**CUSTOMERS OF ALLIANCE HOMES**

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**The Big Issue - Rental Exchange with Experian**

Alliance Homes Group (AHG) has entered into partnership with Big Issue Invest and Experian and signed up to the Rental Exchange.

To date, over 750,000 tenants of social housing organisations recognise the advantages of the Rental Exchange and support the initiative.

In the same way that mortgage history can count towards a credit profile, this partnership will enable your rental payment history to be used as proof of your financial standing and reliability.

Many organisations rely upon credit scoring to decide whether to give customers access to mainstream financial services such as mobile phone contracts, a bank account or a loan at an affordable interest rate.

A large proportion of tenants are concerned about not being able to access the same financial products and services that are available to individuals with mortgages.

Alliance Homes has teamed up with Experian, the UK’s biggest credit reference agency and a highly respected and trusted custodian of personal data, along with Big Issue Invest, part of the well-known Big Issue Group of companies, to help our tenants with some of these challenges.

**What do I need to do?**

You don’t need to do anything. We will share your tenancy information with Experian, including your track record for paying your rent and service charges to us unless you tell us not to. This could make it easier for you to apply for credit or bank accounts in the future. We understand that in some circumstances there may be rent arrears. Where this is the case we will work with you to address it. Paying your rent on time could help you to access cheaper products and services in the future.

Independent research among social tenants shows that there is wide support for this partnership. The key benefits are seen to be proof of financial reliability, access to cheaper credit and automated evidence of identity and proof of address. Many social landlords are going to share information with Experian for the benefit of their tenants.



**So in summary, not only will we be able to work with you more closely to**

**manage your existing tenancy agreement, sharing your tenancy track**

**record will enable Experian to assist other landlords and organisations to:**

* assess and manage any new tenancy agreements you may enter into;
* assess your financial standing to provide you with suitable products and services;
* manage any accounts that you may already hold, for example reviewing suitable products or adjusting your current product in light of your current circumstances;
* contact you in relation to any accounts you may have and recovering debts that you may owe;
* verify your identity and address to help them make decisions about services they offer; and help prevent crime, fraud and money laundering.

Both Alliance Homes and Experian will ensure that your information is treated in accordance with the Data Protection Act, so you can have peace of mind that it will be kept secure and confidential. However if you would prefer not to benefit from the scheme and do not want us to share your tenancy information, you can opt out from the scheme. To do this, please call us on **03000 120** **120** or write to us to tell us that you do not want to take part in the scheme.

If you’d like further information you can visit [www.experian.co.uk/rental-exchange](http://www.experian.co.uk/rental-exchange)

I have included a Questions and Answers section with this letter. If you would like advice on how to improve your credit history you can access independent and impartial advice from [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk).

Alternatively if you have any specific questions about the Rental Exchange or any other questions regarding your tenancy please call us on **03000 120 120**.

**The Rental Exchange**

**Questions & Answers**

**Background**

Alliance Homes Group (AHG), Big Issue Invest (BII) and Experian have partnered to tackle the financial, digital and social exclusion challenges faced by tenants in rented properties.

The Rental Exchange aims to ensure that everyone has equal access to credit and related financial services.

**Why is Alliance Homes taking part in this project?**

We are taking part in this project for one reason and one reason only, all of the evidence we have seen clearly demonstrates that the majority of our tenants will be better off if we take part in this scheme. Tenants will be able to save money on basic goods and services such as white goods, utilities, mobile phone contracts and insurance.

**What is the Rental Exchange?**

The Rental Exchange is a ‘ring-fenced’ secure database which holds rental payment information. It has been discussed with the Information Commissioner’s Office to ensure it complies with the letter and spirit of the Data Protection Act 1998. The information will allow tenants with a ‘thin file’ - a history of little or no credit – to build a credit score. The database can be accessed by lenders and other service providers when a tenant applies for a loan or service that requires a credit check or proof of identity, something that is becoming common-place for both private and public sector transactions.

**Why has it been set up?**

Millions of social housing tenants in the UK face financial, digital and social exclusion. One major cause of this is an information gap in their credit history which can exclude low-income people from affordable credit.

They are more likely to be declined or pay a higher price for credit and other basic goods and services. Addressing this has been a key agenda for BII and a number of like-minded organisations for several years.

The Rental Exchange supports BII’s mission is to give people ‘a hand up, not a hand out’.

**What is a credit file and why is it important?**

Anyone who is over 18 and has ever taken out credit is likely to have a credit report, held by a Credit Reference Agency (CRA). Experian is the UK’s leading CRA. It’s a personal history of the credit an individual has had, including mortgages, credit cards and even mobile phone contracts or utility bills.

Many social housing tenants have a ‘thin file’. This means there is very little information about an individual’s financial history or circumstances – making it hard to prove identity or reliability as a payer and access benefits and services that mainstream society has come to regard as ‘the norm’.

The Rental Exchange will open up new channels and services to social housing tenants, giving fairer access without the time-consuming need to provide paper-based evidence of identity or financial commitments.

For more information on what a credit report is and what sort of information is on there, visit

<http://www.experian.co.uk/consumer/what-is-a-credit-report.html>.

**How will it work?**

While information about mortgage payments is included on credit reports, rent payment information currently isn’t. This means that tenants who make their rent payments on time are unable to have this positive information registered on their credit report. The more positive information on a credit report, the more likely an individual is to access credit, goods and services, and be able to prove their identity. A person’s address is the first step in proving they are who they say they are.

Social housing providers will provide a regular feed of required and actual payment data about tenants’ rent payment performance into the Rental Exchange. The Rental Exchange will offer a secure and compliant way to include a tenant’s payment history in their credit file, strengthening their credit history and helping them qualify for more and lower-cost payment plans. The data will only be accessed when the tenant applies for goods or services where a credit or identity check is made through an organisation using Experian’s database.

