



Helping you
navigate what's in
your way.

INSOLVENCY & YOUR CREDIT RATING

New credit reporting for personal credit ratings can now contain negative as well as positive information. This is a general overview of how insolvency appointments impact credit files and publically available registers.

Individual and Corporate Credit Reports

Individual and corporate credit reports, sometimes referred to as credit ratings or a credit score, can be accessed from a Credit Reporting Body (CRB).

You can request a copy of your credit report by contacting one of these National CRBs:

- Veda: [MyCreditFile.com.au](https://www.mycreditfile.com.au)
- Dun and Bradstreet: [CheckYourCredit.com.au](https://www.checkyourcredit.com.au)
- Experian: CreditReport@au.experian.com

Credit reports can be accessed for free once every 12 months from a CRB. Further free requests may be made if credit has been refused in the past 90 days or where the request relates to a decision by a CRB or credit provider to correct information in the credit report.

The CRB must provide the consumer credit report within a maximum of 10 days. Alternately, further credit reports may be obtained from CRB's for a fee and may be obtained in a shorter timeframe.

The consumer credit report will typically include:

- A copy of all personal information contained in your consumer credit report
- Your credit score
- A summary and explanation of the information to help understand the impact of the consumer credit report on ability to access credit

Your credit files are compiled by registered Credit Reporting Bodies (CRB). Whilst each CRB have subtle differences in reporting and the retention of credit file information, the table on the following page is a general overview of our understanding of what information and how long it may be reported on an individual's credit file.

Information contained in your credit	Period held in credit file
Personal information such as your full name, date of birth, gender, current and previous 2 addresses, current employer and driver's licence number	Life of the credit report
Names of credit providers	2 years starting on the day of the contract for consumer credit ends
Type of credit accounts such as a credit card or a personal loan	
Account open and close dates	
Credit limits and credit increase history	
Repayment history	2 years starting on the day that the consumer credit payment was due to be paid
Repayment history	2 years starting on the day that the consumer credit payment was due to be paid
Court judgments	5 years
Any defaults (account at least 60 days overdue) on a consumer credit payment of \$150 or more	5 years starting on the day that the credit provider disclosed the default to the CRB for inclusion in your credit file
Following default, a variation in the terms and conditions of consumer credit is agreed or new consumer credit is provided	2 years starting on the day that the credit provider disclosed the default to the CRB for inclusion in your credit file
A bankruptcy	5 years starting on the day of becoming bankrupt; or 2 years starting on the day a person is no longer bankrupt (whichever is later)
A debt agreement proposal	The period ending on the day that: <ul style="list-style-type: none"> ▪ You withdraw the proposal ▪ The credit provider refused the proposal ▪ The acceptance of the proposal was cancelled, or ▪ The proposal lapsed
A debt agreement	5 years starting on the day the agreement was made; or 2 years starting on the day that the agreement was: <ul style="list-style-type: none"> ▪ Terminated, ▪ Ends, or ▪ An order was made declaring the agreement void (whichever is later)
A personal insolvency agreement	5 years starting on the day the agreement was executed; or 2 years starting on the day the agreement was terminated (whichever is later)



What they don't contain

Credit files **do not** contain general personal information such as political or religious beliefs / affiliations, criminal records, medical records or details of income under Part IIIA of the *Privacy Act 1988* and is supported by the Privacy Regulation 2013 and the Privacy (Credit Reporting) Code 2014.

The CRB Database

CRBs continually update their databases with information supplied from third-party sources as a result of applications for credit supplied by lenders, judgments from courts, debt and bankruptcy matters as supplied by the Australian Financial Security Authority (AFSA) and directorship information as supplied by the Australian Securities and Investments Commission (ASIC).

CRBs do not dictate the extent of information or length of time that such information may be retained on the various publically available databases that the CRBs obtain information from organisations such as AFSA and ASIC. An overview of the relevant insolvency related information maintained by AFSA and ASIC is as follows:

AFSA' Public Record known as the National Personal Insolvency Index (NPII)

The NPII is a permanent electronic register of personal insolvency proceedings in Australia. It is maintained by AFSA and contains records since August 1928. The NPII provides information about the insolvency status of individuals. Anyone can conduct an NPII search upon payment of a small fee.

Commonly, search results are obtained from an organisation authorised by AFSA to conduct NPII searches or direct via the AFSA website at www.afsa.gov.au.

The NPII permanently contains various insolvency details including:

- Creditors' petitions
- Debt agreements
- Personal insolvency agreements
- Bankruptcies
- Insolvent deceased estates
- Control orders and authorities

Personal information recorded on the NPII record includes:

- The name, date of birth (if known), residential address and occupation of the person
- The person's previous name(s) and alias(es) (if known)
- The type of proceeding, the date it started and the administration number
- The name and contact details of the trustee or administrator of the proceeding
- The current status of the person and/or the proceeding (whether a person is discharged from bankruptcy or whether a person's bankruptcy is in progress)

ASIC's publicly available registers

ASIC maintains numerous publicly available registers such as registered auditors, liquidators, unclaimed money, banned and disqualified persons and enforceable undertakings registered.

ASIC also maintains an 'Organisations & Business Names search' facility (formally known as the National Names Index) from which CRB's can obtain information regarding organisations including corporations, registered businesses and some incorporated associations.

The type of information that can be obtained via the Organisations & Business Names search:

- The current status of the organisation including whether it is currently under external administration (i.e. in liquidation, receivership, administration, controller appointed or if it is deregistered)
- Current and former directors, secretaries and members
- Listing of documents lodged
- Locality of the registered office
- Registration number and where available, the ABN

If you are a director of a company that is in liquidation, administration, receivership or has a controller appointed this would normally be noted on your credit file.

In such instances, particularly in a liquidation scenario, it is common for a prospective credit provider to seek confirmation from the liquidator as to the extent of any likely personal liability of a director for an insolvent company's debts.

For further information please contact one of our regional NSW & VIC Restructuring & Recovery specialists:



Andrew Bowcher, CA CFE
Partner / Director
andrew.bowcher@rsm.com.au
T: (02) 6937 7001
M: 0407 997 258



Tim Gumbleton, FCA
Principal
tim.gumbleton@rsm.com.au
T: (02) 6937 7001
M: 0418 919 882