

Government response –
Access to finance policy:
commercial credit data
sharing and bank referrals

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Chapter 1

Introduction

Access to finance: Government consultations and calls for evidence

1.1 The Government recently consulted on two key pillars of the UK's statutory Small and Medium Sized Business (SME) finance framework: the Commercial Credit Data Sharing (CCDS) scheme and the Bank Referral Scheme (BRS). These consultations reflected the Government's wider commitment to supporting SMEs, recognising their central role in driving UK economic growth, employment, and innovation. SMEs represent the overwhelming majority of UK businesses, contribute significantly to Gross Domestic Product (a measure of the size and health of a country's economy), and provide a large share of private sector employment. Ensuring SMEs have access to suitable and affordable finance is vital for productivity and investment.

1.2 The CCDS consultation and call for evidence, published in September 2025, explored enhancements to the existing commercial credit data sharing regime, which requires designated banks to share SME credit information with designated credit reference agencies (CRAs). It also in turn imposes a duty on those designated CRAs to share that information with finance providers. The consultation invited evidence on a range of improvements, including the adoption of a standardised data format, tighter submission deadlines, and more efficient amendment processes to support data accuracy and market competition. It also examined the potential expansion of CCDS to a wider group of finance providers, ensuring the scheme keeps pace with developments in SME lending, as well as other measures to increase overall scheme efficiency.

1.3 In parallel, the BRS consultation, launched in October 2025, reviewed how the referrals Scheme, which requires major lenders to refer SMEs rejected for finance to alternative finance platforms, could be enhanced. The consultation sought views on broadening the scope of designated lenders, improving SME awareness and participation, refining referral triggers, and strengthening monitoring and reporting requirements to improve performance and support better access to alternative finance.

Implementation of changes

1.4 Further to the feedback received on CCDS and general support from the financial sector to develop the scheme, **the Government intends to take forward changes to CCDS when Parliamentary time allows.** Delivering these reforms will require changes to both primary legislation (the Small Business, Enterprise and Employment Act 2015)

and secondary legislation (the Small and Medium Sized Business (Credit information) Regulations 2015). It is also likely to involve further consultation and/or engagement, where necessary, as well as action by the financial services sector directly in some areas.

1.5 Following the BRS consultation, the Government will be looking to improve the bank referral process through industry-led action, rather than through changes to legislation, at the current juncture.

Overview of responses

1.6 The Government received 16 written responses to the CCDS consultation and call for evidence. Respondents included business representative organisations/trade bodies, bank and non-bank lenders, CRAs, and some other businesses with interest in the CCDS scheme.

1.7 The Government received 20 written responses to the BRS consultation and call for evidence. Respondents included finance platforms, finance providers, trade bodies and some other businesses with interest in the scheme.

1.8 This document provides a summary of the key themes and issues raised across the consultation responses. The Treasury has considered all submissions received, recognising that respondents addressed different aspects of the consultation and did not necessarily respond to every question.

Chapter 2

Feedback and Government response

Commercial Credit Data Sharing (CCDS)

Overview and executive summary

2.1 The consultation and call for evidence on the CCDS regime identified that, while evidence suggests CCDS has successfully met its core objectives and continues to play a valuable role in supporting SME finance, there remain opportunities to strengthen the framework. Stakeholders highlighted the need for the scheme to evolve in line with developments in the SME finance market and technological advances, ensuring it continues to operate effectively and efficiently.

2.2 Respondents noted that enhancing the CCDS framework could further support SME lending by improving the quality and consistency of shared data, helping to create a more consistent and accurate credit footprint for UK SMEs. This, in turn, has the potential to support fairer and more efficient pricing of finance and availability of different product types. The consultation also highlighted potential benefits for designated CRAs and lenders, such as greater standardisation to increase efficiency and reduce the burden of compliance, and enhanced data accuracy leading to more reliable credit scoring.

2.3 The Government has considered the responses and observes that several of these proposals will likely require legislative changes, across either or both of the primary and the secondary legislation underpinning the CCDS regime, in addition to action by industry directly. The Government intends to take forward the following proposals:

- **Expanding the regime to be able to designate entities other than only regulated banking institutions.** Additionally, the Government will **revise the criteria for designation**, to ensure that the most significant providers of SME finance are always covered under the scheme.
- **Ensuring that voluntary participants' SME customer information is shared with all designated CRAs**, to improve data accuracy.
- **Ensuring that SMEs that qualify for CCDS reporting exit the scheme once they have clearly and consistently exceeded the turnover threshold**, to manage the risk of companies around the £25m turnover threshold drifting in and out of the scheme.

- **Allow individual entities to qualify for CCDS reporting** and be treated separately if they are part of a wider corporate group, in determining their eligibility. This is to ensure CCDS reporting is not determined by size of parent, even where a subsidiary may operate entirely independently of its parent from a funding perspective.
- **Revising the information mandated to be included within CCDS reporting and excluding categories of data that are no longer necessary (such as stocking loans).** The Government will take further evidence on what categories of information to include, and the relative balance of CCDS reporting and Open Finance¹ developments, but is **minded to expand the CCDS scheme to include business deposit account information** given the useful picture this data can give of an SME's overall financial health.
- **Ensuring that older SME accounts (i.e. those opened prior to the 2015 regulations coming into force) are included in the scheme,** unless SMEs elect not to take part.
- **Inclusion of charities and the not-for-profit sector** in CCDS scope, to better support the sector's ability to access finance.
- **Revising the roles of the public authorities, particularly the FCA and HM Treasury,** to:
 - take account of analogous requirements that may develop under consumer credit data sharing regulation by the FCA and/or Credit Information Governing Body (CIGB);
 - ensure that the Treasury can access and share (or require another authority to access and share on its behalf), information relevant to its designation and CCDS scheme evaluation functions;
 - improve the efficiency of reviewing and updating an existing designation.

