

## **FCA feedback to the IWG's November 2024 and February 2025 papers – published May 2025**

Instead of publishing a standalone report 3, to maintain engagement the Interim Working Group (IWG) shared individual papers on specific topics for stakeholder consultation. The IWG published these [papers](#) on 23 April 2025 after taking onboard stakeholder feedback, including from the FCA.

We appreciate the hard work of the IWG Chair, Secretariat, and members in their effort in delivering these papers and which cover a range of complex issues. The IWG's 2 reports and draft papers we have seen to date suggests mechanisms and procedures are being proposed that should enable the CRGB to be established in good time after the IWG has completed its work. We encourage industry and stakeholders to come together to bring this work to completion.

For transparency purposes, this document sets out the feedback on the IWG's November and February papers, which we provided to the IWG for their consideration.

### **CRGB's relationship with government and regulators**

The CRGB will be an independent organisation, which is intended to be of value to both FCA and industry. The relationship between CRGB and us will therefore be important and we want to play our part in the success of the CRGB.

#### Memorandum of Understanding

We would support a Memorandum of Understanding (MoU) with the CRGB. It is common for FCA to have MoUs with other organisations, which typically address areas of overlap in the working of the two organisations and outline a framework for cooperation and communication.

Subject to reviewing the IWG's final proposals and recommendations, we intend to provide public support in an appropriate format before the CRGB is formed, for both the establishment of the body and its role in driving forward the credit information market. While we would not mandate subscription to an independent body, we would expect to encourage firms to consider whether participating in the CRGB is in their interest. We can discuss the best way to do this, but we do not think it is appropriate for an MoU to include any FCA commitment to provide public support for the CRGB per se or any future policy positions that the CRGB pursues.

#### The FCA's "involved" role, especially on breaches

The IWG has proposed an "involved" role for us within its engagement framework. We are comfortable having a greater relationship with the CRGB than other stakeholders and appreciate the need for the CRGB to have an

ongoing working relationship with us. While we expect industry to drive forward the transition to the CRGB, we will maintain the current levels of engagement during the initial transition phase. We also anticipate remaining engaged as the CRGB implements the CIMS industry-led remedies. However, as with many other organisations that we work with, we expect this to shift to a more arm's length approach over time. In some cases, this means we should further consider what an "involved" role looks like.

Taking a specific example, we understand the IWG's desire to notify us of non-compliance with CRGB rules. In certain cases, this could provide us with useful insight. Equally, other cases ought to be part of the routine administration of the CRGB.

We would like to know about systemic breaches that may have a detrimental effect on the CRGB's ability to achieve its objectives, including firm breaches that are persistent or recurrent.

Beyond this, we suggest an approach that focuses on notifying us where the matter is relevant to our functions in relation to the subscriber, and relates to circumstances such as:

- breaches of CRGB rules which are also likely to involve the firm failing to meet threshold conditions, or comprise significant/repeated breaches of our rules or breaches of other requirements falling within our remit
- circumstances where disciplinary measures or sanctions are proposed by CRGB on an FCA-authorised firm, including cases where the CRGB is proposing to terminate membership, thereby revoking access to shared data
- matters having a serious regulatory impact, including:
  - fraud
  - insolvency
  - serious misconduct
  - significant failures in a regulated firm's systems and controls
  - significant infringements of any applicable competition law
  - any matters which could have a significant adverse impact on the firm's reputation, affect their ability to continue to provide adequate services to customers and which could result in serious detriment to a customer of the firm or

- any matter in respect of a firm which could cases of non-compliance that may have implications for market stability or serious financial consequences to the UK financial system or to other regulated firms

We may then use this information, where appropriate and subject to available resources, to inform our regulatory activities in line with our [Approach to Supervision](#).

We note that the paper refers to matters reported to the FCA being subject to a requirement that the information remains private and confidential. There are statutory provisions (primarily s.348 & 349 FSMA 2000 and the FSMA 2000 (Disclosure of Confidential Information) Regulations 2001) which are designed to ensure that we treat confidential information (as defined in s.348 FSMA) we receive appropriately. Any restrictions beyond that could affect our ability to take action that we are required to take or otherwise consider necessary. As such, our suggestion would be that if information is being shared with us, it is shared under the existing statutory confidentiality regime and additional restrictions are not imposed on our use of the information.

While we appreciate being sighted in the event of material breaches as described above, we would not typically expect the CRGB to delay acting on non-compliance pending our engagement.

Regulated firms will of course have their own obligations to report to us in most of the above listed circumstances, for example, in accordance with Principle 11 (PRIN 2.1) and SUP 15. In relation to the reference in the paper to the FCA providing the CRGB with notification of non-compliance discovered within our network, we are limited in our ability to share this information with the CRGB by both the confidentiality regime noted above and by public law principles.

We also note that it is not within our remit to compel firms to share information with bodies such as the CRGB, as proposed with respect to breaches.

Therefore, while we are committed to an “involved” role in the CRGB, we think it would be sensible, given the constraints on remit above, to consider whether the proposed level and form of our engagement in CRGB policing and non-compliance remains appropriate.

#### Confirmed industry guidance

As the IWG is aware, where an industry body seeks public support from us for its scheme rules or guidance, it can apply to us for recognition via the [confirmed industry guidance](#) (CIG) or [recognised industry code](#) (RIC) frameworks. We note that these may be considered as options for adding

weight to the CRGB's rules or guidance, and we think it is quite possible that at least one of these frameworks could apply.

Which framework is most relevant will depend on what the CRGB's rules say and whether they cover regulated or unregulated activities. There are separate processes to follow when requesting recognition under each framework, which would be considered fully upon application. At this stage, we are unable to determine whether an application for RIC or CIG would be successful and encourage a formal application through the relevant channels at an appropriate time. We would be happy to provide further support at the time of application. With respect to timing, we will need to consider any such request for confirmation/recognition in the context of planned changes to the Handbook as part of our rule-based remedies.

