

**Study on the
Sharing of Negative Credit Data of
Student Defaulters
Under the Non-means-tested Loan Scheme
Administered by the Student Finance Assistance
Agency**

Main Report

Policy 21 Limited
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CHAPTER 1 Introduction

1.1 Study objectives

1.1.1 The Office of the Privacy Commissioner for Personal Data (“PCPD”) is an independent statutory body established to oversee the compliance of the Personal Data (Privacy) Ordinance (the Ordinance) which is enacted to protect the personal data privacy rights of individuals.

1.1.2 The purpose of this Study commissioned by PCPD is to ascertain the attitude of the general public and relevant stakeholders¹ towards the Student Finance Assistance Agency’s (“SFAA”) proposal to share the negative data of defaulters with a credit reference agency (“CRA”) under clearly defined circumstances (the “Proposal”). Finding of the Study will form part of PCPD’s submission to the Government on the Proposal.

1.1.3 More specifically, the purposes of the Study are as follows:

- a) To examine whether the proposed sharing of negative data would be appropriate for and accepted by the general public and relevant stakeholders;
- b) To gauge general public’s and the stakeholders’ likely changes in their views after they are informed of the personal data privacy implications of the Proposal; and
- c) To assess the Proposal in the light of the Study findings.

1.2 Research Background

Non-means-tested Loan Schemes (NLS)

1.2.1 The Non-means-tested Loan Scheme (“NLS”) provides financial assistance in the form of loan to all students who are eligible for assistance under the Tertiary Student Finance Scheme - Publicly-funded Programmes (TSFS). The NLS, first introduced in the 1998/99 academic year, has been in operation for over 10 years.

1.2.2 The Chief Executive announced in the 2009-10 Policy Agenda that the Government would conduct a review of the operation of the NLS, with a view to ensuring that:

- a) reasonable financial support is provided to students pursuing post-secondary and continuing education;
- b) effective measures are in place to reduce the loan default rate; and
- c) there is proper use of public resources.

1.2.3 The review would cover the scope, eligibility criteria, interest rate, repayment arrangements as well as measures to address the default situation.

¹Stakeholders are students and adults (i) pursuing or have pursued tertiary and continuing education respectively; and (ii) have outstanding loans administered by the SFAA.

1.2.4 Borrowers of non-means-tested loans do not need to go through any means test or provide security for the loans. The default situation of the NLS was about 13 per cent by the end of the 2010/11 academic year, involving about 13,000 defaulters and \$213 million in arrears, of which 72 per cent of the defaulters were students pursuing a wide and diverse range of full-time and part-time post-secondary and continuing and professional education courses.

1.2.5 The Government launched Phase I public consultation from 15 March 2010 to 15 June 2010 to collect the public's and relevant stakeholders' views on various issues relating to the operation of the NLS administered by the SFAA for students pursuing post-secondary and continuing education. It was reported that about 600 written submissions were received from relevant stakeholders and members of the public. Having considered these views, the Government has drawn up a package of proposals to improve the operation of the NLS for further public consultation.

1.2.6 In the Government's Phase II consultation document put forward by the SFAA on 14 November 2011 (consultation will end on 29 February 2012), it was stated that there was clear public support to pursue the Proposal as an effective deterrent measure against default. As the Proposal will have impact on personal data privacy and that consumer credit data held by the CRA are currently under the regulation of the Code of Practice on Consumer Credit Data issued by the Privacy Commissioner, the Government has pursued the Proposal with the Privacy Commissioner.

1.2.7 According to the Government, the intended benefits of the Proposal include providing an effective deterrent against default and prevention of excessive borrowing. On a tentative basis, the Government intends to invoke the Proposal only in circumstances where the outstanding loan amount exceeds HK\$100,000 and has been in default for over a year. The number of such cases is estimated to be 600.

1.3 *Gathering views of relevant stakeholders and members of the public*

1.3.1 As noted above, a public consultation exercise is being conducted to solicit views of relevant stakeholders and members of the public. According to a press release issued by the Government on 14 November 2011, a package of 10 improvement proposals has been drawn up based on Phase 1 public consultation held between March and June 2010. Members of the public and relevant stakeholders are invited to submit their views on this package of 10 proposals and the deadline for submission is 29 February 2012. Members of the public and relevant stakeholders could submit their comments through the online survey form or in writing to SFAA.²

1.3.2 During the Phase 1 consultation, several measures have been suggested to tackle the default problem. These include sharing negative credit data of defaulters with a credit reference agency, increasing penalties against defaulters and expediting legal action on loan recovery. No information is available on the rationale for supporting these measures and an assessment of their effectiveness.³

²http://www.info.gov.hk/gia/general/201111/14/P201111140399_print.htm, retrieved on 28 December 2011.

³http://www.gov.hk/en/residents/education/financialassistance/postsecondary/nlsreview.htm#phase1_views, retrieved on 28 December 2011.

1.3.3 In the current public consultation being conducted, two measures are proposed to tackle the loan default problem more effectively. These are the sharing of negative credit data of defaulters with a credit reference agency under clearly defined circumstances and requiring credit report from mature loan borrowers who apply for student loans for the first time above a certain amount.⁴ No explanation is given in the consultation documents explaining the reasons why other proposals like increasing penalties against defaulters and expediting legal action on loan recovery have not been included in the Proposal.

1.4 Privacy concerns

1.4.1 It is noted that consumer credit data are very personal and private to individuals concerned and sharing of such data entails activities which are potentially sensitive. The intended benefits of implementing the above Proposal have to be carefully weighed with the interest in preserving individual privacy. It is not apparent from information released by the Government on the Phase 1 public consultation on the extent to which privacy concerns have been addressed and whether and how views of relevant stakeholders, namely post-secondary students, have been taken into account and their privacy concerns properly addressed. In the current public consultation, members of the public and relevant stakeholders are not alerted of the privacy concerns when their views are sought.

1.4.2 In a recent submission to the Legislative Council, the Privacy Commissioner pointed out that it is incumbent on the Administration to seek other less privacy-intrusive measures to achieve the same policy objective. Whilst the Commissioner supports in principle the Administration's plan to strengthen efforts to tackle the loan default problem in order to safeguard public money, he emphasizes that the Proposal must be examined taking into account the privacy concerns outlined below.⁵

1.5 Opening the floodgate of a closed System

1.5.1 Up till today, there is only one major consumer CRA in Hong Kong, namely, TransUnion Limited (“**TransUnion**”). The Proposal only states that negative credit data will be shared with a CRA, without specifying the name of the agency. It is presumed that the CRA is and can only be TransUnion.

1.5.2 It is important to note that TransUnion presently operates in a closed system almost exclusive to banks and licensed money lenders in Hong Kong. These credit providers share their customers' credit data among themselves through TransUnion, the shareholders of which include an overseas company (with 56.25% equity holding) and 6 Hong Kong-based banks (37.5%). This credit data sharing system serves only banks and licensed money lenders themselves in assessing and monitoring their customers' credit risk, credit-worthiness and credit capacity. Providing negative credit data to a CRA to deter loan default is not at the moment a function of this system.

⁴<http://www.gov.hk/en/residents/education/financialassistance/postsecondary/nlsreview.htm>, retrieved on 28 December 2011.

⁵ Legislative Council Panel on Education: Review of Non-means-tested Loan Schemes Administered by the Student Financial Assistance Agency (SFAA), LC Paper No. CB(2)298/11-12(01) dated November 2011.

1.5.3 The Commissioner fears that the implementation of the Proposal will open the floodgate of this closed system to requests of a similar nature from (i) other government departments for recovery of overdue taxes, government rents and rates, water charges, etc. and (ii) private sector sources such as retail, small business, telecoms, utilities and others which are also keen to recover outstanding debts from their customers. The privacy risks that would arise from expanding the range of credit data providers, in terms of data collection, use, management, retention and security safeguards, could be disproportionate.

1.6 Governance, accountability and transparency of CRA

1.6.1 Given the sensitive nature of credit reporting activities, the governance arrangements of a CRA and how it ensures management accountability and operational transparency are of paramount importance. These issues are particularly acute under the Proposal as it opens up a closed system serving banks and licensed money lenders to outside credit providers. More importantly, it involves the transfer of consumers' sensitive data from a Government agency (i.e. SFAA) to a commercial enterprise (i.e. TransUnion).

1.6.2 In terms of governance and accountability, it is relevant to note that the majority (56.25%) shareholder of TransUnion is an overseas company. TransUnion is a commercial concern not subject to the direct oversight of the Hong Kong Monetary Authority as the financial regulator, albeit it is regulated by the Privacy Commissioner under the Personal Data (Privacy) Ordinance on matters related to personal data protection.

1.6.3 In terms of transparency of the operations of TransUnion, it is important to note that it allocates a credit score to individual consumers based on the credit information held in its database but the computation of the score is proprietary and confidential information not to be disclosed to the consumers. Hence, while the credit score is probably the key factor used by credit providers in credit assessment, the consumers being assessed are not in a position to challenge its validity and they therefore suffer a disadvantage. For the same reason, the Privacy Commissioner is unable to assess the exact impact to the consumers brought about by the Proposal, except to point out that the privacy and data protection risks will increase with an enlarged credit database and greater sharing and use of such credit data.