2.4 There are other areas where Government would like – at least in the first instance – to see progress delivered via the financial services sector, rather than assume that a statutory-led approach will be needed. These are:

- Providing a **single standardised data format** that is utilised by all participants in the scheme;

¹Open Finance aims to allow individuals and businesses to securely access and share a broad range of their financial data – such as details about their bank accounts, savings, loans, investments, and insurance – with other trusted organisations, if they so choose. The aim is to better harness financial data, and it could potentially be applied to increasing finance provision for SMEs.

- **Improving the data amendment process**, to improve outcomes for SMEs, and make the CCDS scheme more efficient for participating lenders.
- **Improving credit information available to SMEs** to support them navigate credit, including better understanding their credit file and creditworthiness.

2.5 The Government will reserve powers in legislation to be able to improve data rectification, and around the use of particular systems and standards, to take account of the outcomes of industry efforts; developments in the FCA's work for consumer credit data sharing; and potential technological advances through time.

Chapter 3

Detailed responses:

Improving data quality

Standardising data

Question 1: What are the costs and benefits of standardising data within CCDS? In particular:

- Do you agree that there should be a standard data format used by all participants within CCDS?
- What would it involve and what costs would be incurred to come into compliance with a single standard, and what are the likely benefits? Would this reduce cost and burden over time? What sort of timeline would be appropriate to sunset prior versions?

Summary of consultation responses

3.1 Most respondents agreed that in general there would be benefit in standardising the data format and submission process used by all CCDS participants. Benefits cited included improved efficiency, reduced time burden, increased accuracy, reduced fraud risk and greater ease of compliance. There was a range of viewpoints regarding who should implement and remain responsible for the standardisation. Suggestions included the Government, the sector and regulators.

3.2 Limited information was given on the likely costs associated with implementing a new standard, given that this would depend on the form and substance of the eventual standardised data template. Respondents noted that there would be costs associated with coming into compliance with a new standard for data submission, while noting the existing challenges around correcting different data templates, and the potential benefits of improved standardisation over time.

3.3 Respondents also observed that there would need to be an adequate implementation period for existing participants to adopt any new single format or standards. These timelines were suggested anywhere from 6-36 months.

Government response

3.4 **The Government agrees with the broad support for greater standardisation of the data format and submission process for CCDS participants and intends to take this forward, in the first instance, through industry-led work.** We recognise the benefits highlighted by respondents, including improved operational efficiency, reduced administrative burden over time, and enhanced data accuracy. The Government also notes the range of views expressed regarding where responsibility for implementing and maintaining any standardisation should sit, including potential roles for Government, industry bodies,

and regulators. We also acknowledge that respondents provided limited detail on the potential costs, which will depend on the specific design and scope of any future standardisation model.

3.5 Given that industry work has already begun exploring how to revise and create a common data format, the Government considers that it is appropriate in the first instance to task the financial services sector to come together and deliver that common standard, **reserving a role for Government to phase out existing standards in due course.**

3.6 We note this industry-led approach largely aligns with the approach the FCA is taking to the creation of a common data format for consumer credit sharing, which has similarly been left to an industry-led remedy, and where synergies may be possible.

3.7 The Government also notes the clear message from respondents regarding the need for a sufficient implementation period before any new format is introduced, and will ensure sufficient time for transition, taking into account the evidence we receive.

Amending data

Question 2: What do you consider to be the challenges relating to amending data, and should the Government take steps to try and improve CCDS in this area? In particular:

- How does the data amendment process work today and are improvements needed? Are particular requirements needed in relation to amending data that should apply to CRAs and/or lenders, and what should these include?
- Do you believe there should be online amendment portals from each CRA or other mechanism for amending CCDS data and, if so, how should this operate and be overseen?
- What would the cost and labour be for CRAs of setting up such a portal or mechanism? In your opinion, would it be worth it to ensure consistent data quality? Once implemented, would it reduce cost and burden for the lenders in a meaningful way?

Summary of consultation responses

3.8 Generally, there was agreement among respondents that the amendment process could be streamlined and made easier, but that it would be prudent to focus on ensuring consistent data quality in the first instance (see above). One respondent did not see merit in changing the amendment process and argued that it works well today. There were several suggestions as to how the amendment process might be changed, including:

- 3.8.1 Introducing an online central amendment portal, utilised by all CRAs and lenders.
- 3.8.2 Requiring instead an online portal for each CRA, akin to the consumer regime.

3.8.3 Making incremental updates to the current amendment process, standardising the amendment process, ensuring better communication of timely action to make amendments, and guidance to set a more consistent standard for making amendments and confirmation that amendments have been processed.

3.9 Regarding a potential requirement to establish an online amendment portal(s), there were some concerns among principally CRAs around the cost involved and the burden that this may introduce. Questions were posed around who would fund this, and if this burden should fall on CRAs, lenders or the Government. One respondent also raised concerns around data security and privacy in relation to the use of a centralised portal.

3.10 Despite some qualitative indication around potential costs, no cost estimates were provided.

Government response

3.11 The Government observes that challenges have arisen in amending the data shared within the CCDS scheme in a timely manner. This can negatively impact SMEs by allowing incorrect data to persist on their credit files. Lenders individually contact each designated CRA to amend data if an error is found. This can be an arduous and time-consuming process. For now, and in light of some concern about the cost and burden of mandating the use of portals in particular, **the Government intends to take a technology neutral approach, but would like to see improvements made by CRAs to support data amendments** without insisting at the current juncture on particular systems or mandated uses of technology.

