

The Star : Banks must get clients' nod before checking credit info

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KUALA LUMPUR: Banks must now obtain a borrower's permission before they can acquire information on the person's financial history from companies which supply credit information.

The Finance Ministry said this was one of the interim measures applied by the ministry following a Cabinet directive on Wednesday.

Another move is to allow individuals to check and update, without charge, the information provided by such companies, according to a statement issued by the ministry yesterday.

The Government is very concerned about the individual's right over his or her personal particulars and the importance of providing accurate and up-to-date information to the clients, the ministry said.

A committee chaired by the ministry will be set up to look into amending the law to control these firms, such as the Credit Tip Off Service Sdn Bhd (CTOS).

Association of Banks in Malaysia chairman Datuk Seri Hamidy Hafiz said he would respond to the ministry's directive today.

Meanwhile, CTOS chief executive officer Chung Tze Keong said he supported the ministry's move.

I think it is a commendable procedure which would give more transparency to the borrower. At least they will be notified that their records are being checked, he said.

On the recommendation to waive the fee for information checks and updates, he said CTOS currently charged a nominal RM3.

If the Government wants the charge waived, we shall comply, said Chung.

CTOS, which has been operating since 1988, provides information on bankruptcies, civil suits, winding-up of companies, proclamations of sale and directorships.

Its services are employed by banks and financial institutions.

We do not blacklist, deny or approve an individual's loan. We are merely a source of reference nothing more, Chung reiterated.

In Kota Baru, Deputy Minister in the Prime Minister's Department Datuk M. Kayveas said 1,200 e-mail complaints on CTOS had been sent to the National Insolvency Department since an online portal was set up last week.

Among the complaints were that CTOS included in its credit listing summonses from the police or local authorities, delayed instalment payments on household appliances and unsettled hospital bills.

He also claimed that Hamidy was not being transparent on the CTOS controversy.

It is a lie that banks in Malaysia do not rely on CTOS, he said.