1.7 Extending the public consultation exercise

1.7.1 Public's concern over their privacy has increased significantly in recent years. If measures are implemented without having adequately addressed the public's privacy concerns and alerting them of the possible privacy implications before their views are sought on matters relating to the sharing of their personal data, the public may react unfavorably to such measures later on.

1.7.2 It is thus desirable in the present study to tap the views of members of the public and relevant stakeholders on the proposals after they have been fully briefed on the privacy concerns raised by the Privacy Commissioner to the Legislative Council in November 2011. Findings of the present study will provide useful reference to the Government and supplement views obtained from the current public consultation exercise.

CHAPTER 2 Methodology

2.1 Study methodology

2.1.1 It should be noted that the present study is not a public consultation exercise. As discussed above, the main purpose of the Study is to gather views of members of the public and relevant stakeholders which hopefully will serve as useful reference to Government on the reactions of members of the public and relevant holders to the Proposal. Thus, a small scale survey is considered sufficient, as long as the survey sample covers sufficient number of:

- a) Members of the public of different backgrounds;
- b) Relevant stakeholders including post-secondary students and mature students of different background.

2.1.2 In the Study, 270 respondents were interviewed face-to-face, including 195 post-secondary students and 75 member of the public. Their views were sought on the Proposal before and after they were briefed of the privacy concerns discussed above.

2.1.3 Under the TSFS, students studying in full-time courses in the 12 tertiary institutes⁶ are eligible to apply. 6 local institutions were selected and students studying in these institutions were interviewed at different times of the day and different days of the week. Students were selected using quota sampling at different locations of the institutions selected.

2.1.4 As regards members of the public, they were interviewed in 3 different locations in Hong Kong, Kowloon and the New Territories. Data were collected anonymously through face-to-face interviews. Members of the public were selected using quota sampling. The names of respondents were not collected and data obtained were analyzed in aggregate without revealing the names of post-secondary institutions the students are attending.

⁶ http://www.info.gov.hk/gia/general/201111/14/P201111140399_print.htm, retrieved on 28 December 2011.

2.2 Enumeration results

2.2.1 Data collection was conducted from 8 February to 10 February 2012. The following table shows the number of completed interviews in different locations. 270 interviews were successfully completed in total.

Table 1: Enumerated Respondents for Questionnaire Survey

Institutions/ locations	Types of Stakeholders		No. of respondents
	Post-seco ndary students	Public members	
Institutions			
The University of Hong Kong	27	3	30
The Chinese University of Hong Kong	28	2	30
The Hong Kong University of Science and Technology	28	2	30
The Hong Kong Polytechnic University	28	2	30
City University of Hong Kong	23	7	30
Hong Kong Institute of Vocational Education (Tsing Yi)	27	3	30
Public areas			
Central	3	27	30
Hung Hom Railway Station	21	9	30
Sha Tin Railway Station	10	20	30
Total	195	75	270

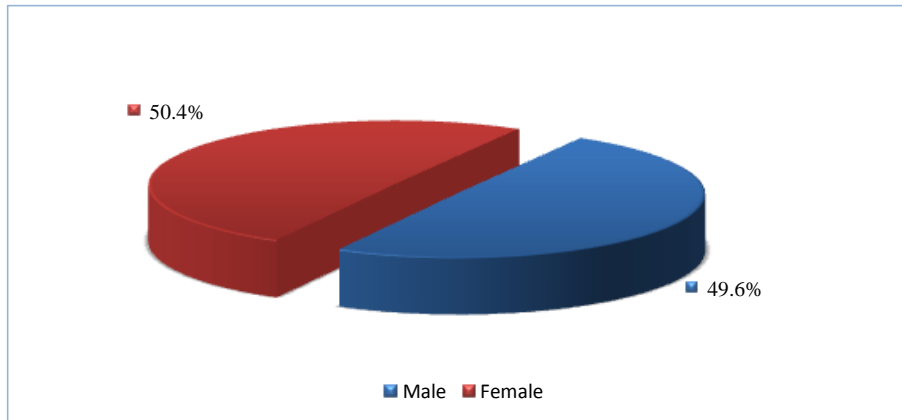
2.3 Rounding of figures

2.3.1 Readers should note that percentages shown in the charts and tables presented in the following chapters may not add up to the total or 100% due to rounding.

CHAPTER 3 Profiles of respondents

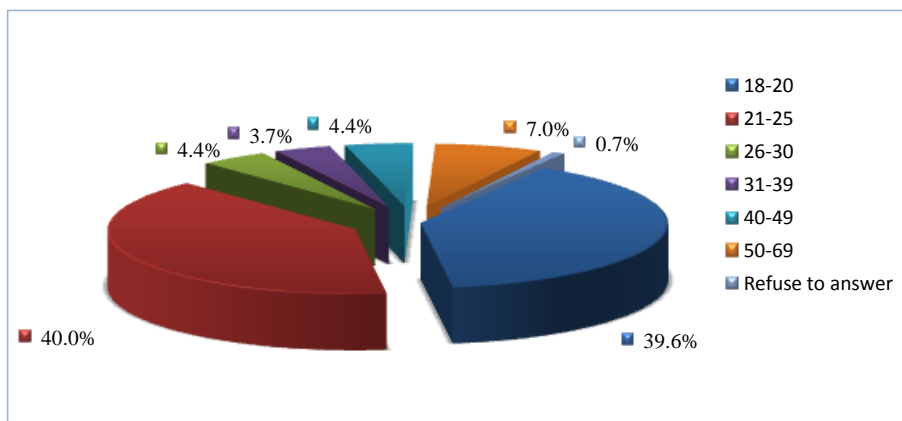
3.1 A total of 270 respondents participated in the survey. About 49.6% of them were males and about 50.4% were females.

Chart 1: Respondents by gender



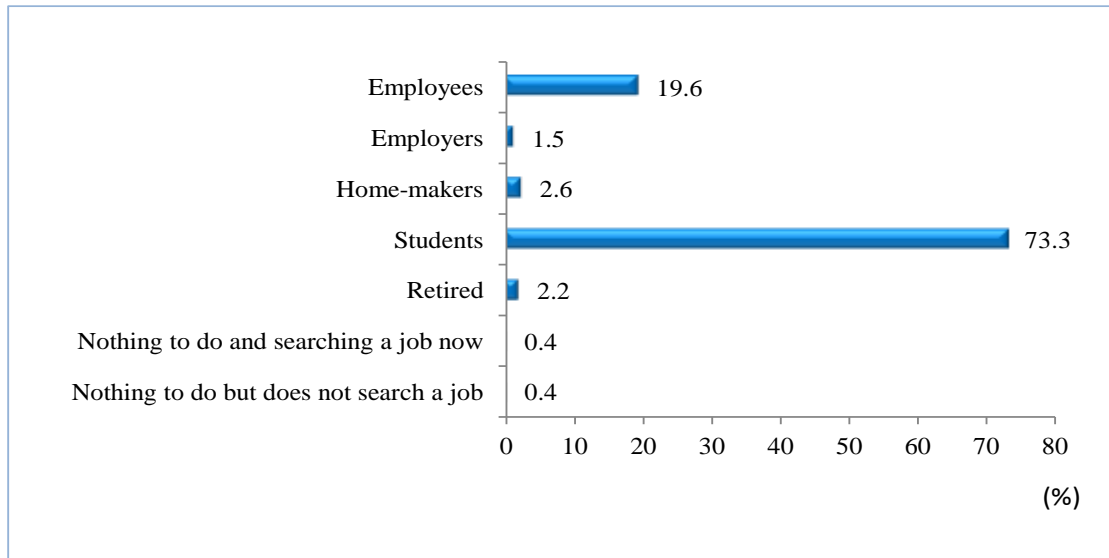
3.2 About 39.6% of respondents were aged 18-20 and about 40% aged 21-25.

Chart 2: Respondents by age



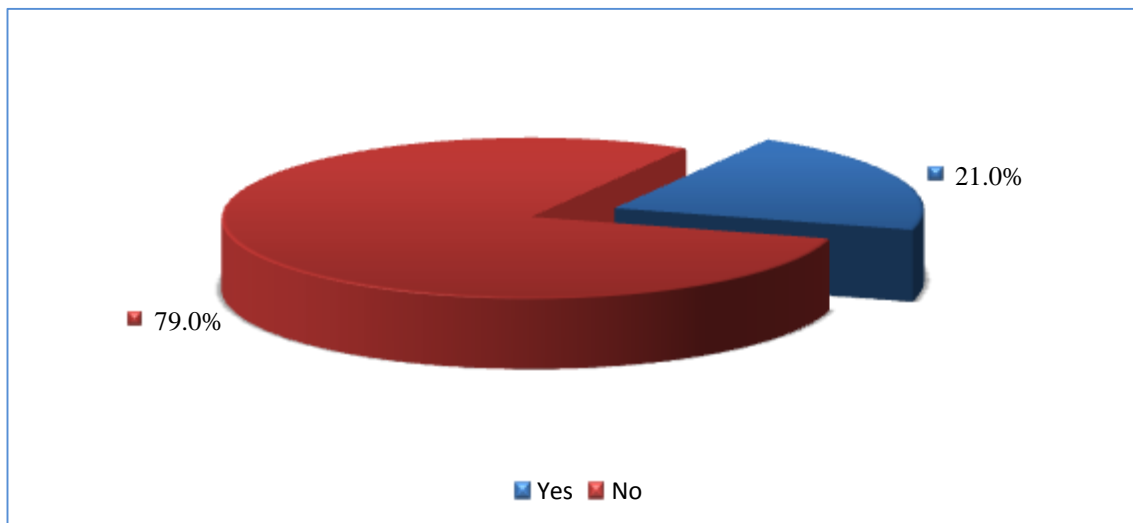
3.3 About 73.3% of respondents were students and the rest were employees (19.6%), home-makers (2.6%) and employers (1.5%).