3.12 We also note that since the Government published its consultation and call for evidence for commercial credit data sharing that the FCA has issued its proposals in relation to consumer credit data.² In its consultation, the FCA proposes that:

3.12.1 Firms have systems and processes in place to ensure the information they share with designated CRAs is as accurate as possible and is tested for accuracy prior to submission.

3.12.2 Firms monitor systems and processes for sharing information, to identify 'systemic' errors or issues which affect the accuracy of shared information, and ensure that prompt action is taken to correct errors across all CRAs – eventually leading to real-time correction of errors.

3.12.3 Firms be required to take all reasonable steps to investigate when firms are informed by a CRA that the CRA has received a dispute under section 159 of the Consumer Credit Act 1974. Specifically, a firm would be required to respond to the CRA within 14 days setting out the results of its investigation, and take

² <https://www.fca.org.uk/publication/consultation/cp26-7.pdf>

prompt action to correct information across all CRAs with whom inaccurate information was shared and identify and correct any underlying problem in the data. The Government notes here that the application of s.159 is extended under the CCDS regulations to ensure the same standard of protection and rights applies to commercial credit data sharing.

3.12.4 Designated CRAs would be permitted to reject data if concerned that the information is inaccurate or incomplete, or where the designated CRA suspects it may be fraudulent or misleading or cannot be accurately recorded within existing technical infrastructure.

3.13 Given the range of potential changes that may be delivered in the consumer credit data sharing regime around data amendments and accuracy, **the Government intends to seek further evidence on data amendments ahead of finalising its approach and the balance of industry-led and statutory reform.**

3.14 The Government intends to ensure that enabling powers in primary legislation provides sufficient flexibility to allow further provision to be made, if needed, following further evidence or consultation. Reserve powers in primary legislation – which will be brought when Parliamentary time allows – would make it possible to make technical regulations related to data modification and amendments, including specifying the process and/or technology that must be used (noting that the balance of arguments in favour or against a particular operational solution may change over time, and may depend on market developments including in relation to consumer credit data sharing).

Timely data submission

Question 3: What are the challenges with timely data submission under CCDS? In particular, please could you give views on the following:

- Do you think the timeframe for designated banks to submit data to a designated CRA should be shortened to enhance timeliness and improve data accuracy? If so, what timing do you think would be appropriate to both cut off data and send data to a CRA without causing undue burden, whilst also ensuring the data is up to date?
- What do you anticipate the costs would be in requiring more timely submission of data? In your view, are these outweighed by the benefits of having more timely and up to date information in the scheme?
- Do you consider the timeframe for non-designated providers to cut off and submit data should also be made more uniform; if so, what requirement do you think would balance the cost and benefit appropriately?

Summary of consultation responses

3.15 The responses to this question were varied. Some respondents believe that the existing timeframes for submission of data and the frequency at which this data is submitted should remain the same. They argued any changes to this could impose burden on the designated banks and the other participating lenders to update their systems and processes.

3.16 However, there were respondents that believed that the timelines for submission could be condensed and made more uniform across participants. There were suggestions that this timeframe could be tightened down from 30 days to anywhere between 5 working days to 14 working days from month end.

3.17 Some respondents did not suggest an exact timeframe in which the mandatory reporting data should be cut and submitted. However, they noted that it would be beneficial to have greater consistency across lenders, including those who have chosen to participate voluntarily, and that initial participation in the voluntary data sharing should be reduced from 12 months to first supply data, to 6 months (mirroring the approach of the FCA in its consumer credit data sharing proposals).

3.18 One respondent suggested that this could cause issues with CRAs having data overload if all participants were to submit data on a single day of the month; therefore, they argued a wider timeframe is more optimal.

3.19 It was noted that updating these processes would incur costs, although exact figures were not given.

Government response

3.20 The Government acknowledges the varied views submitted regarding the current timeframes and frequency for mandatory data submissions. We recognise that many respondents expressed support for retaining the existing arrangements, highlighting that any change to submission deadlines could create greater operational burden for participants. We agree that these concerns must be carefully considered, particularly where changes would require updates to systems, processes, and internal reporting workflows. Given that the ability to make changes in this area is already possible under existing secondary legislation, **we will seek further views and more information on the likely costs relative to the benefits, ahead of changes to the CCDS regulations.**

3.21 We also note that some respondents did not recommend a specific timeframe for submitting the data but emphasised the value of establishing a consistent deadline for cutting the data that applies to all lenders, including voluntary participants. The Government agrees that consistency across the reporting population could support fairness, comparability, and improved data quality and will look into this further at the point of secondary legislation.

3.22 The Government is aware of the need for proportionality within the scheme, particularly for voluntary participants; however, this also needs to ensure the quality and consistency of data supplied to ensure the best outcome for SMEs.

Transition and applicability of CCDS

Question 4: What are your views on the effect of SMEs transitioning in and out of CCDS, and on the scope of SMEs to which CCDS applies? In particular:

- Do you think the CCDS regulations should be adjusted to better manage SMEs moving out of scope and, if so, do you have views on how this should be done? Specifically, do you think the proposal to retain an SME in scope until its turnover has consistently grown to a higher threshold for a sustained period would be proportionate and effective?
- Do you think that the Group rule for companies should be removed or revised, so that an SME subsidiary with a turnover of less than £25m but part of a group (which as a whole has turnover equal to or in excess of £25m) falls within scope of CCDS? What would the relative costs and benefits be of making such a change?
- Is there a gap in the scheme, in your view, regarding the scheme not applying to the not-for-profit sector? What would the costs and benefits be of including this group in scope?

