



# E-NEWSLETTER



## WHEN IS USING YOUR CREDIT REPORT LAWFUL?

Credit reporting has further moved beyond “business as usual” after the Presidency signed both the credit reporting and collateral registry Acts to facilitate access to affordable credit for Nigerians.

A credit report outlines a comprehensive history of your credit behaviour and other personal data that should be kept secured. In other words, it is your financial reputation which should not be used illegally. Section 7 of the Credit Reporting Act, 2017 highlights the Permissible Purposes for accessing credit information to include:

- considering an application for credit by any person or considering a person's qualification to act as a guarantor for any credit;
- reviewing, renewing, restructuring or monitoring of existing credit facilities;
- carrying out employment checks on employees or prospective employees;



- assessing the creditworthiness of a prospective tenant in any lease or tenancy;

- underwriting, reviewing, renewing insurance policies or analysing insurance claims;
- considering applications for credit contracts or other post-paid services;
- taking actions in respect of debt collection, enforcement of a monetary judgment or enforcement of any other debt;
- satisfying a request by a Data Subject to validate the correctness or otherwise of Credit Information held by a Credit Bureau in respect of such Data Subject;
- providing credit scoring services by Credit Bureaux;
- complying with any court order to provide Credit Information or where a person is required by applicable law to provide Credit Information in respect of any other person;
- complying with the directive of a regulatory authority or a public body to provide Credit Information;
- carrying out know-your-customer checks on any person for any Permissible Purpose or as may be required by law; and
- such other purposes as the Central Bank of Nigeria may from time to time specify or direct.

Any person who acts contrary to the listed Permissible Purpose shall on conviction be liable to a fine not less than N10million.

**Reference:** Credit Reporting Act, 2017 available at <http://www.crccreditbureau.com/resources/>