Chart 3: Respondents by economic activity status



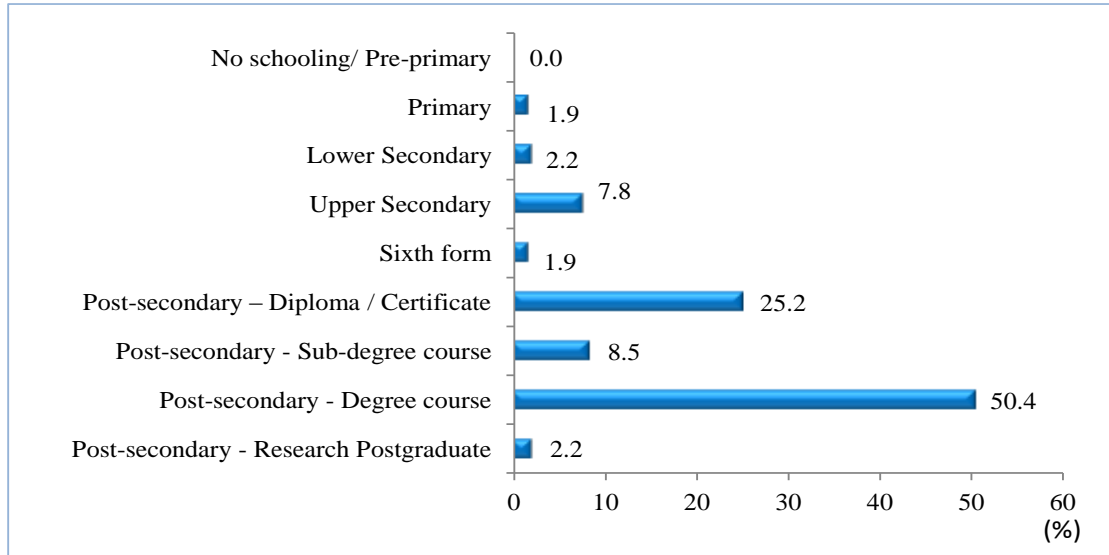
3.4 Most respondents (79.0%) indicated that they had not received non-means-tested loans.

Chart 4: Respondents by whether they ever received non-means-tested loans



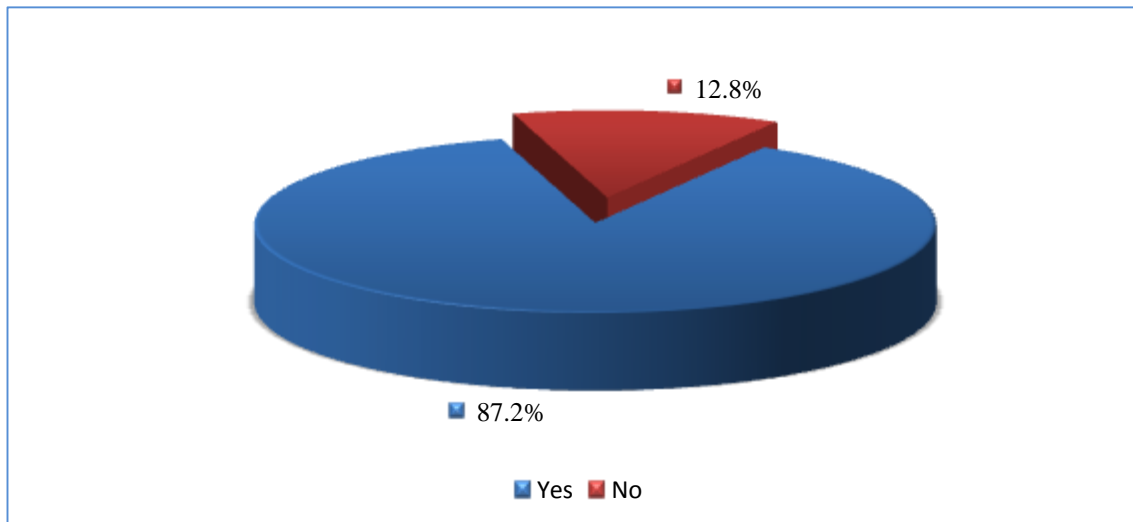
3.5 The majority of respondents (86.3%) had attained post-secondary level of education.

Chart 5: Respondents by educational attainment



3.6 Among those who were students, about 87.2% of them indicated that they were full time students pursuing publicly-funded or self-financing locally-accredited post-secondary programmes.

Chart 6: Students by whether they were full students pursuing publicly-funded or self-financing locally-accredited post-secondary programmes

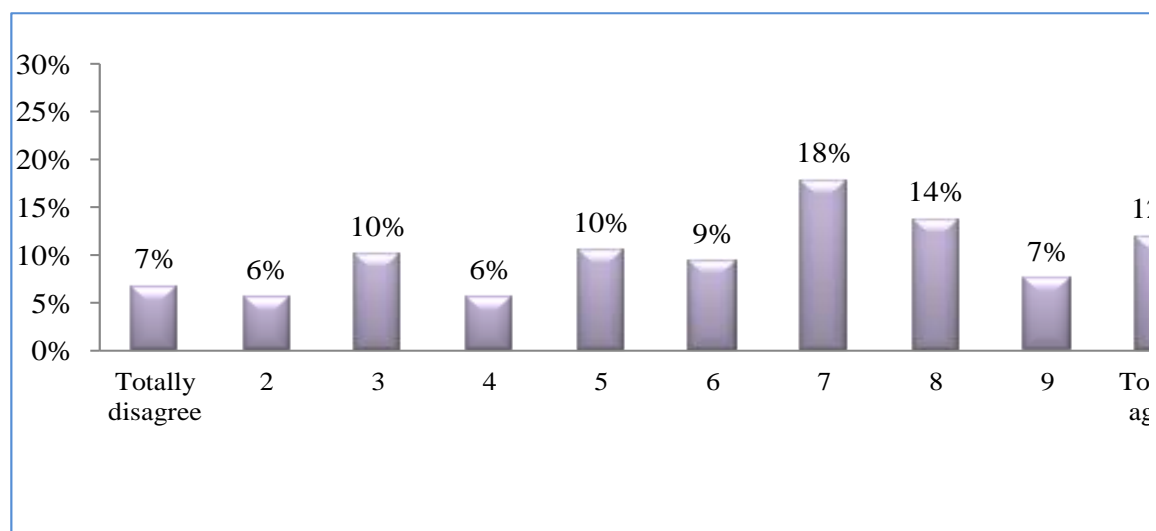


CHAPTER 4 Views related to the sharing of negative data of defaulters

Sharing of negative data of defaulters by Student Financial Assistance Agency with Credit Reference Agency

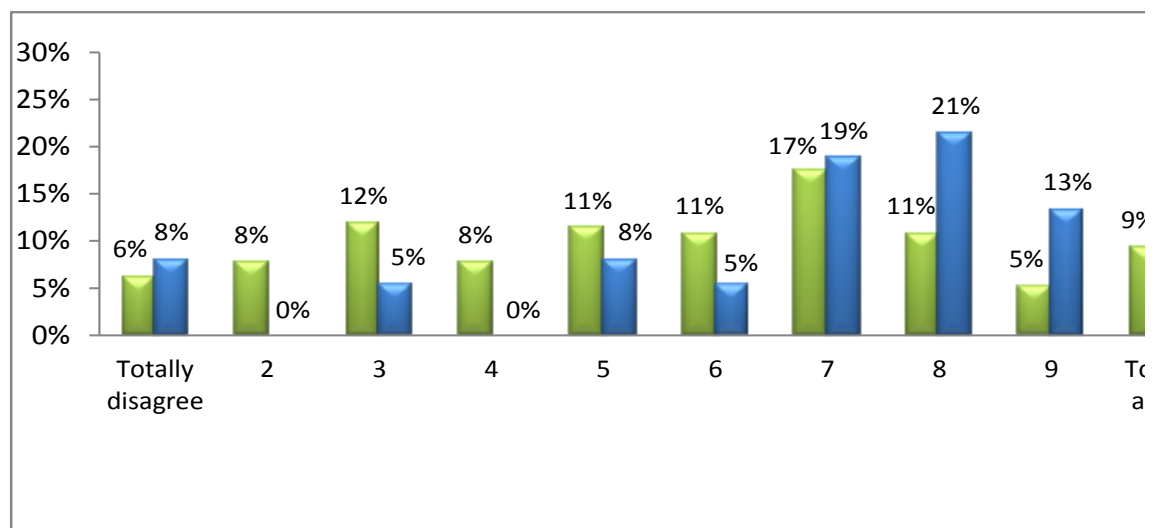
4.1 Respondents were asked to indicate their extent of agreement with the Proposal, after they were briefed on the background and the rationale why the Government decided to put forward the Proposal for public consultation. About 60.0% of respondents gave score 6 or above, in a Likert scale of 10, with “1” denoting totally disagree and “10” denoting totally agree, indicating that they agreed with the Proposal. About 38.1% held the opposite view by giving score 5 or below, indicating that they did not agree with the Proposal.