Summary of consultation responses

3.23 In general, the Government received broad support for addressing the fluctuating scope of SMEs to which CCDS reporting applies. Most recognised the problem of SMEs potentially falling in and outside the regime based on fluctuating turnover and that there should be a grace-period, applied consistently, before CCDS reporting ceases.

3.24 While there was general support to deal with SME fluctuations, the range of suggestions relating to SME turnover was very broad across respondents. These included:

3.24.1 Aligning the turnover threshold itself with the £54 million limit used for SME reporting under the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

3.24.2 Support for the Government's suggestion to maintain the existing turnover threshold of £25 million, while retaining companies within scope for a period of time until they had consistently exceeded that threshold.

3.24.3 Removing the threshold of turnover completely. This would allow all companies to be included in scope at all times.

3.24.4 Reduce the threshold to £6.5 million turnover to target the smallest of businesses. (This would leave a large number of SMEs that are currently in scope, out of scope.)

3.25 There was consensus across all respondents that removal of the 'group rule' would be beneficial to support subsidiaries that operate independently from the parent entity to access finance. Under the "group rule", an SME's annual turnover is calculated by reference to the turnover of its wider trading group, where applicable, rather than its standalone turnover.

3.26 There was also support in principle to extend the scope of CCDS to include charities and the not-for-profit sector. We understand that some data contributors have to manually remove these businesses from their submission today, and so potentially the inclusion may contribute to greater efficiency for some firms.

Government response

3.27 The Government welcomes the general support received from respondents in this area.

3.28 The Government did not consult on raising the turnover threshold of £25m itself, but only managing when the companies reported on exited the CCDS scheme (which would occur only once those companies have consistently outgrown that threshold). The Government therefore intends to maintain its focus on managing the problem of SMEs potentially falling in and outside the regime based on fluctuating turnover, rather than change the turnover threshold at this time – although is open to receiving more evidence in this area in due course. The Government also notes that even if the turnover threshold was raised, the issue of companies falling in and out of scope would still remain, just at a higher level.

3.29 In view of the broad support to manage SMEs falling in and out of scope of CCDS on the basis of fluctuating turnover, the Government intends to **exclude companies only once they have consistently sustained an increase in their turnover**. This will require changes to both the primary and secondary legislation, as both legal instruments focus on turnover alone and do not conceive of an 'exit' point for companies reported on under CCDS once they have outgrown that threshold. **The Government will also consider further if there is benefit in taking a more consistent approach to the way that turnover is calculated**, which is already envisaged under the existing legislation as something the Treasury could proscribe further by way of regulations, if needed.

3.30 In addition, based on the support received, **the Government intends to:**

3.30.1 **Remove the group rule so that independently operating subsidiaries in a group can access finance more easily.**

3.30.2 **Adjust the legislation to make it possible for charities and non-profit entities to be brought within scope.**

Designation and scope of CCDS

Adjusting the scope of designations

Question 5: Please share views on the designation and scope of application of CCDS, in particular:

- Do you consider that the Treasury should continue with a designation regime with respect to the CCDS scheme, or should there be a different mechanism to bring firms into scope?
- Should there be additional designations to better reflect current market structure, and to which actors should these apply? How should this be defined?
- Should the criteria for designation be broadened?
- What in your view is the most relevant information to make an informed designation, and where does that information reside?
- Can you explain what would be involved and the likely cost of becoming designated? Do you agree that the costs are likely to be lower now that CCDS is in operation, and many firms are already choosing to take part without being mandated to do so?
- Does your Financial Services business currently access CCDS data (requiring you to share data in return)?
- Do you consider that non-designated finance providers choosing to submit their data under CCDS should do so with all four CRAs? Do you consider any other mitigants are needed, in terms of improving data quality, to support any such requirement being introduced?

Summary of consultation responses

3.31 It was acknowledged by almost all respondents that the existing designations were not reflective of the current market structure and that designations should be able to apply more broadly, outside of regulated bank entities alone, to include other service provider types.

3.32 Views on increasing the number of designated firms varied. Some respondents argued that all finance providers offering credit to businesses should be in scope of CCDS to achieve full market coverage. However, most acknowledged practical challenges with this approach, including operational burdens on smaller firms. Some noted that broadening the designation regime may risk disincentivising new firms entering the SME lending market, which could result in increased concentration and reduced innovation, and that new firms may partner with lenders that already have CCDS infrastructure in place.

3.33 Continuing with a Treasury-based designation regime was favoured among the majority of respondents, applied to the most important firms. Suggested criteria to support designation included

minimum lending volumes, portfolio size (both value and number of loans), market share, and the total turnover of the lender.

3.34 One respondent advocated a structured process with clear criteria to support the addition or removal of designations, and also suggested the Treasury should consider if specific product thresholds could be included in the legislation to automatically determine designation (similar to procedures adopted by the Competition and Markets Authority). Some respondents contested that the designation regime should be updated to capture both the most important providers of SME loans and/or SME business accounts, which the Government had advocated since the market for these services has decoupled over the last decade.

3.35 There was a wide range of views offered about the likely costs associated with initial designation, which the Government previously estimated to be around £1.5 million for each firm when first introducing the CCDS regime. Now, some providers suggested the cost would be much lower given the likelihood of a newly designated firm already participating in CCDS voluntarily. In contrast, some other participants noted that it could be high for newer firms and would take time and resource to operationalise.

3.36 Responses noted that for any newly designated firm, there should be an adequate implementation time, with one respondent suggesting at least 18 months.