Experian processes significantly more transactions of this kind in the UK than any other organisation, giving the tenant the best chance of their data being available to support their application. When the tenant makes an application they are notified that such a check will be made, as would any consumer when they go to purchase certain goods or services. For example, this extends to tenants having the option of better tariffs on their utilities’ bill based on their credit file. This enhanced view of repayment history will improve the ability of lenders to treat all customers fairly, with more accurate lending decisions based on a deeper understanding of the individual, as is increasingly required by regulators.

**How will it benefit tenants?**

The Rental Exchange will enable tenants to build a positive credit history and ‘online’ proof of identity – increasingly important when applying, for example, for goods and services such as, a utility supplier, a mobile phone contract or when shopping online.

**Will the data be shared with third parties for marketing purposes?**

No, please be assured that your personal data will not be shared with any third parties for marketing purposes.

**What about data protection?**

Any access to the data will comply with the requirements of the Data Protection Act 1998 (DPA). Experian and BII have been in discussion with the Information Commissioner’s Office (ICO) to ensure sharing of rental payments is fully compliant and fair to the tenant. The clear benefit to tenants is recognised by DPA ‘legitimate interests’ provisions (DPA 1998 Sch2 para 6). The Rental Exchange is based on protecting tenants’ data while at the same time enabling them to ensure organisations can use this data to support their application.

The ICO recognise that tackling social, financial and digital exclusion issues through enabling tenants to use their information in a way that helps them is not something that should be prevented by the DPA, subject to tenants being provided with a very clear explanation of how this will benefit them.

**Who will be able to see rental data and how will it be used?**

When you go into a high street shop, or try to buy something online, the retailer will sometimes run a check in order to decide if you can be given credit. However, they won’t be able to see all of your financial information. Data will also be made available to landlords and organisations undertaking property management and tenant referencing activities on behalf of landlords, again with the tenant being notified of this.

**Will rental data be included on people's credit reports?**

Yes, as lenders will be able to use rental data to help make decisions about credit, tenants will see this data when they access their credit report.

**What will be the process for dealing with data disputes?**

We will help tenants resolve any disputes in the same way we do for other types of data. The moment a tenant contacts Alliance Homes Group or Experian to report a problem, Experian mark the data as under dispute while we investigate with the provider. This process will be made clear to tenants when Alliance Homes Group joins the Rental Exchange. This means that any organisation looking at this data must make further enquiries to ensure any decisions they make reflects the tenant is disputing the accuracy of this information. This is consistent with the requirements of the Data Protection Act 1998.

Experian and BII will be working with Alliance Homes Group to ensure the tenant is fully aware of when, where and how data will be used. As part of any arrangement with a social housing provider, Experian and BII are committed to providing a full education programme for tenants.

**Can I opt out of this, I am not happy with companies selling off my details and personal information…**

If you think that you may not want to take part in the scheme we would like to talk to you and explain more about the real benefits that being included brings to you. We believe that all of our tenants are better off as a result of being included in this scheme. If you have concerns, please talk to us so that we can understand your objections and discuss the benefits of participating. If you do not wish to participate you can opt out.

**Will missed rental payments stop people accessing affordable credit or renting a home?**

For the majority of people it’s the opposite, as it will help prove that they meet this regular and important financial commitment. Most lenders will ask a consumer about their outgoings to understand their situation but in the case of social tenants, lenders and tenants are currently unable to verify commitments and performance history without going back to their landlord. So in effect the lender and tenant can now benefit from real-time transactions on accurate, objective information. This will support more responsible borrowing and lending and help people avoid becoming over-indebted.

If a tenant is unable to pay their rent, it is unlikely they are suitable for a loan or other payment agreement.

For social housing providers, it will help identify those tenants who are financially vulnerable and enable them to provide help to help get them ‘back on track’.

**Who’s payment history will be included?**

All tenants in weekly rented accommodation will be included in the scheme. The only people we will exclude will be leaseholders and shared owners. We are excluding leaseholders because in most cases these people already have a mortgage and their lender will already be providing their payment information to a credit reference agency.

**Will social housing tenants with a record of missed rent payments in the past be blocked from renting with another social provider?**

Rental payment history should not affect who a social housing provider provides housing to as it is their responsibility to provide affordable housing to those who need it most. However, Experian and Big Issue Invest are not responsible for how an organisation uses this data.

The primary aim of the Rental Exchange and its social housing provider partners is to support individuals and help them to build a positive credit report.

Rental payment history will provide social housing providers with a better understanding of tenants’ financial situations to identify and support vulnerable individuals and families under financial stress.

**Will people who receive full or partial housing benefit have their credit histories affected when payment of rent is late through no fault of their own?**

No. Whilst we will be sharing rental payment data for customers in receipt of full or partial housing benefit, this will not affect their credit history

**Will social housing providers be able to see a tenant’s private credit history data?**

Currently, social housing providers can only see rental payment history, as well as any publicly available information about court judgments and bankruptcies but it is hoped to soon be able to provide a full picture of the tenant’s history to enable social housing providers to better support and identify the most vulnerable tenants.

**I don’t have credit cards or loans, so this isn’t relevant to me?**

Yes it is - a positive credit rating can help you get better deals on some of your household bills.

**We have been refused credit for loans and other things so many times before, will this really help?**

Yes, regular rent payments will show that you can manage your budget and could open up cheaper mainstream credit.

**Is my data safe?**

It is a priority for Experian to make sure the information we obtain is held securely. All the data held is processed in strict accordance with the Data Protection Act 1998. Employees are carefully screened and their premises are very secure. They constantly review how they can protect their information databases and their reputation for maintaining privacy.