

Media Release

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SocietyOne takes leadership role on comprehensive credit reporting

SocietyOne, Australia's pioneering and leading consumer finance marketplace lender, today announced that it will provide positive consumer credit information to credit bureaus as part of the move to establish a fully-fledged comprehensive credit reporting (CCR) regime in Australia.

SocietyOne will start sending secure data on its customers' positive credit history in "public" mode from November 2017.

With the Federal Government planning to toughen up the country's existing CCR legislation in 2018, SocietyOne has thrown down the challenge to the major banks to quickly get on board with CCR and help all Australians get a better deal from their credit providers.

Among the big four banks, National Australia Bank recently announced that it will start providing positive consumer credit data from February 2018 while the Commonwealth Bank has said it will do the same for its home loan customers before the end of 2018. It has not said when it will provide comprehensive credit data for the rest of its retail banking customers.

The two other major banks, ANZ and Westpac, have yet to indicate if, and when, they will participate in the CCR regime.

Reporting positive credit information, and making it available to other credit providers on a secure and confidential basis, allows lenders to consider the positive attributes of a consumer's credit history when assessing an application for credit, not just negative information such as payment defaults, court judgements and the number of credit application enquiries.

Positive credit reporting will also include new information such as the date a credit account was opened or closed, the type of credit facility and the available credit limit, and importantly, the last 24 months repayment history,

The Government, and companies like SocietyOne, believe that through the sharing of this data customers will better understand their credit position and be able to use this information to get a better deal on a loan that is appropriate to their financial needs and ability to repay. This is responsible lending and will also make banks and lenders put their customers' needs first.

Jason Yetton, SocietyOne's CEO and managing director, said the company's decision would help transform the customer experience in Australia as a positive comprehensive credit reporting system was designed to help people get a better deal based on their own individual circumstances.

"This will empower Australian consumers in a way they haven't been previously and I applaud the Federal Government's initiatives on CCR and open banking which have finally seen some of the big players in the banking industry pledge their support for a proper and positive credit reporting regime," said Mr Yetton.

"SocietyOne began the move towards this when we started operating five years ago by using a customer's credit score to tailor an interest rate on a personal loan to their own particular financial circumstances.



“We also pioneered the provision of free credit scores through getcreditscore.com.au and since we launched that company in 2014 over 1.1 million Australians now know in a much better and informed way where they stand as to their credit position.

“We realised early on that this was the best way to help Australian consumers and they have responded in their hundreds of thousands by coming to SocietyOne to get their credit score and to see if we could help them with a loan.

“As a result, we have provided more than 15,000 Australians with over \$350 million in loans from our investor funders and all of that at interest rates tailored to reward their credit position and much of it at interest rates lower than the high, one-size-fits-all approach of the major banks.

“Having helped so many Australians since we started operating in August 2012, I’m pleased that we can again lead the way by sharing the data we have collected on our customers with other providers on a confidential and secure basis. That means when our and their customers look to get their next loan, we are all in a better position to assess their needs and meet all of our requirements under the rules of responsible lending.

“It also means that when CCR comes into full force sometime next year, Australia will have finally caught up with the vast majority of developed and developing countries, including the UK and the US, where positive comprehensive credit reporting has been the norm for decades and has been shown to benefit consumers, providers and their economies as a whole.

“Not only could these changes help individuals, I also believe they will also stimulate competition across key sectors of the Australian economy and support sustainable growth well into the future.”

Mr Yetton said that for this to occur, many more banks and financial services providers would need to get on board with CCR. When SocietyOne starts reporting from next month, the company will be just one of three consumer credit providers in Australia to make positive credit data available.

Another 15 or so are understood to be participating in CCR in “private” mode, but to be fully effective it requires all the major banks and lenders to start contributing for CCR, he added.

“While we are seeing the traditional players taking steps in the right direction, there is still a sense that the industry is being dragged kicking and screaming to do what is best for all Australians,” said Mr Yetton. “Since CCR is coming in its full glory, we should all get on board and do that now rather than have to wait for the Government to force everyone to act in their customers’ interest through legislation.”

Media enquiries:

Danny John,
Director of Communications and PR,
SocietyOne
0438 791 068
danny.john@societyone.com.au

About SocietyOne

SocietyOne, a multi-award-winning company, began operating in 2012 and is Australia’s leading online lending marketplace for personal loans, connecting borrowers and investors through risk-based pricing. SocietyOne was listed in the 2016 Global Top 100 FinTechs by KPMG and H2 Ventures. The company won the Innovative Retail Product of the Year category in the 2017 RFI Group Australian Retail Banking Awards following on from the ARBA 2016 Best Digital Banking Offering of the Year and the 2017 Excellence in P2P Lending award in the inaugural FinTech Australia awards. For more information visit www.societyone.com.au