Chart 7: Percentage distribution of respondents by extent of agreement



4.2 Analyzed by types of respondents, about 53.3% of post-secondary students indicated that they agreed with the Proposal and the corresponding percentage for members of the public was 77.3%.

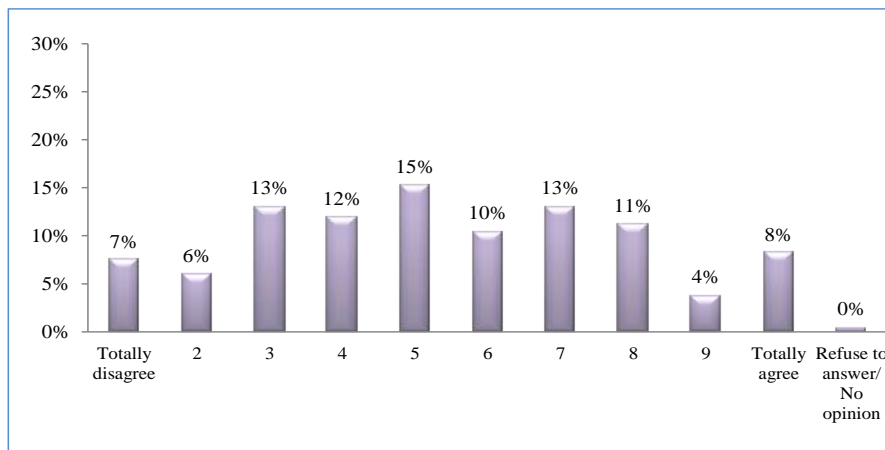
Chart 8: Extent of agreement by types of respondents



Privacy concern 1: Opening the floodgate of the closed system

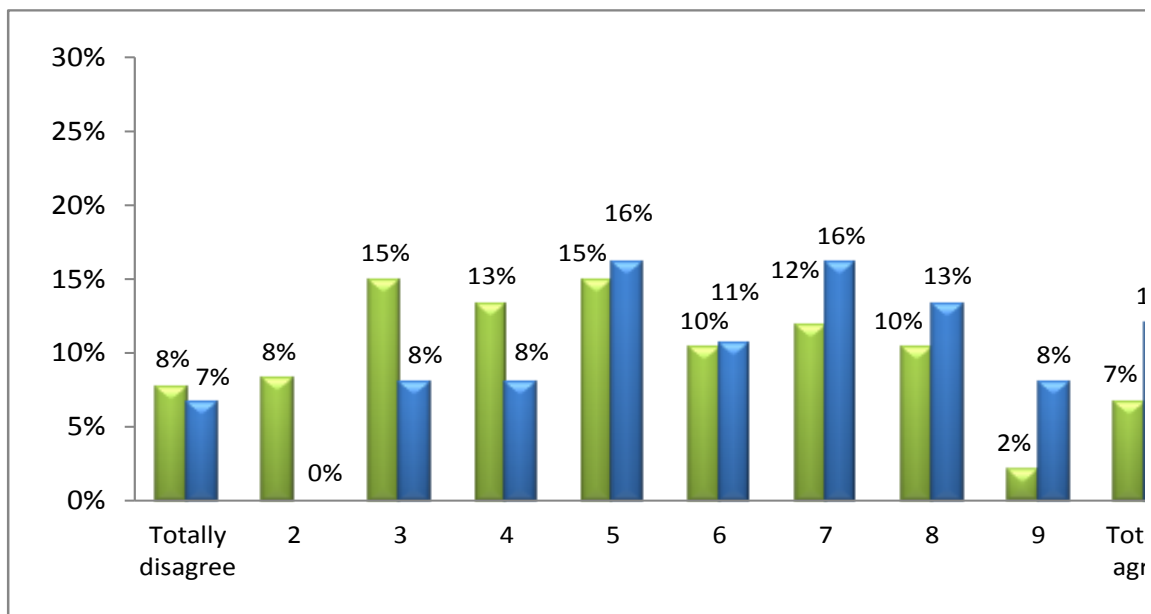
4.3 Respondents were asked again to indicate their extent of agreement with the Proposal, after they were briefed on the current arrangement of consumer credit data held by the credit reference agency and shared by credit providers and the privacy concerns of the Privacy Commissioner on the opening up floodgates of a closed system. About 46.3% of respondents gave score 6 or above, indicating that they agreed with the Proposal. This percentage was much lower than the percentage of respondents who agreed with the Proposal before the briefing. More than half (53.3%) held the opposite view by giving score 5 or below, indicating that they did not agree with the Proposal.

Chart 9: Percentage distribution of respondents by extent of agreement



4.4 Analyzed by types of respondents, about 41.0% of post-secondary students indicated that they agreed the Proposal and the corresponding percentage was 60.0% for members of the public.

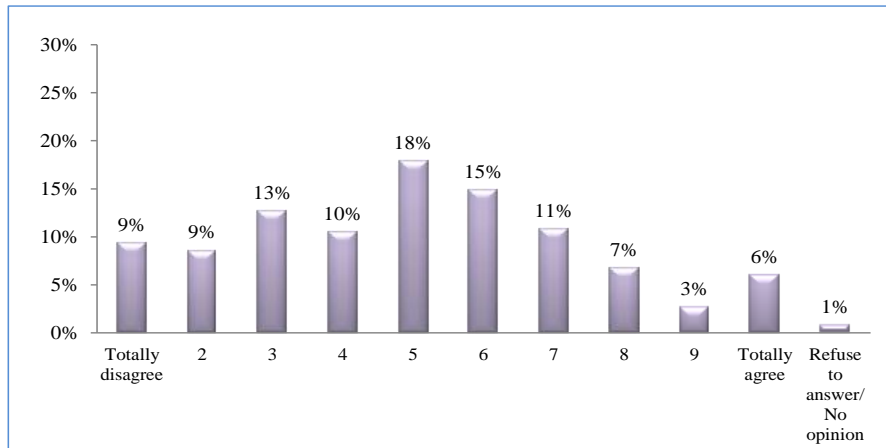
Chart 10: Extent of agreement by types of respondents



Privacy concern 2: Governance and accountability of Credit Reference Agency

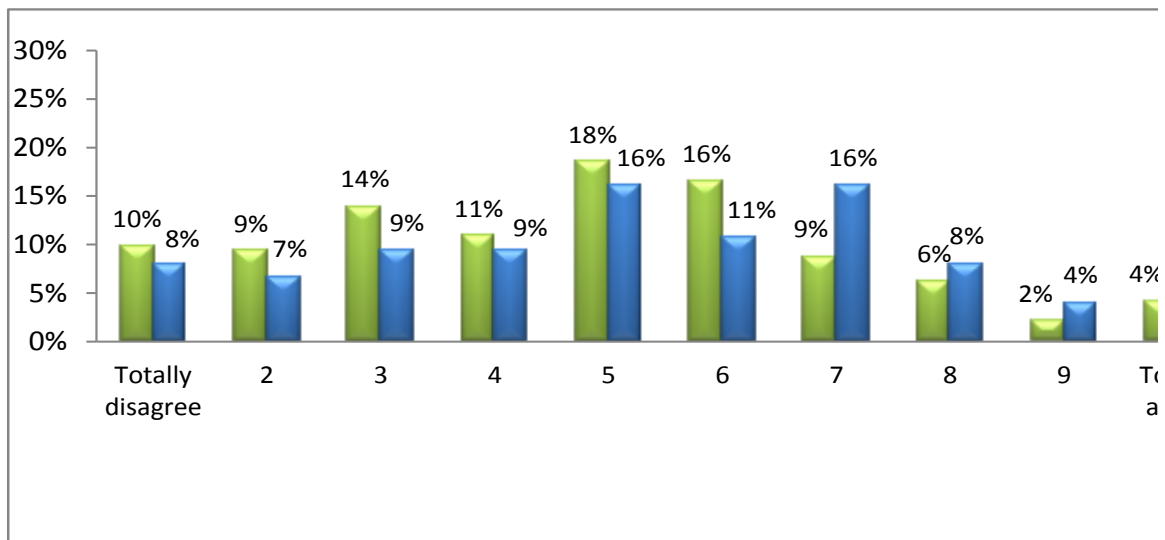
4.5 Respondents were again asked to indicate their extent of agreement with Proposal after they were further briefed of the Privacy Commissioner’s concern over the governance and accountability of the credit reference agency which is a private company with its majority shareholder being an overseas company. The percentage of respondents who agreed with the Proposal by giving a score of 6 or above dropped to about 40.7%. More than half (58.5%) held the opposite view by giving score 5 or below, indicating that they did not agree with the Proposal.