Whatever the outcome of any formal recognition process, as noted above, we are keen to find an appropriate way to be supportive of the CRGB's work.

### **CRGB Decision making**

Ensuring robust decision-making processes are in place will be important for the CRGB. We are encouraged by the thorough systems the IWG has designed to ensure decisions are taken in a balanced manner and the interests of different cohorts are considered. However, we would expect the final report to cover how these safeguards will work in practice in conjunction with each other, and how these additional decision-making processes do not impair the efficiency of overall decision making or add additional costs.

We are encouraged by the inclusion of an appeals process. As the FCA has an interest in the implementation of the CIMS industry-led remedies, we request that the FCA is consulted where any of these remedies are the subject of the appeals process.

### **CRGB Advisory Councils**

We agree that it is important for the CRGB to have input from a wide range of stakeholders, and we are encouraged by the proposed Advisory Councils' mechanisms for achieving this.

### **Credit Information Industry and CRGB: Proposed Contracting Framework**

We welcome the IWG's approach to contracting, which appears to be a pragmatic and well considered framework.

In due course, we will need to consider the impacts of such a framework in the context of our proposed mandatory reporting requirement including how the

various contractual arrangements might interact with these requirements. We will work with the IWG if we see any issues as we develop our proposals.

We also note that the approach to contracting is reliant on subscribers agreeing to standard contractual terms. We would welcome further information on whether there are any mechanisms to vary all bipartite contracts if any key standardised terms need to be amended in future.

We understand that introducing the new CRGB contract and repapering existing data contribution contracts is likely to be a complex task. We anticipate the financial and practical implications of this change will be worked through in detail during the transition.

### **Policing – CRGB Oversight**

We understand the importance of a clear and robust process for the CRGB to oversee compliance with its rules and dealing with non-compliance, while also being proportionate with any additional burden imposed on subscribers. We are encouraged to see that the IWG is mapping out a clear process for oversight and non-compliance.

Whilst we note that the proposal has a regulatory notification stage, we should be clear that such notification is only appropriate where the breach is relevant to our functions in relation to an authorised firm. We may then use that information in discharge of our own functions but we cannot enforce CRGB's rules. We are open to further discussion on where regulatory notification might be appropriate. For example, depending on the content of CRGB rules, it may be the case that breaches of CRGB rules could be indicative of breaches of our rules. (Also see our comment above under the 'CRGB's relationship with government and regulations' section).

We would also welcome further information on the proposals around the CRA breach process including the types of breaches this is likely to cover, what sanctions might apply, and the proposal our involvement.

We expect that during further development of the CRGB's oversight model, including the detailed elements of the attestation process, due consideration will be given to proportionality and the potential impact on smaller subscribers, such as potential administrative burden and impact on competition.

### **CRGB's approach to accountability and transparency**

Ensuring strong accountability and transparency will be important for the CRGB. The measures proposed by the IWG appear robust and thorough. It is also important that the measures are achievable and we understand the associated resource implications have been considered by the IWG when estimating and agreeing the CRGB's annual budget.

## **Funding of the CRGB**

We acknowledge that “the funding allocation is for year one only and the CRGB Board can revisit it with new information” and the IWG proposed “the CRGB Board will review the funding model, including criteria and data, considering self-reported information from members to adjust the funding mechanism if needed.”

We would like the IWG to clarify that the proposed funding mechanism continues until it is changed, so that it’s clear that the CRGB is able to collect funding after year 1 regardless of the timing and progress of the planned review. We acknowledge the funding model is based on limited data and that it would be prudent for the CRGB to undertake periodic reviews as the CRGB gains more information about subscribers, cohorts and resource requirements (e.g., after year 1).

We understand that to inform the IWG’s proposals on CRGB funding proposals the IWG Secretariat and Chair used data from various sources. This included information from the FCA shared on a confidential basis with the Chair and Secretariat, which is for use for these purposes only and not able to be shared more widely. Given this data cannot be shared with IWG members and stakeholders, or future CRGB stakeholders including subscribers and participants, we encourage the IWG to provide further clarity on how the CRGB will collect data in the future to determine future funding requirements. For example, setting out a clear definition of what data is needed to set fees going forward and an efficient way to collect it, which ideally would be automated and validated.

We note the IWG’s approach in its work on the CRGB’s funding model involved the use of proxies and that the CRGB might wish to consider how it can improve on the data it uses to determine fees in its own future data collections. We understand the CRGB’s subscribers will report required information as part of the attestation process and this will be specified in contracts. However, CRGB will reserve the right to adapt the requirements as needed.

In the context of determining future funding arrangements through collecting data from firms, we encourage the IWG to continue to consider how the CRGB will ensure competition law risks are considered and mitigated. For example, ensuring that competitively sensitive information used to determine funding arrangements is not disclosed to or exchanged between competitors or potential competitors during and/or around any discussions.

The FCA has funded the resourcing of the Chair and Secretariat of IWG to deliver on its [Terms of Reference](#), alongside industry contributions to cover relevant legal costs. The funding for the transition phase from IWG to CRGB

needs to be agreed between the FCA and industry. You mentioned “the transition plan will be funded from a combination of the FCA levy for the IWG work and contribution from a number of the IWG members.” We understand that discussions around funding the transition to CRGB are ongoing. Resolving these discussions on pre-funding as soon as possible is critical to ensure a smooth transition to the CRGB. While we have not yet seen the IWG’s final transition plan or recommendations, we remain fully supportive of the IWG’s progress towards establishing the CRGB.