

Chief Minister



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Deputy Moz Scott
Chair, Economic and International Affairs Scrutiny Panel

BY EMAIL

18 August 2023

Dear Chair,

Thank you for your letter of 10th August 2023 regarding P.56/2023 – Draft Register of Names and Addresses (Amendment) (Jersey) Law 202-. I am pleased to respond to the questions you have raised, as below.

1. Consultation on the draft legislation is being undertaken concurrently to P.56/2023's lodging period. Could further explanation of this timing be given?

The proposed amendment is the subject of public interest and is a key political priority to deliver without delay. It focuses on the facilitation of affordability checks, which are performed by most lenders and is a proposed requirement of the Consumer Credit Regime to come into effect in 2024, and the enablement of digital verification checks for money laundering requirements. This is primarily expected to support providers of credit and financial products, which may include banks amongst other lenders.

The pace of delivery has been enabled by efforts, prioritisation and collaboration from officials across numerous departments. Whilst the consultation is set to close with only a short window before the amendment deadline, a more pro-active consultation approach has been taken by officials, directly contacting key parties and continuously monitoring feedback channels to prepare necessary responses. Further to this, Government is also leveraging the ongoing consumer credit consultation, currently underway, engaging with lenders relating to the performance of affordability checks and gaining their feedback.

The draft legislation has built in powers for transitional amendment where further adaption is necessary, however should a more fundamental change be determined as necessary in responses received towards the close of the consultation, I would inevitably look to re-lodge the proposition.

In view of the tight deadlines, we can provide scrutiny with an update on the consultation responses and any proposed actions resulting from it in the week commencing 28th August.

2. What credit reference agencies have been consulted with and are these satisfied with the final proposals in P.56/2023?

The Government has worked with representatives from the three main credit references in the UK, Equifax, Experian and TransUnion, throughout the development of this policy to ensure that what is designed will be fit for purpose. The proposed amendment has been drafted whilst being cognisant of the conventional operational and legislative norms which have been adopted both in the UK and Isle of Man, and the agencies noted above have

been consulted directly with regard to finalised proposed legislation. Whilst their responses have not yet been received, noting the consultation remains open until 25th August, officials have been meeting with agencies this week to seek their responses. Due to proactive engagement with the agencies and alignment with the conventional norms, I do not anticipate any fundamental issues to be raised.

In addition to the credit reference agencies, the development of the policy area has included direct engagement with senior representatives from Jersey retail banks and consumer representative bodies such as the Jersey Consumer Council. The consultation has been provided directly to the key industry and consumer representative groups, with some responses received and some confirming that they do not intend to provide a response.

3. It is proposed that prescribed credit reference agencies will be able to receive individual's name, residential address and date of birth. Is this sufficient information for these agencies to undertake their checks effectively?

Through our engagement with the credit reference agencies, we have identified that these information fields are those which are critically missing for Jersey residents. The UK credit reference agencies already hold information relating to Jersey residents, this furnished by businesses including banks and lenders, which advises on individuals' indebtedness and affordability. The information which will be provided from the Register of Names and Addresses will enable credit reference agencies to accurately match Jersey resident information as well as verify Jersey residential addresses to an accurate source. This is critical as it will enable business to obtain, when reviewing a customer application, accurate consumer reports from the credit reference agencies for Jersey residents.

During the course of our engagement with the credit reference agencies we have also discussed less critical data sources, which will improve the consumer reports maintained and bring them more in line with those of UK residents. We are exploring, with the relevant parties, potential solutions for these data sources with a view to enabling the improved consumer reports for affordability checks ahead of affordability check requirements being introduced, as part of the consumer credit regime, in 2024.

4. Is the Register of Names and Addresses sufficiently maintained to provide the required information?

The register of names and addresses is sufficiently maintained to provide this information accurately for these purposes. Individuals are legally required, subject to the Control of Housing and Work Law and Social Security Law, to notify Customer and Local Services of any change of address. Subject to any manual data correction processes, which are performed subject to a three-day service level agreement, these amendments will be instantly applied to the register of names and addresses.

