

Credit registers start swapping data

Banks, leasing and instalment-purchase companies will share data about the credit history of their clients

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FORGETTING to pay a loan instalment may soon cause more problems than just an unpleasant phone call from a bank or other financial institution. Such faults are added to the credit history of the client, and such negligence may prevent borrowers from getting new loans, leasing contracts or other financial services in the future once two of the existing registers effectively merge.

“The project to interconnect the registers is a logical outcome of efforts for

a comprehensive look at the credit profile of a client from the viewpoint of all the credits provided to that client, his credit history and information about his payment discipline within all relevant financial institutions in Slovakia,” Ján Budinský, the legal representative of CRIF – Slovak Credit Bureau, the company administering the banking and non-banking credit registers in Slovakia, told The Slovak Spectator. “For the time being the interconnection is in the phase of final preparations.”

Under this project, the Banking Credit Bureau (SRBI) and the Non-Banking Credit Bureau (NRKI), which contains information about the obligations and relationships of clients and their creditors including banks and other financial institutions participating in the NRKI, will interconnect, Budinský explained. While members of the first register are exclusively banks, the NRKI contains information about clients of leasing and instalment-purchase companies.

The interconnection will serve current members of the registers, i.e. primarily the banking sector, leasing companies and companies providing instalment loans, according to Budinský, who added that the Non-Banking Credit Bureau may be extended by the addition of new sectors in future.

“The significant benefit for participants of the interconnected credit registers is the opportunity to assess the credibility of a client across the whole financial market,” said Budinský, adding that this will provide a trustworthy assessment of real riskiness linked with a potential provision of finances to the client. “In general, interconnection of registers brings higher transparency to the credit market. Making information about the payment discipline of clients available to other sectors will reduce the information imbalance on the side of credit subjects and thus create a bigger pressure to increase the responsibility of clients from the viewpoint of fulfilling their financial obligations.”