



## Full Privacy Statement

### Why we need your information and where we obtain it

Our main use of your personal information is to look after your account or to provide the specific service you require. Some details we obtain elsewhere – from credit reference agencies or your employer, for instance. We may also disclose your information within our group of companies to our agents and other insurers to investigate or prevent fraud.

To meet the requirements of the Banking Code and our regulator the Financial Services Authority (FSA), we are obliged to contact you shortly before the maturity of any fixed-term or fixed-rate products. This ensures that you are aware of the options available and helps you make an informed decision about your maturity instructions.

If you were 'introduced' to us by a third party and/or have a relationship with or are supporting one of our affinity partners, we will give them your contact details and sufficient information about you to help with their accounting and administration.

To comply with money laundering regulations, there are times when we need to confirm (or reconfirm) the name and address of our customers. This information may be shared with other HBOS Group companies.

We may record phone conversations to offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.

Our employees are personally responsible for maintaining customer confidentiality. We provide training and education to all our staff to remind them about their obligations. Our policies and procedures are regularly audited and reviewed.

### How we use your information

The Data Protection Act puts obligations on users of personal information and lays down principles for its use. One principle states that information has to be processed fairly and lawfully. This means that you are entitled to know how we (Automobile Association Personal Finance Limited, the AA, Capital Bank, Birmingham Midshires and the HBOS Group of Companies) intend to use any information you provide. You can then decide whether you want to give it to us.

Organisations must lodge a notification with the Information Commissioner describing the purposes for which they process personal information. The details are publicly available from the Commissioner's office at Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Or you can call 01625 545745 or fax 01625 524510. Alternatively, see the Commissioner's website ([www.ico.gov.uk](http://www.ico.gov.uk)).

We will not provide information about you to companies outside our group (the companies named above) to use for their own marketing purposes. Sometimes we need to give information to our agents and subcontractors so that they can provide a particular service for us. Sometimes these companies may be located abroad in countries that do not have adequate data protection laws. In these circumstances we always take great care to ensure that your personal information is kept safe and secure. Other members of our group may also share your information to help keep their records up to date and administer your relationship with them.

We are also committed to meeting the standards set by the Banking Code, copies of which are available on request from us or on the British Banking Association website ([www.bba.org.uk](http://www.bba.org.uk).) Occasionally, the Banking Code Standards Board's compliance monitoring body audits a sample of our customer records to assess our compliance with the Code.



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Whenever this happens, strict confidentiality conditions are always imposed.

Some Acts of Parliament oblige us to disclose information about our customers to certain bodies with statutory powers. For example, we must give information to authorised benefit fraud investigators where fraudulent benefit claims are suspected. In addition, the Inland Revenue has the statutory authority to audit our customers' accounts from time to time.

If you apply to us for a credit-based product, the details you provide, the information we already have and information from credit reference agencies are used to assess credit risk using a technique called 'credit scoring'. Various factors in all these details help us to assess the risk. A score is given to each factor and a total credit score obtained. If your score is above a confidential preset pass score, the application is likely to succeed.

If you email us, or give us your email address, we will keep a record of it. We may use it to contact you occasionally about other products and services that may interest you, unless you ask us not to do so. We will not give your email address to any unauthorised third parties. Remember that email will be 'insecure' and could be intercepted. If you do send us email, please keep the amount of confidential information you include to a minimum. We will do likewise when we reply.

The Data Protection Act defines certain information as 'sensitive' (racial or ethnic origin, political opinions, religious beliefs, trade union membership, physical or mental health, sexual life, criminal proceedings and offences). If we ever collect these details from you we will only use this information to provide the service you require, and we will ask for your explicit consent. There may be times when you give us sensitive information. We may share it with other parts of the HBOS group and our subcontractors to keep your records up to date.

### **Your choices and how to contact us**

We may use your account details, transactions and information provided to us by third parties in our customer contact programme. Occasionally, members of our group of companies may contact you by letter, telephone, email and text message or otherwise, to inform you about other products and services that may interest you. We try to limit our customer contact programme to acceptable levels, but if you wish to exercise your right to opt out, simply inform us by writing to:

AA Savings Team  
FREEPOST  
PO Box 81  
Wolverhampton  
WV9 5BR

Or you can let us know by any means convenient for you.

Remember, however, that opting out could stop us contacting you about any of our products or services that may benefit you. For example, you may not hear about a new savings or mortgage product that offers you a better rate or saves you money.

Under the Data Protection Act you have the right of access to your personal data. The Act allows us to charge a fee of £10 for this service. If anything is inaccurate or incorrect, please let us know and we will correct it. If you do not want to receive unsolicited mail from other companies, you can prevent this by registering with the Mailing Preference Service. In addition, the Telephone and Fax Preference Services enable you to object to receiving unsolicited marketing phone calls or faxes from other companies.



