give an 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 one)**
- Name of organisation to which you last applied for credit **(although not optional)**

- Your current residential addresses
- Your previous addresses (**although no option to not have one**)
- 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.

We contend that Veda has breached 19.3(b) of the CR Code because the free credit report is not as available and easy to identify and access as its fee-based service.

Impact on consumers

It needs to be stressed that low income and/or otherwise disadvantaged individuals may not have access to the internet. Phone may be their only workable access point to get 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.

Impact on our services

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

Conclusion

We contend that Veda is in breach of the CR Code. We request that Veda undertake urgent action to rectify the breaches identified above.

We note that the approach by Veda to make it difficult for consumers to get 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. We also contend that Veda is assisting the “credit repair industry” to prey on vulnerable consumers who just want a free report.

We look forward to a detailed response within 30 days of the date of this letter.

We confirm that it is our intention to send a representative complaint to the OAIC if the issues identified above are not rectified within 30 days of the date of this letter.

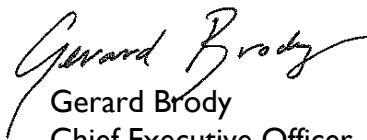
Yours faithfully,



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