3.37 Many respondents agreed with the Government's proposal that non-designated finance providers that choose to access the CCDS data should be required to reciprocally share this data with all designated CRAs, rather than just those which they choose to contract with today. Respondents agreed this would further reduce data asymmetries, although other respondents highlighted it would necessitate new contractual arrangements between providers and CRAs and the obtaining of new client consent from existing business customers, increasing the cost of participation. Some noted that this could impact fintechs and fast-growing firms and that they may not have the appropriate resource to deal with this. It was also suggested that there could alternatively be a multi-party agreement between CRAs to share the data directly with each other, as an alternative method, and calls for a centralised CRA portal (see above) to make contracting with a number of CRAs more streamlined.

3.38 It was noted that HM Treasury should remain in contact with the CIGB, which is examining the consumer data sharing regime, to avoid duplicated processes or fees and minimise cumulative cost burdens.

Government response

3.39 The Government agrees with the broad consensus among respondents that the existing designation framework no longer reflects the current market landscape, and also notes that the FCA's new consumer credit data sharing framework will not confine itself only to banks participating in the credit landscape. **The Government confirms that it intends to adjust the primary legislative framework to make**

it possible to designate banks and non-banks, and undertake a fresh round of designation reviews to determine which market participants should be required to report their customer data under CCDS, continuing to focus on the most important providers of SME finance services.

3.40 We further acknowledge the strong feedback that any designation criteria must be clear, objective, and transparent. The Government agrees the suggested criteria warrant further consideration and we recognise the importance of ensuring that any criteria maintain proportionality and include appropriate transition arrangements to avoid undue burden on smaller firms. **The Government will examine the appropriate criteria for designation further in the secondary legislation, and is minded for the CCDS regime to cover both major SME account provision and/or loan services to SMEs.**

3.41 **The Government also intends to improve the efficiency of reviewing and updating an existing designation, as well as ensure there are clearer powers regarding the obtaining of information to support designation (as well as wider CCDS scheme evaluation).**

3.42 We also note the strong message that newly designated firms will require an adequate implementation period. **The Government agrees that a sufficient transition period is essential to support smooth implementation.**

3.43 We note the different views on the impact of requiring non-designated finance providers that access CCDS data to share their data with all designated CRAs. **The Government intends to proceed with the facilitation of sharing of information by finance providers with all designated CRAs**, so that the information in the scheme is comprehensive and representative, noting that this is also consistent with the FCA's plans for consumer credit. However, the Government wants to explore further the steps involved for finance providers. We acknowledge the risk – even while introducing a standard data template to submit information to CRAs – that firms' resources could be placed under pressure. **We will therefore consider further the mechanics and the financial implications as the policy develops, including how best the sharing of data with all CRAs should be fulfilled**, including whether the responsibility to share data is best placed on finance providers or CRAs or some other mechanism.

3.44 Finally, we acknowledge the importance of coordination with the CIGB, which is undertaking work in the consumer credit regime, and we intend to continue to engage with the FCA and/or CIGB as policy development progresses. The Government favours consistency of approach and learning from these developments, wherever possible, while noting the commercial regime has some different characteristics to the consumer regime, and conscious deviation is also possible and may be desirable where warranted.

Data access

SME access to credit file

Question 6: Do you think steps are needed to improve SMEs' access to their credit file and its understandability under CCDS? In particular:

- What is the experience and/or confidence of SMEs in accessing their credit file and understanding the information contained within?
- What, if any, measures could be helpful for SMEs to understand their credit file and how this is used?

Summary of consultation responses

3.45 There was general agreement that the accessibility and manner in which SME credit files are presented could be improved. It was also noted that many SMEs do not have a clear understanding of the information that is presented to them, nor how they can improve their creditworthiness, especially among the smaller company end. Lastly, there were concerns around the transparency of data sources, and therefore how an SME goes about correcting errors.

3.46 Most agree that there should be an information service from Government, trade bodies, lenders and/or CRAs, to help SMEs gain insight into their file and how they can make it better, with many suggesting that this should be free for SMEs to access. It was suggested that this should include user friendly reporting tools and clear signposting for SMEs to access their file. Some noted that this could be placed within the British Business Bank, or the Government's Business Growth Service, and would sit well with the Government's agenda further to the small business finance 'call for evidence' led by the Department for Business and Trade, which was a broad consultation examining issues relevant to SME finance.

3.47 Some pointed out that there were already some tools on the market to support the better understanding of SME credit files already.

Government response

3.48 The Government recognises the broad agreement among respondents that improvements are desirable to ensure that SME credit information is easier to understand and more transparent, and that SMEs have access to user-friendly tools, clearer signposting, and practical guidance to empower them to make more informed commercial decisions. We also note the strong support for establishing an accessible information service to help SMEs better understand and engage with their credit files, and note the potential for the Business Growth Service – which is continuing to be developed by the Government, having first launched in 2025. The Business Growth Service is a single, joined-up offer that helps businesses start, scale and grow by providing access to tailored advice, support programmes and signposting to finance and export opportunities.

3.49 We further note that some respondents have pointed to existing and developing tools in the market to support SMEs in understanding their credit position, including free services. **The Government welcomes these initiatives and would like to see greater action by industry, between lenders, CRAs and relevant bodies such as the Centre for Finance, Innovation and Technology (CFIT), to build upon and expand the availability of tools to support the understanding of SMEs in accessing credit, ensuring they are widely signposted and easy for SMEs to access. We will monitor developments in this area.**

3.50 We also note various indirect requirements the FCA is exploring in relation to consumer credit data sharing – including the ability of CRAs to reject data they consider inaccurate or incomplete; mandating that firms report on satisfied County Court Judgments (CCJs) and decrees to improve access to credit; and expectations that firms signpost consumers to statutory credit reports.