Further to the above, individuals are able to update their details with Government online through the 'update your details' function on the website – [Update your contact details \(gov.je\)](#). This updates the register alongside other Government records under the 'tell us once' initiative.

5. Should P.56/2023 be adopted, how long is it anticipated to see an impact in the facility of services by credit reference agencies, and subsequent provision credit cards etc.?

Jersey businesses can already access customer reports from credit reference agencies, however, as noted above, the data gap we are addressing reduces the feasibility and utility of these. We are committed to delivering this and anticipate the supply of information to be effective in early 2024. At this point businesses will be able to reliably use consumer profiles for affordability checks or AML purposes when processing applications for Jersey residents.

In turn this will be addressing the key barrier to delivery of credit cards in Jersey which has been highlighted by our engagements with card providers and banks, reducing the frictions and making the delivery of credit cards more feasible for card service providers. We hope that banks and card service providers will recognise the progress here and reflect on the completeness of their offering to Jersey residents, however I would highlight the delivery of these services is a commercial decision for banks.

6. How will the administrative fee be set and what will revenue be used for?

The proposition per Paragraph 7 will allow for the responsible Minister to establish a fee by an Order. This will be performed post coming into force of the amendment and parallel to the prescription of the initial credit reference agencies subject of the Law. We anticipate Jersey's costs to not be materially different to those incurred by English electoral authorities and therefore Jersey's fee model will likely align with that established by the UK and Isle of Man, though the finer details of this will be confirmed later. I intend these fees to be basic and utilised to offset the administrative burden of delivering the information. For reference if an equivalent model to that in England and Wales is applied, we might anticipate a fee of £1,300 per annum per credit reference agency.

7. Why is customer due diligence included within P.56/2023 noting Anti-Money Laundering and

Counter Terrorist Financing ("AML/CFT") checks undertaken irrespective of the access to the information held in the Register of Names and Addresses?

This proposition does not bring with it new requirements for anti-money laundering checks. You are correct that businesses are already performing these checks, however with rising compliance costs businesses are seeking more efficient and effective means of performing this by utilising digital straight through processes. Businesses in the UK can already obtain from credit reference agencies, using digital automation, a consumer report to use as a reliable source against which to verify a customer's address when processing an application. Our engagement with banks has identified challenges implementing improved digital account opening processes, in particular the use of digital means for address capture and validation. The ability to use a consumer report from a credit reference agency to validate the information in a photo capture of a utility bill will support businesses servicing Jersey residents to implement more efficient digital onboarding processes.

8. In view of the potential reputational risk to the Island, what safeguards will be in place to protect individual's information from misuse or unintentional disclosure e.g. hacking by a third party?

Per paragraph (6) the responsible minister will be limited to sharing information with credit reference agencies on the condition that they have adequate systems in place for securing the confidentiality and integrity of relevant information and will use the relevant information only for the purposes which we have specified within the Law. Alongside this a further condition will require that any credit reference agency that is prescribed for the purposes of the law is authorised in the UK to provide credit references under the UK Financial Services and Markets Act 2000 or is authorised to provide credit references in another jurisdiction with equivalent regulation, and with data protection legislation equivalent to the Data Protection (Jersey) Law 2018.

I intend to ensure this is brought into effect through performing due diligence to ensure a credit reference agency has adequate systems in place prior to prescribing them in an Order and entering agreements to confirm this with each credit reference agency prior to the supply of information. It should be noted that the UK credit reference agencies are subject to UK data protection requirements, and the UK has had adequacy granted by the EU under GDPR.

I trust that this response is useful in addressing your questions, but please do not hesitate to contact me should you have further queries.

Yours sincerely,



Deputy Kristina Moore
Chief Minister