

Consumer Credit sourcebook

Chapter 8

Debt advice

8.10 Conduct of business: providing credit information services

Application

- 8.10.1 **R** This section applies to:
- (1) a *firm* with respect to *providing credit information services* in relation to information relevant to the financial standing of an *individual*;
 - (2) a *firm* with respect to the activities set out in article 36H(3)(e) to (h) of the *Regulated Activities Order* (Operating an electronic system in relation to lending) in relation to a *borrower* under a *P2P agreement*.

Conduct

- 8.10.2 **G** The *Principles* apply to a *firm* with respect to *providing credit information services*. A *firm* providing such services should, for example, set out clearly in any communication to a *customer* the extent of the service it is able to offer.

[Note: paragraph 3.46 of *DMG*]

- 8.10.3 **R** A *firm* must not:
- (1) claim to be able to remove negative but accurate information from a *customer's* credit file, including entries concerning adverse credit information and court judgments; or

[Note: paragraph 3.47ai of *DMG*]

- (2) mislead a *customer* about the length of time that negative information is held on the *customer's* credit file or any official register; or

[Note: paragraph 3.47aii of *DMG*]

- (3) claim that a new credit file can be created, such as by the *customer* changing address.

[Note: paragraph 3.47aiii of *DMG*]

- 8.10.4 **G** It is likely to be a contravention of the *Principles*, for example *Principles 6* and *Principle 7*, where a *firm*:

- (1) claims in a communication to a *customer* to be able to remove negative but accurate entries from a *customer's* credit file, but where the *customer* enquires about this service the *customer* is offered instead the *firm's* service as a *lender* or a *credit broker*; or
- (2) fails to inform a *customer* that a *credit reference agency* will not respond to the *firm* taking steps in relation to the *customer's* credit file and will only send the *customer's* credit file to the *customer*.

[Note: paragraphs 3.47cd of DMG]