3.51 **The Government will monitor developments and take further evidence where needed to see if further provision is needed in relation to SMEs, to enable or enhance further their understanding of their credit position and in relation to their credit file.**

Basis for giving consent

Question 7: Do you have views on:

- SMEs who have not yet been asked for consent by their finance provider (i.e. older customers before the CCDS regulations were first introduced) being asked to do so at the next meaningful point of contact, and within a specified time period? How should this be done?
- Encouraging consent from SMEs to share their data under CCDS to be undertaken on a more proactive basis bringing to the SME's attention the merits of the scheme, and for SMEs to indicate their agreement for their information to be shared unless they consciously elect not to take part.
- How well customer consent is operating today, and if legislative changes would be useful to support more seamless consent being given and obtained?

Summary of consultation responses

3.52 There was general agreement among respondents that legacy SME customers currently not included in CCDS data reporting as their contractual arrangements predate the scheme, should be contacted by firms to determine if they would like to participate.

3.53 More widely, views on consent varied, with some suggesting that the ability to notify clients through T&Cs was efficient; others suggesting that the Open Banking consent process could be used as a model for further developing CCDS and Open Finance; and others

arguing that the CCDS consent framework posed less friction than Open Banking.

3.54 It was also noted that some SMEs may not be participating in CCDS because they do not understand the benefits to their business and therefore have not provided consent to date. It was suggested that if there was more education on the benefits of CCDS and how their data is used, this may increase scheme participation.

Government response

3.55 The Government acknowledges the general agreement among respondents that consent should be sought from SMEs not currently included within the CCDS scheme, and will revisit the legislation on this basis.

Expansion of CCDS

Additional credit facilities and the removal of outdated facilities

Question 8: What is your view on the dataset underpinning CCDS and its sufficiency? In particular:

- Do you consider there are other product types that are particularly beneficial to the lending process which ought to be captured under CCDS and are not currently – what are these?
- Is there any financial information that is not required to be reported upon by designated banks which you think ought to be?
- To what extent would requirements to include more financial data in CCDS be absorbed by other IT upgrades likely to be made by the financial sector to meet other government initiatives, such as reporting requirements being introduced as part of efforts to close the tax gap?
- What would the respective costs and benefits be of introducing reporting on a wider range of product types?
- Are there particular facilities, such as stocking loans (or any others), which you think should no longer have to be reported within CCDS?
- How do you see CCDS supporting Open Finance? Do you think any changes, other than those already proposed within this consultation and call for evidence, are needed for CCDS to better support Open Finance?

Summary of consultation responses

3.56 Many respondents suggested that CCDS facility types should be widened. Suggestions included transactional data, payment history, savings/deposit accounts, business By Now Pay Later (BNPL)

agreements, foreign currency facilities, commercial property loans, insurance premium finance, personal guarantees, revolving facility utilisation and trade credit agreements.

3.57 Other respondents were more cautious about the cost and benefits of expanding reportable data under CCDS, including in light of the development of Open Finance.

3.58 Some responses argued that CCDS should allow reciprocal access for non-financial creditors, for example telecoms and utilities companies.

3.59 There was general agreement across most respondents that outdated facilities type should be removed and that data contributors should not be required to report on these.

3.60 The Government received a range of responses around the interaction of CCDS with Open Finance. There were primarily two main perspectives here. The first was that CCDS and Open Finance could work in parallel to each other, and would be complementary. The second was that Open Finance would either overtake or itself leverage CCDS in the future to become the dominant means for data sharing to occur, given the possibility Open Finance provides of accessing a wider set of real-time data. Some noted that Government policy should focus on the acceleration of Open Finance rather than the expansion of CCDS, and that this would more effectively help lenders understand the holistic position of a business. It was also suggested by some respondents that the integration of Open Banking 'APIs', which are software connections that allow data to be shared securely and automatically, into CCDS could improve the accuracy of credit scoring and support a better view of SMEs' financial position.

3.61 The Government also received suggestions that public authorities should be given a clear basis to access CCDS data in support of public policy objectives, such as to reduce fraud, noting wider Government legislation in this area such as the Digital Economy Act 2017, and the Public Authorities (Fraud, Error and Recovery) Act 2025.

3.62 Additionally there was a suggestion that brokers may benefit from CCDS data in order to match SMEs with lenders; however, this would sit outside of CCDS reciprocity arrangements.

Government response

3.63 The Government is grateful for the varied suggestions in this area. For several products, however, the Government notes that comprehensive information could only be available if there was a corresponding significant widening of the designation regime – whereas the Government intends to focus only on the principal actors supplying SME customer services.

3.64 The Government believes more discussion is needed in this area to balance proportionality, clarity of purpose and cost implications, as well as the interaction with Open Finance. **At this stage, the Government is minded to extend CCDS to include deposit/savings accounts**, given the more balanced and potentially supportive picture

such accounts may provide regarding an SME's financeability, but will seek further evidence.

3.65 The Government notes the support from most respondents to remove outdated information from scope (notably stocking loans), and intends to take this forward as part of its wider revisions to the CCDS regime.

3.66 Finally, the Government notes the suggestions that CCDS data should be made clearly accessible for wider public policy objectives. At this stage, the Government is not persuaded that a change is needed to the CCDS legislative framework itself to accommodate this, and that market participants should access data in line with the various statutory regimes that support data access. To adjust CCDS itself to explicitly enable wider data access could undermine the intentions and protections afforded by other relevant data legislation, and potentially deter SMEs from participating if they felt there was a wide gateway to use their data for other purposes. The Government will, however, continue to keep this issue under review if further representation is made.