Chart 11: Percentage distribution of respondents by extent of agreement



4.6 Analyzed by types of respondents, only about 37.4% of post-secondary students indicated that they agreed the Proposal and the corresponding percentage for members of the public was slightly less than half (49.3%).

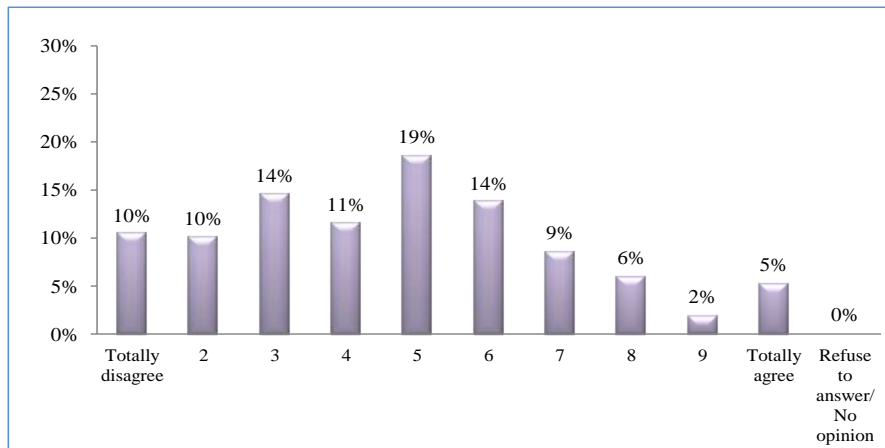
Chart 12: Extent of agreement by types of respondents



Privacy concern 3: Transparency and operations of Credit Reference Agency

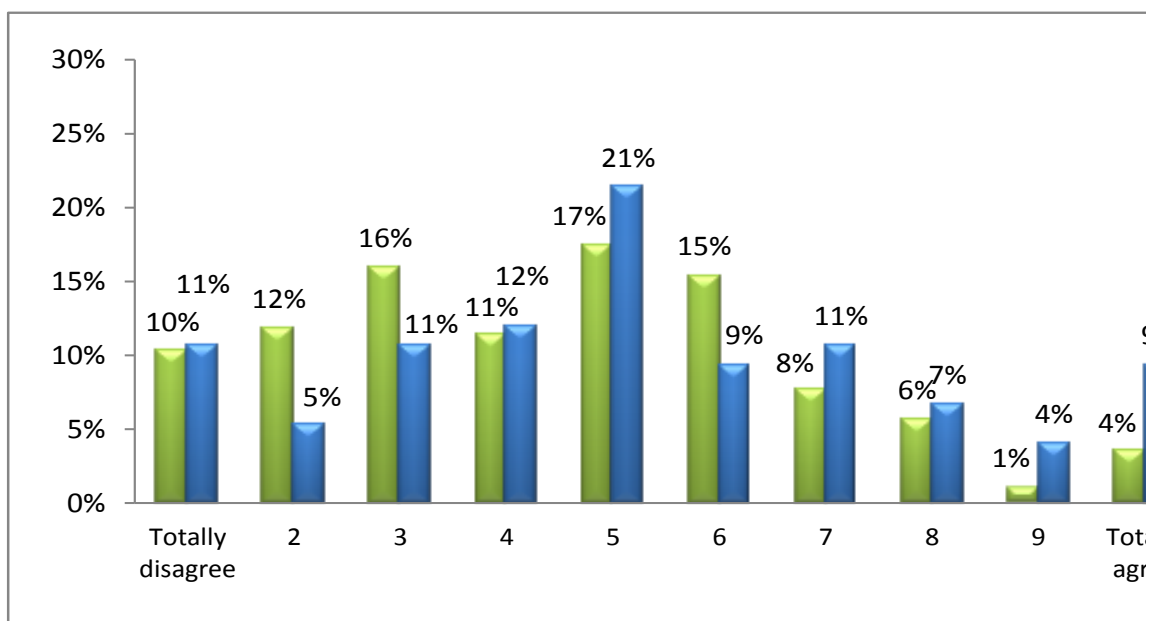
4.7 Respondents were asked the third time to indicate their extent of agreement with the Proposal after they were further briefed of the Privacy Commissioner’s concern over the transparency of the operations of the credit reference agency and the potential impact on defaulters whose credit data were shared. The percentage of respondents who agreed with the Proposal by giving a score of 6 or above decreased further to only about 35.2%. The majority of respondents (64.8%) did not agree with the Proposal, by giving a score 5 or below.

Chart 13: Percentage distribution of respondents by extent of agreement



4.8 Analyzed by types of respondents, only about 33.3% of post-secondary students indicated that they agreed with the Proposal and the corresponding percentage was around 40.0% for members of the public members.

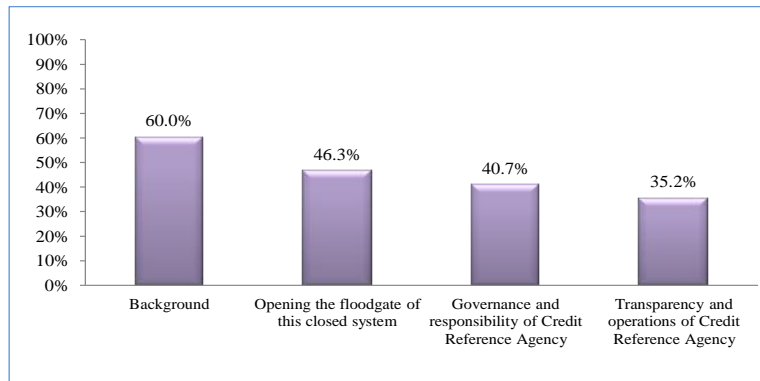
Chart 14: Extent of agreement by types of respondents



Summary of extent of agreement on sharing of negative data of defaulters

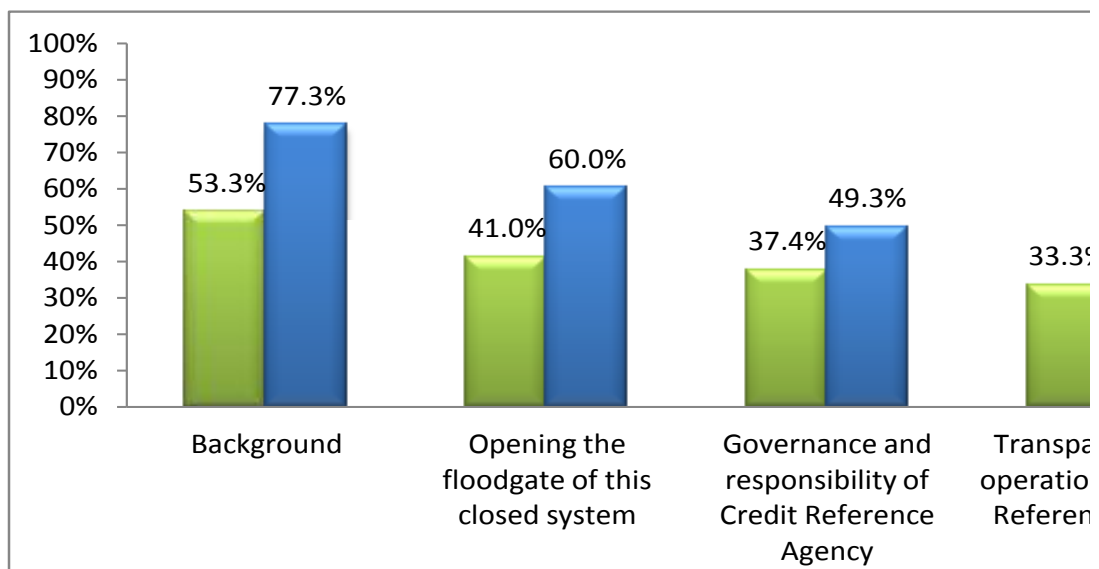
4.9 To summarize from the above discussion, changes in the percentage of respondents who agreed with the Proposal, before and after they were briefed on the various privacy concerns raised by the Privacy Commissioner are depicted in the chart below. It may be seen that the percentage who agreed with the Proposal dropped steadily from 60.0% before they were briefed of the privacy concerns to only 35.2% after they were briefed of the privacy concerns.

Chart 15: Percentage distribution of respondents by extent of agreement



4.10 For post-secondary students, as shown in the chart below, the percentage of them who agreed with the Proposal decreased from 53.3% before they were briefed of the privacy concerns to only 33.3% (-20%) after they were briefed of the privacy concerns. The corresponding percentage for members of the public decreased significantly from 77% to 40% (-37%), a level which was much higher than that for post-secondary students.

