



Consumers in charge

With the government's Midata scheme endorsed by 26 organisations, founder and director of Regulatory Strategies Mike Bradford asks if it's time to put the customer in control

Data sharing is a hot topic. On 11 May the Information Commissioner issued the UK's first statutory code of practice "designed to help businesses and public sector bodies share people's personal information appropriately".

And at the beginning of November the government announced a "ground-breaking" partnership with 26 organisations – including Lloyds, RBS and Callcredit – to deliver a new voluntary scheme, Midata, which over time has the objective of giving consumers increased access to their personal data in a portable, electronic format. The Department for Business, Innovation and Skills claims: "Individuals will ... be able to use this data to gain insights into their own behaviour, make more informed choices about products and services, and manage their lives more efficiently."

At the same time, the UK credit data sharing community led by the British Bankers' Association and other industry trade bodies is looking at whether the current framework is fit for purpose.

False starts

But we've been here before, as recently as in the past decade, when data sharers become nervous about governance and initiated a full-scale review of the way credit reference agencies (CRAs) could use – and re-use – shared data.



Perhaps the commercial model of charging for a credit search, then re-using that data, adding some derivative intelligence to it through value added products and then reselling the data back to the those who had provided it in the first place (and, indeed, other sectors not contributing data), was something that had broader appeal.

Credit data sharing is now a very broad church, although it is yet to fully embrace what may be termed 'social finance' and an individual's track record as it relates to meeting any public sector quasi-credit commitments.

In recent discussions with a senior member of the Information Commissioner's team, the subject of data portability was raised as something that is gaining momentum both here and in the EU. This would effectively empower the consumer and enable them to request that personal information held about them by one organisation is passed to a second organisation.

The information is likely to be that which would typically be received in response to a Subject Access Request

and could be used by a third party organisation to benefit the individual.

Controlling information

But there is an interesting conundrum in UK law over data ownership. The Data Protection Act gives me protection over how my personal information is used, and access to it, but conveys no ownership rights per se. One glance at a CRA client contract shows the complexities and legalese involved in determining who can do what with the borrower's data.

And even though the data relates to me as an individual, I am unable to direct the information held by a CRA to any new purpose for which I would like it to be used – for example, to a broker or price comparison site to enable me to get the best deal. I do not 'own' this information and the UK's credit data sharing rules, the Principles of Reciprocity, dictate how a CRA and lenders can use it – even though I am not party to these principles.

There is a way I can do this, however, which is rather surprising: via the rather perverse (and unintended) mechanism of requesting a copy of my information under section 7 DPA – legislation aimed at protecting personal information.

Today the lead-generator and broker markets, in particular through internet price comparison sites, are the typical route into finance for many consumers. But because the broker is not a lender, the broker cannot use the shared credit data held by the CRA as the broker is not assessing creditworthiness or risk, but where best to place the loan – the broking decision. The CRA is not permitted to allow brokers to see this data as it would contravene the principles to which they too are signatories.

To the man on the Clapham Omnibus it must seem strange that I cannot go to a party holding my information and instruct them to use it in a way that I request because it conflicts with another set of rules concerning my personal data. And to then have to resort to invoking my subject access rights to get what I want seems even more bizarre.

So maybe data portability puts me, as both a consumer and borrower, in the driving seat. Midata gets my vote – and it could finally empower consumers to use their data the way they want to. **CTI**