3.67 Today, the legislative scheme allows for the information to be accessed by a finance provider to support their offering any kind of finance to an SME, including the taking of steps to prevent fraud. The Government considers this is broadly consistent with the FCA's proposed approach for the new consumer credit data sharing regime, which plans that firms must use the data for activities related to 'responsible lending', including preventing fraud. Beyond this, the FCA proposes leaving scope for more specific use case scenarios to be addressed by industry arrangements.

3.68 The Government will take a close interest in the feedback the FCA receives in this area and if there are relevant learnings for CCDS. However, without clearer evidence from industry, the Government is not at this time minded to amend the CCDS legislation explicitly to introduce use cases that go beyond supporting the provision of SME finance.

Chapter 4

Bank Referral Scheme

Overview

4.1 The Government received 20 responses to the Bank Referral Scheme (BRS) consultation and call for evidence. Respondents included finance platforms, finance providers, trade bodies as well as other businesses with interest in the Scheme. Table 4.A provides an overview of responses.

4.2 Of the 20 responses received, 13 advocated for a fundamental shift away from the current design of the BRS, on the basis that respondents felt the Scheme is not currently delivering adequately (roughly 5% of referred SMEs go on to obtain alternative finance successfully). All stakeholder groups were represented within these 13 responses.

4.3 When engaging with the questions contained in the Government's proposals, responses were broadly mixed, with some minor areas of consensus. However, respondents generally showed a desire for a more fundamental rethinking of the Scheme. While suggested solutions for the BRS varied, a common theme across responses was that SMEs needed further help in order to understand and improve their readiness for credit.

4.4 In view of the responses received through the BRS consultation, the Government does not believe it prudent at the current juncture to continue with proposals that would require legislative change. Instead, it calls upon the commercial sector to come together and deliver alternative proposals to support referrals and SME finance (see page 32).

Table 4.A Bank Referral Scheme: summary of responses

Question/area of evidence gathering	Feedback/responses
Expanding designations to a wider range of finance providers, and enabling voluntary opt-ins; general feedback	Of the 15 responses received on this proposal, seven of these showed support for expanding Scheme designations to a wider range of finance providers. However, other responses, including from trade bodies, and some finance providers, were strongly opposed. This was a central proposal in the Government's consultation, expanding the reach of the BRS, similar to the Government's proposals for CCDS (which had broad

support among almost all respondents regarding increasing designations).

Reasons for opposition primarily included the perceived disproportionate introduction of burdens on finance providers, with several respondents arguing that the BRS was not working well and failing to tackle underlying problems with SME applications and readiness for finance. Some respondents suggested that referral to advisory services would be more useful than to platforms/rival credit providers, where SMEs were often met with a 'double decline'. One suggestion was to use the Government's Business Growth Service (BGS) as the destination of a bank referral and for the BGS to more proactively manage advising and supporting the SME's application.

The Government also received some feedback that the BRS is challenging for Community Development Finance Institutions (CDFIs). While the BRS does not inhibit wider referrals beyond the mandatory scheme – and the Government particularly welcomes the work of the CDFI Taskforce to explore increasing referrals to CDFIs – concerns were raised by CDFIs about whether the system today inadvertently supports typically higher cost credit provision. Platform fees were raised as a difficult fit with the not-for-profit or 'mission-driven' investment model of CDFIs.

There was higher support for explicitly allowing for the voluntary participation of non-designated lenders, with 10 responses in favour of this proposal, and none being opposed. However, responses also noted that more would need to be done to incentivise such participation.

Improving awareness of the BRS through earlier and better signposting of the Scheme

17 responses engaged with this proposal, with 13 in favour of standardising the quality of information provided to SMEs about the Scheme earlier on in the application process, prior to the point of initial application. Three responses, primarily from trade bodies, expressed scepticism arguing that this would not address the underlying issue of SMEs' readiness for finance.

Only one response was explicitly opposed to the proposal, noting that lenders are best placed to decide customer communication methods instead of through standardised communications.

Introducing a time-bound trigger for mandatory

15 responses were received on this proposal, with 11 being broadly supportive of introducing a time-bound trigger for mandatory referrals. Responses in favour were generally concentrated at the newer or more

<p>referrals where a lender fails to make a decision within a reasonable timeframe</p>	<p>specialised end of the SME lending market, including lenders and trade bodies.</p> <p>Three responses were opposed, with reasons including the potential to push customers to higher cost credit facilities purely on a 'timed out' basis, as well as the potential to undermine banks' abilities to manage customer journeys.</p>
<p>Requiring designated lenders to provide rejection reasons, and finance platforms to sign-post business advice services</p>	<p>17 responses were received on this proposal. Of these, 11 responses were supportive of the proposal to give SMEs rejected for credit, a reason. Opinions were mixed around between those wanting SMEs to be provided with more detailed, bespoke explanations, and those believing the deliverable outcome here should be a plain English, high-level explanations based on a limited set of options the lender selects from.</p> <p>Three respondents expressed scepticism, noting the inability of lenders to provide further detail beyond generic explanations.</p> <p>A further three responses were strongly opposed to the proposal, noting that decline decisions can be multifactorial and often rely on commercially sensitive credit scoring algorithms.</p>
<p>Improving the customer journey by setting minimum referral standards and streamlining consent points and data-sharing to reduce burdens on SMEs</p>	<p>13 responses were received on the proposal to streamline SME consent points. Of these, nine were broadly in favour. However, strong opposition was also received to the proposal, including from trade bodies and lenders. A key concern received was that raising the prospect of referral at application stage may affect SMEs' willingness to complete applications with designated banks.</p> <p>14 responses were received on the proposal to improve mandatory data sharing, which would require more information on an SME's application to be provided by designated banks to designated finance platforms where this was available. Of these, 11 were broadly supportive; however, this support was generally on the proviso that improved and increased data sharing could take place through API-based infrastructure.</p> <p>Of the responses which were opposed, it was noted that respondents thought this would not address the real issue of finance readiness with changes likely to be uneconomic. Comments also discussed whether developments in Open Finance may lead to the BRS becoming redundant within the SME lending landscape over time, undermining the necessity and value of</p>