Chart 16: Percentage distribution of respondents by extent of agreement

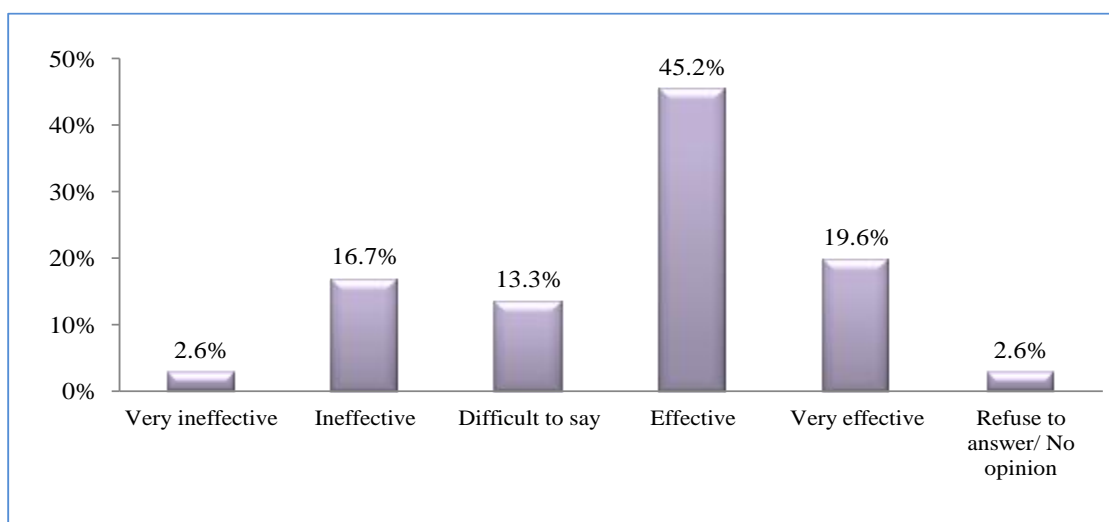


CHAPTER 5 Views on measures to tackle defaults

Sharing negative data of defaulters with Credit Reference Agency

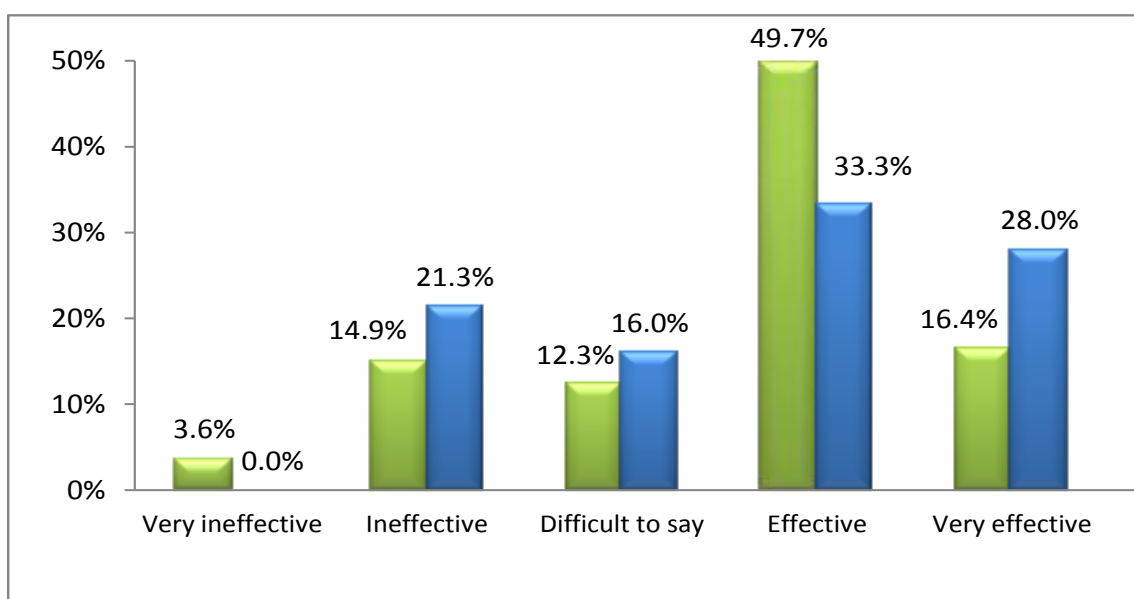
5.1 Respondents were asked about their views on measures to tackle default problems. About 64.8% of the respondents indicated that the sharing negative data of defaulters with the Credit Reference Agency was effective or very effective while about 19.3% held the opposite view that the measure was ineffective or very ineffective.

Chart 17: Percentage distribution of respondents by extent of effectiveness



5.2 Analyzed by types of respondents, about 66.1% of post-secondary students indicated that the sharing negative data of defaulters with the Credit Reference Agency was effective or very effective while 61.3% of members of the public held the same view.

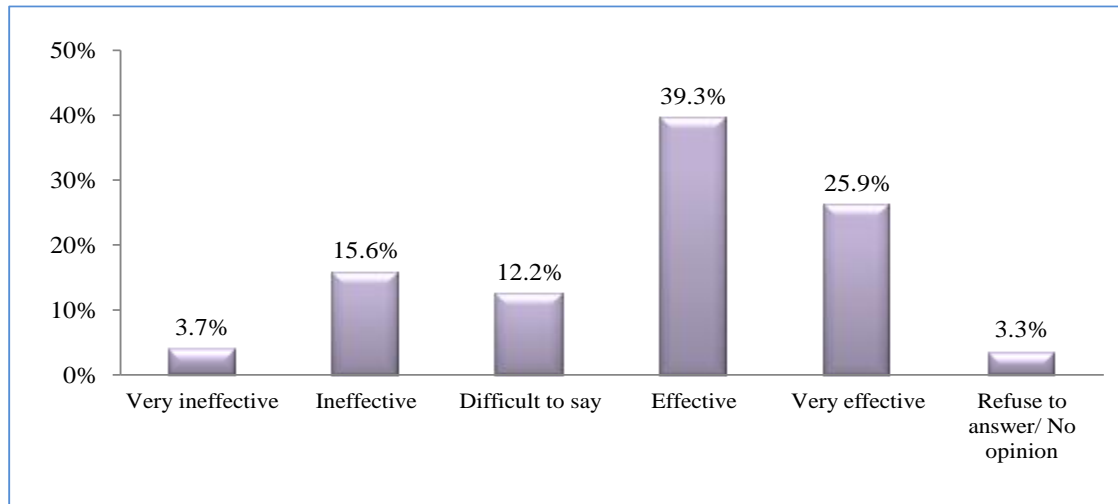
Chart 18: Extent of effectiveness by types of respondents



Using debt collection agency

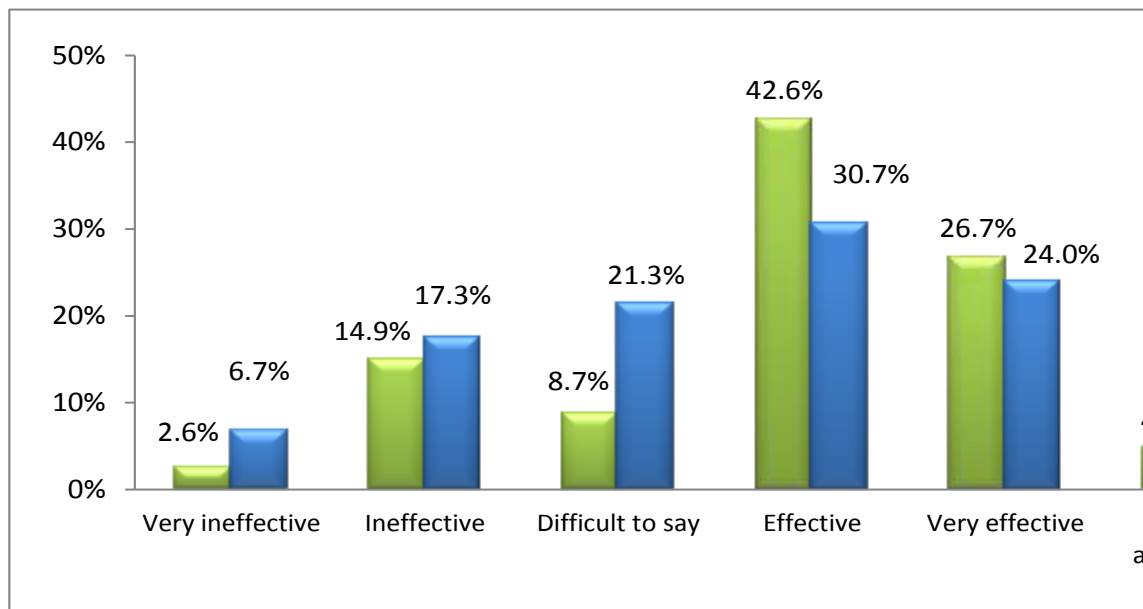
5.3 About 65.2% of respondents indicated that using debt collection agency was effective or very effective while about 19.3% held the opposite view that the measure was ineffective or very ineffective.

Chart 19: Percentage distribution of respondents by extent of effectiveness



5.4 Analyzed by types of respondents, about 69.2% of post-secondary students indicated that using debt collection agency was effective or very effective while 54.7% of members of the public held the same view.

