

ALL YOU NEED TO KNOW ABOUT CRIB

CREDIT INFORMATION BUREAU

Customer Confidentiality, Credit Reference Agencies and Consumer Protection

As a responsible financial service provider and a good corporate citizen, we consider it our duty and obligation to educate customers of their rights, responsibilities and obligations as borrowers. At the same time, it is our responsibility to inform customers of the defined process employed by us in accordance with the law, in the collection and recovery of dues.

We lend money by way of Home Loans, Personal Loans, Credit Cards, Secured or Unsecured Overdrafts and Loans, Hire Purchase / Lease Agreements etc with agreed repayment schedules by way of amount, tenure and periodicity of repayment. However, if customers do not adhere to the agreed repayment schedule, a defined process is followed to recover the dues. The process may involve reminding by telephone calls, sending letters and notices, personal visits, re-possession of security where applicable and legal action. It is also mandatory that we inform the Credit Information Bureau (CRIB) of overdue debts of customers.

What is the Credit Information Bureau?

The Credit Information Bureau is an independent repository of credit information and credit history of borrowers. All authorized Financial Institutions are mandated to provide the bureau with factual information on credit granted to customers and how they service their debts. The Bureau consolidates this information provided by all authorized Financial Institutions into the Bureau database. In return, Financial Institutions can refer to credit reports and credit history of customers who wish to borrow from them.

Credit Report and History

The credit report contains information about different financial obligations of individuals and/or legal entities, including information on the behaviour and history of meeting financial obligations.

Banks and credit organizations access this information to process applications for a loan, credit card or even to accept as a guarantor. As the credit report is updated monthly, it is important that customers review their information periodically to check its accuracy.

It is mandatory that financial institutions report all lending to customers to the Credit Information Bureau and update their repayment status. Credit Reports help financial institutions to make better credit decisions quickly and objectively."

Credit History" is perhaps the most significant factor lenders consider when you apply for "Credit" from an institution. Building a good credit record is an important step for reflecting "Credit worthiness" of an individual.

You can follow few basic steps to build a good credit history:

- Borrow only what you can repay from your income.
- Meet your financial commitments on time.
- If you cannot meet your commitments for any reason, negotiate and reschedule your repayments with the lender.
- Check your credit report at least once a year.
- In case of discrepancies in the credit report, rectify it immediately by informing your bank or CRIB.

How an individual can be benefited by CRIB

If an individual re-pays the loans / credit on time and maintains a good track record, he will be able to get credit faster. Further, if you have an excellent track record, you can negotiate with Banking and Financial Institutions, for better terms as every institution looks for good customers in the highly competitive and complex market.

If you borrow according to your repayment capacity, you will be able to maintain a better track record and integrity.

Role of Financial Ombudsman

"Financial Ombudsman" is a person with experience in Banking and Financial Services. The Financial Ombudsman is empowered to inquire into and settle disputes between individual customers and the authorized Financial Institutions covered by the Ombudsman scheme. The Financial Ombudsman's office is located at:

No. 143 A Vajira Road, Colombo 05.

Telephone: +94 112 595625

Fax: +94 112 595624

Website: www.financialombudsman.lk