	<p>building out the Scheme’s underpinning information now.</p>
<p>Expanded data collection to improve Scheme monitoring and transparency</p>	<p>17 responses engaged with the Government’s proposals, which advocated the Treasury collecting additional data, notably from designated banks, to better monitor the performance of the BRS. From these responses, there was generally support, with many supporting greater transparency and accountability within the Scheme.</p> <p>Whilst no explicit opposition was received to this proposal, three responses expressed caution, noting that the Government should ensure that requests for data remain proportionate, as well as the need to take commercial sensitivities and potential costs to lenders into account.</p>
<p>Future interactions and opportunities with Open Finance</p>	<p>12 responses provided substantive reflections on potential future interactions and opportunities for the BRS from Open Finance. Generally, it is thought that Open Finance will enable better, higher quality data sharing and, with that, opportunities to improve customer journeys by supporting SMEs to understand their finance readiness, reducing duplicative asks for information, and enabling more efficient matching with lenders.</p> <p>Nonetheless, respondents consistently cautioned that any future scheme utilising Open Finance should be integrated in a proportionate, consent led and outcome-focused way without being prematurely mandated, over-automated, or treated as a standalone fix for underlying SME readiness and market structure issues.</p>

Source: Consultation & Call for Evidence Responses

Chapter 5

Next Steps

Commercial Credit Data Sharing

5.1 Further to the feedback received on CCDS and general support from stakeholders to develop the scheme, the Government will take forward changes when Parliamentary time allows, as set out above.

5.2 Delivering reforms to the CCDS legislative framework will require both primary and secondary legislation, as well as action by the financial services sector directly in some areas.

Bank referrals policy and supporting SME finance

5.3 The primary goal of the Government's consultation and call for evidence on the BRS was to improve Scheme performance and support better access to alternative finance, through broadening the scope of designated lenders, improving SME awareness and participation, refining referral triggers, and strengthening monitoring and reporting requirements.

5.4 Given the mixed views on the proposals and underlying concerns from many respondents about how well the Scheme is currently working, the Government considers that exploring and delivering non-statutory solutions should be pursued at the current juncture. While some individual proposals attracted support, several stakeholders raised broader concern about the Scheme's effectiveness and in many cases argued for a more fundamental rethink of its design. In light of those underlying concerns, the Government considers it preferable at this stage to focus on developing non-statutory solutions instead.

5.5 Specifically, **the Government would like the private sector to deliver proposals for how to improve bank referrals and support SME finance by the end of this year (Friday 18th December)**. The Government's strong preference is for the sector to organise itself on a representative basis and deliver a single set of suggestions with broad support, which may involve voluntary sector led action and/or proposals for policy/legislative change for the Government's consideration. Treasury officials would welcome interim discussions as this thinking develops, and stands ready to engage as the sector organises itself to consider this area further.

5.6 **The Government notes that this timetable also creates breathing-room for banks to consider in the CDFI Taskforce what commitments and improvements can be made to referrals to CDFIs**, without worrying about cutting across wider changes to BRS or capacity constraints within banks of juggling voluntary commitments

alongside broader legislative changes to the mandatory Bank Referral Scheme.

5.7 The Government calls upon the work of the sector to consider in particular:

- 5.7.1 How to improve the volume/quality of referrals where credit is rejected, and what commitments the financial services sector would be willing to make in this area.** The Government welcomes commitments **not only from designated banks but other providers of credit too.**
- 5.7.2 How to improve SME awareness and information around securing alternative credit and advice,** specifically improving and standardising information that is given to SMEs at the point a loan application is made. The Government is open to working with the private sector if further consideration should be given to the branding of such communications and if a role is envisaged for HMG here.
- 5.7.3 What type of explanation could be given to an SME declined for credit and how,** balancing the need for this to be useful for the SME with operational challenges in giving detailed explanations. The Government notes, however, that this was a requirement of the recently disbanded Lending Standards Board, and that there are also financial tools and innovation in the market seeking to give commercial customers greater insight into their credit position and likely reasons for decline.
- 5.7.4 What level of transparency the banking sector would be willing to deliver about the number of credit applications received, those referred to finance platforms and/or other referral bodies, such as CDFIs –** in the form of usable and publishable data.
- 5.7.5 Whether a more strategic solution is needed to improve SME readiness for finance and better help the individual SME overcome the difficulties with its application, or wider credit provision. The Government is highly supportive of efforts to improve the information available to SMEs to support them navigate credit.**

Any such proposals should set out what such a solution(s) should involve, the proposed steps to achieve this, and the likely cost. The Government notes, for example, the emergence of financial tools to give commercial customers greater insights into their credit position, as well as suggestions from its own BRS consultation about the role of the Business Growth Service, as well as models of business support in other jurisdictions, such as Ireland's Credit Review and France's equivalent scheme.

5.8 The Government will examine those proposals carefully and consider what further action is needed by Government (if any), before proceeding with any legislative changes to the Bank Referral Scheme. For now, the Government intends to leave the BRS legislative regime stable in order to give industry the best opportunity to develop meaningful proposals in this area.

5.9 The Government will keep the position under review and consider whether further action is needed if credible proposals do not emerge.

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