

Mr Adam Land
Project Director, Payday Market Investigation
Competition and Markets Authority
Victoria House
37 Southampton Row
London
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Monday 27 October 2014

Dear Mr Land,

Payday Market Investigation – Quotation Search Visibility

Following the hearings in which Callcredit has participated over recent months, we were interested to read the CMA's provisional decision on remedies relating to the Payday Market Investigation.

The two primary areas discussed in your report which have implications for our organisation are helping borrowers to shop around and the continued development of real-time data sharing. We note that the CMA has provisionally decided to recommend that the FCA should consider ways to help consumers and encourage progress in these areas. We have no substantive comments to make on this decision, and expect to continue our discussions with the FCA.

However, we are compelled to write to you in order to draw your attention to a misconception in statements in your report relating to the visibility of the quotation search type. Although this is of a relatively minor, technical nature, it is important that it should be addressed in order to ensure a solid basis for future stakeholder discussions. We have already received a couple of queries in relation to these statements since the publication of your report. We therefore wish to clarify this area and provide the opportunity for you to amend your final report as you consider appropriate.

Your Provisional Decision on Remedies sets out in a number of places¹ that a quotation search is not visible to lenders who have not themselves made the search. In the course of our correspondence with you, we provided you with a link to the available advice on quotation searches², drawn up following the creation of the quotation search type. This guidance states that it was agreed with the Information Commissioner's Office that quotation searches could be shared with other lenders, although they must be differentiated from credit application searches.

We cannot comment on the practices of other credit reference agencies, but in accordance with the above advice Callcredit returns information about any previous quotation searches to lenders when they conduct credit application searches and any other searches that relate to the credit activity of an individual. Quotation searches are clearly differentiated from credit application searches, and are not included in counts of credit application searches for the purpose of credit scoring.

We trust this information clarifies the position and are willing to discuss further if required.

Yours sincerely,

Jan Smith
External Affairs Director

References

1. Paragraph 23 page 8; Paragraph 3.145 page 57; Paragraph 10 A3(1)-3, Paragraph 30 A3(1)-9
2. www.cml.org.uk/cml/filegrab/Jan07revision.pdf?ref=5168

cc: Matthew Weighill, Project Manager, Payday Market Investigation, Competition and Markets Authority