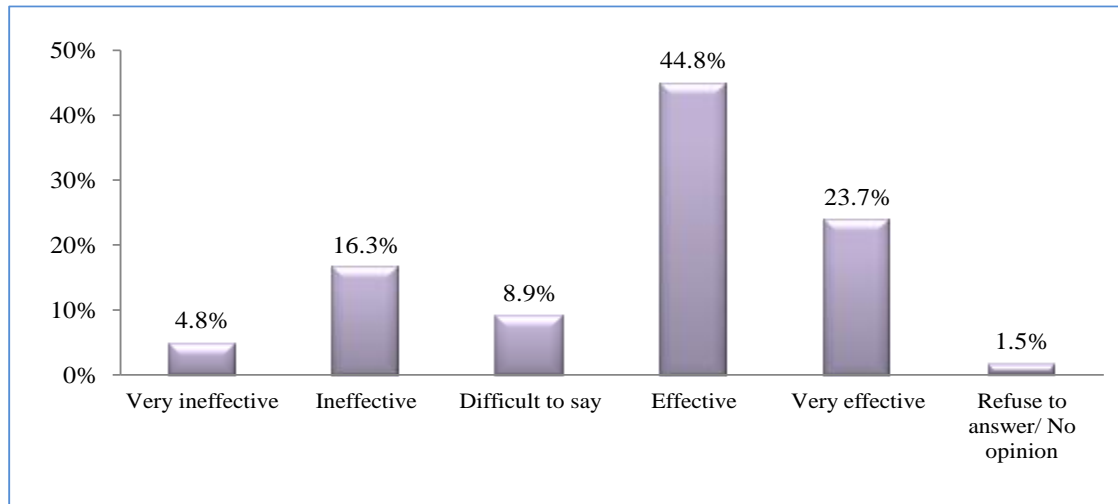
Chart 20: Extent of effectiveness by types of respondents



Increasing penalty against defaulters

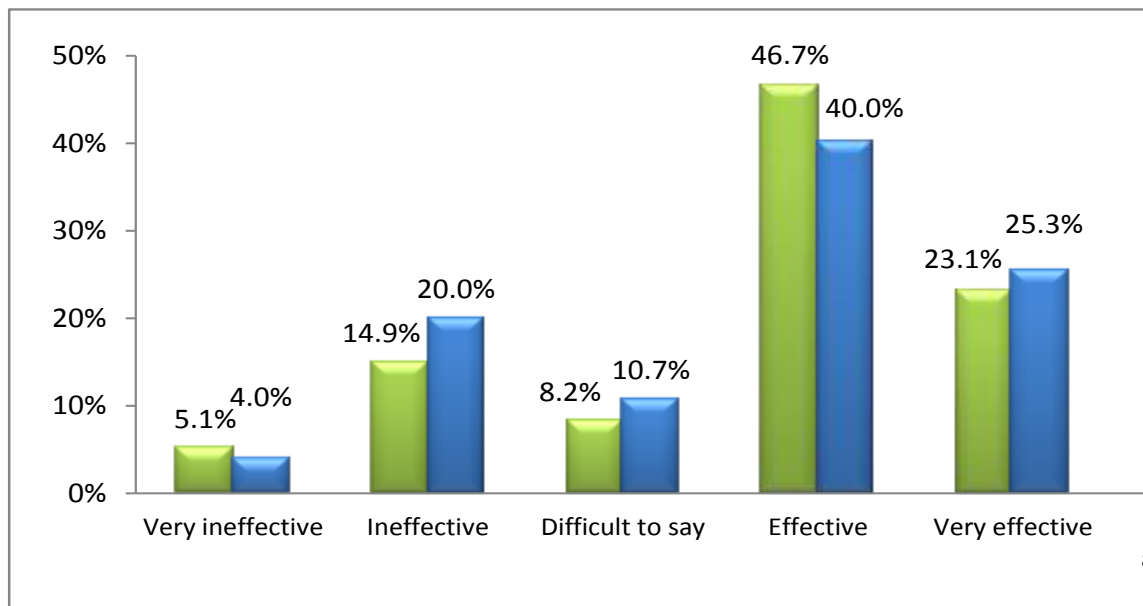
5.5 About 68.5% of respondents indicated that increasing penalty against defaulters was effective or very effective while about 21.1% held the opposite view that the measure was ineffective or very ineffective.

Chart 21: Percentage distribution of respondents by extent of effectiveness



5.6 Analyzed by types of respondents, about 69.7% of post-secondary students indicated that increasing penalty against defaulters was effective or very effective while 65.3% of members of the public held the same view.

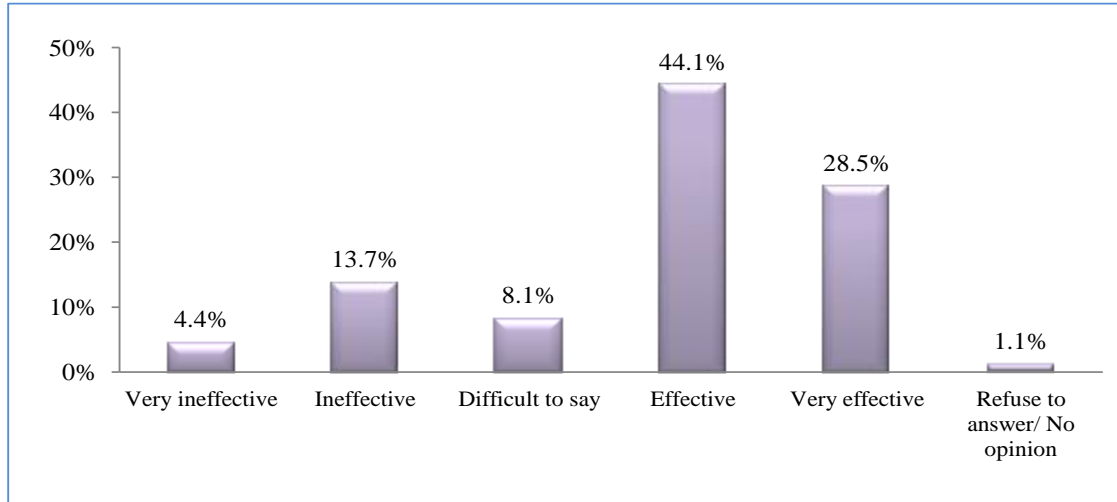
Chart 22: Extent of effectiveness by types of respondents



Expediting legal process for recovery of defaults

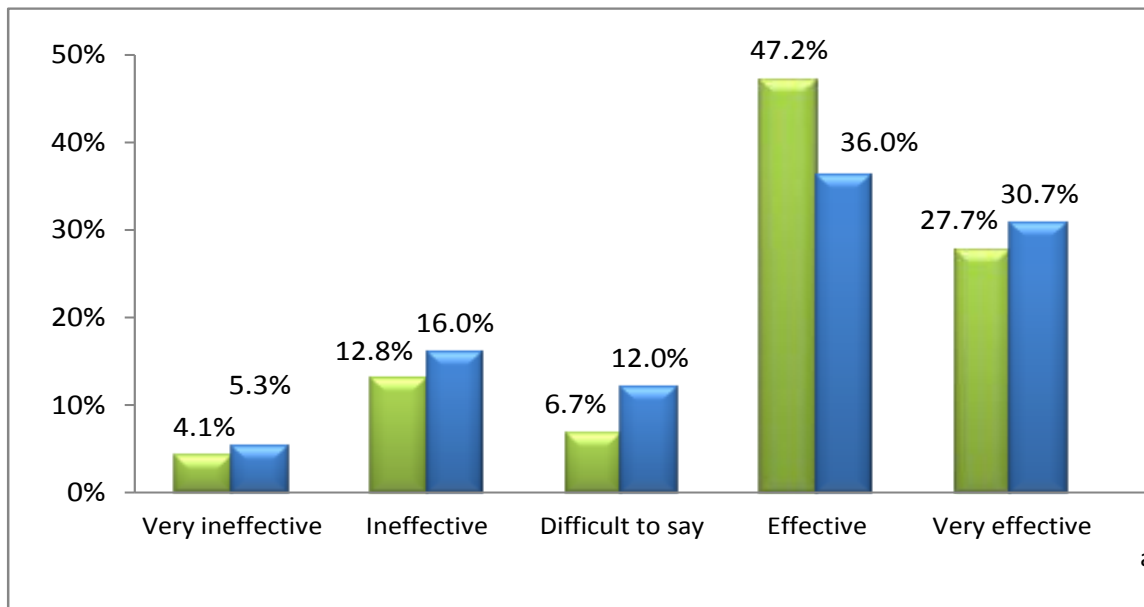
5.7 About 72.6% of respondents indicated that expediting legal process for recovery of defaults was effective or very effective while about 18.1% held the opposite view that the measure was ineffective or very ineffective.

Chart 23: Percentage distribution of respondents by extent of effectiveness



5.8 Analyzed by types of respondents, about 74.9% of post-secondary students indicated that expediting legal process for recovery of defaults was effective or very effective while 66.7% of members of the public held the same view.