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To register, simply telephone the appropriate number:

Mailing Preference – 020 7291 3310

Telephone Preference – 020 7291 3320

Fax Preference – 020 7291 3330

Alternatively, you can register online. For more details about all the Preference Services, please visit the Direct Marketing Association website ([www.dma.org.uk](http://www.dma.org.uk)).

### **Credit referencing**

If you apply for a credit-based product (eg a mortgage or a personal loan) we will perform a search with a credit reference agency. We may give details of your account and how you conduct it to credit reference agencies. Similar information may also be given about your other lending/credit relationships with members of the HBOS Group. If you borrow and do not repay in full and on time, we may tell credit reference agencies who will record the outstanding debt.

The information below provides further details about how credit reference agencies, Birmingham Midshires and other lenders use your information.

#### **Q: What is a credit reference agency?**

**A:** Credit reference agencies (CRAs) collect and maintain information on consumers' and businesses' credit behaviour, on behalf of lenders in the UK.

#### **Q: What is a Fraud Prevention Agency?**

**A:** Fraud Prevention Agencies (FPAs) collect, maintain and share information on known and suspected fraudulent activity. Some CRAs also act as FPAs.

#### **Q: Why do you use them when I have applied to your organisation?**

**A:** Although you have applied to Birmingham Midshires and we will check our own records, we will also contact CRAs to get information on your credit behaviour with other organisations. This will help us make the best possible assessment of your overall situation before we make a decision.

#### **Q: Where do they get the information?**

**A:** Publicly available information:

- the Electoral Register at Local Authorities
- County Court Judgments from Registry Trust
- bankruptcy information from the Insolvency Service
- fraud information from Fraud Prevention Agencies
- credit information comes from information on applications to banks, building societies, credit card companies etc, and also from the conduct of those accounts

#### **Q: How will I know if my information is to be sent to a CRA or FPA?**

**A:** You will be told when you apply for an account if your data will be sent. The next section tells you how, when and why we will search at CRAs and what we will do with the information we obtain from them. We will also tell you if we plan to send payment history information on you to CRAs. You can ask at any time for the name of the CRAs and FPAs that we use.

#### **Q: Why is my data used in this way?**

**A:** We and other organisations want to make the best possible decisions we can, in order to make sure that you will be able to repay us. Some organisations may also use the information to check your identity. In this way we can ensure that we all make responsible decisions. At the same time we also want to make decisions quickly and easily and, by using up-to-date information, provided electronically, we are able to make the most reliable and fair decisions possible.



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**Q: Who controls what credit reference agencies are allowed to do with my data?**

**A:** All organisations that collect and process personal data are regulated by the Data Protection Act 1998, overseen by the Information Commissioner's Office. All credit reference agencies are in regular dialogue with the Commissioner. Use of the Electoral Register is controlled under the Representation of the People Act 2000.

**Q: Can just anyone look at my data held at credit reference agencies?**

**A:** No, access to your information is very strictly controlled, and only those that are entitled to do so may see it. Usually that will only be with your agreement or (very occasionally) if there is a legal requirement.

### What Birmingham Midshires does

**1. When you apply to us to open an account, we will:**

**a)** Check our own records for information on:

- i. your personal accounts
- ii. if you are a director or partner in a small business we may also check on your business accounts (a small business is defined as an organisation, which might be sole trader, partnership or a limited company that has three or fewer partners or directors)

**b)** Search at credit reference agencies for information on:

- i. your personal accounts
- ii. and, if you have made a joint application now we will check your financial associate's personal accounts as well
- iii. if you are a director or partner in a small business we may also check on your business accounts

**c)** Search at fraud prevention agencies for information on you and other members of your household and your business (if you have one)

**2. What we do with the information you supply to us as part of the application**

**a)** Information that is supplied to us will be sent to the credit reference agencies.

**b)** If you make a joint application, we will:

- i. search, link and/or record information at credit reference agencies about all parties
- ii. link joint applicants in our own records

**So you must be sure that you have their agreement to disclose information about them.**

**c)** If you give us false or inaccurate information and fraud is identified, we will record this and may also pass this information to financial and other organisations involved in fraud prevention to protect us, them and our respective customers from theft and fraud.

**d)** Your data may also be used by us, to offer you other products, but only if you have given your permission.

**3. With the information that we obtain, we:**

**a)** will assess this application for credit, and/or

**b)** verify your identity and the identity of any joint applicants.

**c)** will undertake checks for the prevention and detection of fraud and/or money laundering

**d)** may use scoring methods to assess this application and to verify your identity

**e)** will manage your account with us



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f) will undertake periodic statistical analysis or testing to ensure the accuracy of existing and future products and services  
Any or all of these processes may be automated.

### **4. What we do when you have an account**

a) Where you borrow or may borrow from us, we will give details of your account, including names and parties to the account and how you manage it/them to credit reference agencies.

b) If you borrow and do not repay in full and on time, we will tell credit reference agencies.

c) We may make periodic searches of our Group records, credit reference and fraud prevention agencies to manage your account with us, to take decisions regarding your identity and also credit, including whether to make credit available or to continue or extend existing credit.

d) If you have borrowed from us and do not make payments that you owe us, we will trace your whereabouts and recover payment.

### **What credit reference agencies do.**

### **5. When credit reference agencies receive a search from us they will:**

a) place a search 'footprint' on your credit file whether or not this application proceeds. If the search was for a credit application the record of that search (but not the name of the organisation that carried it out) may be seen by other organisations when you apply for credit in the future.

b) link together the records of you and anyone that you have advised is your financial associate, including previous and subsequent names of parties to the account. Links between financial associates will remain on your and their files until such time as you or your partner successfully files for a disassociation with the credit reference agencies.

### **6. Credit reference agencies supply to us:**

a) credit information such as previous applications and the conduct of the accounts in your name and of your associate(s) and/or your business accounts (if you have one)

b) public information such as County Court Judgments (Cocks) and bankruptcies.

c) Electoral Register information

d) fraud-prevention information

### **7. When information is supplied by us, to them, on your account(s):**

a) Credit reference agencies will record the details that are supplied on your personal and/or business account (if you have one), including previous and subsequent names of parties to the account and how you manage it/them.

b) If you borrow and do not repay in full and on time, credit reference agencies will record the outstanding debt.

c) Records shared with credit reference agencies remain on file for six years after they are closed whether settled by you or defaulted.



**8. How your data will NOT be used by credit reference agencies**

- a) It will not be used to create a blacklist.
- b) It will not be used by the credit reference agency to make a decision.

**9. How your data WILL be used by credit reference agencies**

a) The information which we, other organisations and fraud prevention agencies provide to the credit reference agencies about you, your financial associates and your business (if you have one) may be supplied by credit reference agencies to other organisations and used by them to:

- i. verify your identity if you or your financial associate applies for other facilities including all types of insurance applications and claims
- ii. make decisions on credit, credit related services and on motor, household, life and other insurance proposals and insurance claims, about you, your partner, other members of your household or your business
- iii. trace your whereabouts and recover payment if you do not make payments that you owe
- iv. conduct checks for the prevention and detection of crime including fraud and/or money laundering
- v. manage your personal, your partner's and/or business account (if you have one)
- vi. manage your personal, your partner's and/or business insurance policies (if you have one/any)
- vii. undertake statistical analysis and system testing

b) Your data may also be used for other purposes for which you give your specific permission or, in very limited circumstances, when required by law or where permitted under the terms of the Data Protection Act 1998.

c) Your data may also be used to offer you other products, but only if you have given your permission. That will be on the front of any form that you have completed.

**How to find out more**

You can contact the five agencies currently operating in the UK; the information they hold may not be the same so it is worth contacting them all. They will charge you a small statutory fee.

**Experian** Consumer Help Service, PO Box 8000, Nottingham NG80 7WF  
or call 0870 241 62 12  
or visit [www.experian.co.uk](http://www.experian.co.uk)

**Call Credit** Consumer Services Team, PO Box 491, Leeds LS3 1WZ  
or call 0870 060 14  
or visit [www.callcredit.plc.uk](http://www.callcredit.plc.uk)

**Equifax plc** Credit File Advice Centre, PO Box 3001, Bradford BD1 5US  
or call 0870 010 05 83  
or visit [www.myequifax.co.uk](http://www.myequifax.co.uk)

**Synaptic Solutions Ltd** Customer Help Desk, The Brampton, Newcastle-under-Lyme ST5 0QY  
or call 01782 664040  
or visit [www.synetics-solutions.com](http://www.synetics-solutions.com)



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**MCL Software Ltd** Sea bank House, Wight Moss Way, Southport PR8 4HQ  
or call 01704 501001  
or visit [www.mclsoftware.co.uk](http://www.mclsoftware.co.uk)

If you have been refused credit you can get advice from your local Trading Standards Department, Citizens Advice Bureau or Consumer Advice Centre and the websites of the agencies above. The Information Commissioner also produces a useful leaflet entitled 'Credit Explained'. You can get a free copy on the Commissioner's website, or by telephoning 0870 600 81 00.

### **Fraud prevention agencies**

We have systems that protect our customers and ourselves against fraud and other crime. Customer information can be used to prevent crime and trace those responsible. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- checking details on applications for credit and credit related or other facilities
- managing credit and credit related accounts or facilities
- recovering debt
- checking details on proposals and claims for all types of insurance
- checking details of job applicants and employees

Please contact us by writing to the Fraud Prevention Team, Birmingham Midshires, Pendeford Business Park, PO Box 81, Wolverhampton WV9 5HZ if you want to receive details of the relevant Fraud Prevention Agencies. We and other organisations may access and use from other countries the information recorded by Fraud Prevention Agencies.