Chart 24: Extent of effectiveness by types of respondents



CHAPTER 6 Observations and recommendations

6.1 The above findings indicate that the members of the public and post-secondary students interviewed in the study would not support Government's proposals to tackle the problems of default if they were aware of the privacy implications of the Proposals. Before they were briefed about the privacy concerns arising from the Proposal, more than half of them (60%) supported the Proposal and considered the Proposal effective.

6.2 However, after they were briefed of the privacy concerns raised by the Privacy Commissioner, the percentage of them who agreed with the Proposal dropped significantly to only 35%. The percentage of post-secondary students who agreed with the Proposal was even lower, at 33%.

6.3 With increased attention given the personal data privacy by members of the public, it is not surprising to note that nearly two-thirds of members of the public did not support Government's proposals of sharing defaulters' negative credit data after relevant privacy concerns had been explained to them, as revealed from the study findings. As the current public consultation exercise on the Proposal has not highlighted the privacy concerns raised by the Privacy Commissioner, in the light of the study findings, this public consultation exercise is flawed.

6.4 The study findings also show that the proportion of members of the public who supported Government's proposals dropped significantly from 77% before they were briefed about the relevant privacy concerns of the proposals to only 40% after they had been briefed about such concerns. The corresponding percentages for post-secondary students were 53% and 33% respectively. It may be worth noting that the percentage decrease (from 77% to 40% or by 37%) for members of the public is greater than that for post-secondary students (-20%). The findings indicate that members of the public are more concerned with the privacy implications of sharing student defaulters' negative credit data. It is suggested that such findings should be carefully considered in Government's deliberations on the matter.

6.5 Furthermore, the study findings presented above show the more effective measure to tackle the default problems, as perceived by members of the public and post-secondary students, is to expedite legal process to recover the defaulted loans. However, it is noticed that views of the public have not been sought in the current public consultation exercise on alternative measures, including for example the expedition of legal process to recover the defaulted loans and increased penalty against defaulters, to tackle the problems of default other than the sharing of defaulters' negative credit data.

6.6 It is recommended that the current public consultation exercise should take into account the above study findings. It is also recommended that views of the public should be sought on different possible measures of tackling the default problem, and not just the sharing of negative credit data. In soliciting public's views, it is desirable to explain in greater details the pros and cons of different measures and the likely effectiveness of different measures. Above all, members of the public should be alerted of the privacy concerns related to different measures, including in particular the sharing of negative credit data, when their views are sought.

Study on the Sharing of Negative Credit Data of Student Defaulters

Sample code: _____

E no.: _____

Hi, I am an interviewer of Policy 21. We are commissioned by the Privacy Commissioner for Personal Data to conduct a survey. We would like to gather your opinion. Please rest assured that all information provided will be kept strictly confidential and will only be used for statistical purposes. Thank you very much for your participation.

[Except the questions marked “not reading out”, all questions and answers should be spoken out one by one, “Difficult to say”, “Don’t know”, “Not applicable” and “No opinion/Refuse to answer” do not need to read out.]

Part 1: Background

To ensure that no student is denied access to education due to lack of means, the Student Finance Assistance Agency’s (“SFAA”) of the Government established the Non-means-tested Loan Scheme (“NLS”) for post-secondary students and other students pursuing continuing education.

At the end of the 2010/11 academic year, there were around 13,000 defaulters and \$213 million in arrears. Against this background, the Government proposes to share negative data of defaulters with Credit Reference Agency as an effective deterrent measure against default. On a tentative basis, the Government intends to invoke the Proposal only for the more serious cases which the outstanding loan amount exceeds HK\$100,000 and has been in default for over a year. The number of such cases is estimated to be 600.

Q.1 Do you agree or disagree to the Government’s proposal to tackle default problem?

(In a Likert scale of 10, with “1” denoting totally disagree and “10” denoting totally agree.)

	Totally disagree										Totally agree		Refuse to answer/ No opinion
	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩			⑪
Sharing negative data of defaulters with Credit Reference Agency													

Part 2: The Privacy Commissioner has raised the following privacy concerns about the Government’s proposal

Consumer credit data are very personal and private to individuals concerned and the risk of data leakage and abuse of use of personal data should not be taken lightly.

Credit Reference Agency presently operates in a closed system almost exclusive to banks and licensed money lenders in Hong Kong. Credit Reference Agency collects personal data through banks and the data is stored in a central databank for sharing among banks. This credit data sharing system serves only banks in assessing and monitoring their customers’ credit risk, credit-worthiness and credit capacity. Providing negative credit data to a Credit Reference Agency to deter loan default is not a function of this system.

The Commissioner is concerned that the implementation of the Proposal will open the floodgates of this closed system to requests of a similar nature from other government departments for recovery of overdue taxes, government rents and rates, water charges, etc.. Private sector, such as retail, small business, telecoms, utilities and others which are also keen to recover outstanding debts from their customers may also make request of a similar nature, that is, providing negative credit data to a Credit Reference Agency to deter default payment of loans.

Q.2 You have just given a score of ? for the Government’s proposal (Interviewer please remind the respondent his/her score for Q.1), after listen to the Privacy Commissioner’s concern over the opening up of floodgates of a closed system,do you agree or disagree to the Government’s proposal to tackle default problem?

(In a Likert scale of 10, with “1” denoting totally disagree and “10” denoting totally agree.)

	Totally disagree							Totally agree			Refuse to answer/ No opinion
Sharing negative data of defaulters with Credit Reference Agency	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪

More precisely, Government's proposal is going to open the closed system, the one exclusive to banks, to other institutions, and lead to the transfer of more consumer credit data to a credit reference agency which is indeed a third party. Attention should also be drawn to the concern that this organization is a private commercial enterprise with major shareholder being a company from the United States, as well as one not subject to the oversight of the Hong Kong Monetary Authority as a financial regulator.

Q.3 You have just given a score of ? for the Government’s proposal (Interviewer please remind the respondent his/her score for Q.2), after listen to the Privacy Commissioner’s concern over the governance and accountability of the credit reference agency, do you agree or disagree to the Government’s proposal to tackle default problem?

(In a Likert scale of 10, with “1” denoting totally disagree and “10” denoting totally agree.)

	Totally disagree							Totally agree			Refuse to answer/ No opinion
Sharing negative data of defaulters with Credit Reference Agency	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪

Credit Reference Agency allocates a credit score to individual consumers based on the credit information held in its database but the computation of the score is proprietary and confidential information not to be disclosed to the consumers. Moreover, the consumer whom has been assessed is not provided with any avenue to challenge the validity of his/her credit score. Therefore, while the Government’s proposal involves transferring the data of the defaulters to Credit Reference Agency, there is no control over how and the extent the defaulters’ credit score be downgraded. The downgrading may be immaterial without any substantial effect, or in excessive leading to an unjustified consequence..

Q.4 You have just given a score ? for the Government’s proposal (Interviewer please remind the respondent his/her score for Q.3), after listen to the Privacy Commissioner’s concern over the transparency of the credit reference agency. Do you agree or disagree to the Government’s proposal to tackle default problem?

(In a Likert scale of 10, with “1” denoting totally disagree and “10” denoting totally agree.)

--	Totally disagree							Totally agree			Refuse to answer/ No opinion
Sharing negative data of defaulters with Credit Reference Agency	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪

Q.5 Do you think that the following measure can effectly tackle default problem?

	Very ineffective	Ineffective	Effective	Very effective	Difficult to say	Refuse to answer/ No opinion
	(1)	(2)	(3)	(4)	(6)	(0)
a. Sharing negative data of defaulters with Credit Reference Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Using debt collection agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Increasing penalty against defaulters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Expediting legal process for recovery of defaults	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Others, please specify: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: Personal information

Q.6 Gender: (Fill in by the interviewer) (1) Male (2) Female

Q.7 Age: _____ (1) 18-20 (4) 31-39 (0) Refuse to answer
(2) 21-25 (5) 40-49
(3) 26-30 (6) 50-69

Q.8 Have you Non-means-tested Loan Scheme for Post-secondary Students? (1) Yes (2) No

Q.9 Educational attainment

(1) No schooling/Pre-primary (4) Upper secondary (7) Post-secondary: Associate Degree
(2) Primary (5) Sixth form (8) Post-secondary: Degree course or above
(3) Lower secondary (6) Post-secondary: Certificate/Diploma (9) Post-secondary - Research Postgraduate

Q.10 Economic activity status

(1) Employees (4) Home-maker (7) Nothing to do and searching a job now
(2) Self-employed (5) Student (Go to Q.11) (8) Nothing to do but does not search a job
(3) Employer (6) Retired (0) Refuse to answer (Go to Q.11)

[End of questionnaire when the respondent answered (1), (2), (3), (4), (6), (7) or (8)]

Q.11 Are you a full-time student pursuing publicly-funded or self-financing locally-accredited post-secondary programmes?
(From University Grants Committee-funded, publicly-funded places or full-time locally-accredited self-financing sub-degree level or above programmes)

(1) Yes (2) No

-End of questionnaire, thank you very much for your valuable opinion-