

1971 Bill 144

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Fourth Session, 16th Legislature, 20 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 144**

**The Consumer Credit Disclosure Protection Act**

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MR. WERRY

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 144

1971

## THE CONSUMER CREDIT DISCLOSURE PROTECTION ACT

(Assented to \_\_\_\_\_, 1971)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

**1.** This Act may be cited as The Consumer Credit Disclosure Protection Act.

**2.** In this Act,

- (a) "consumer" means an individual;
- (b) "Consumer Affairs Branch" means the office established under The Consumer Affairs Act;
- (c) "consumer report" means any written, oral or other communication of any information by a consumer-reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal interviews with neighbours, friends or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items or information;
- (d) "consumer-reporting agency" means any person who assembles or evaluates information for the purpose of furnishing consumer reports to third parties;
- (e) "employment record" means any application, record of employment, skill tests, pre-employment tests administered by third parties and any evaluation taken or at the request of a firm;
- (f) "file" when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer-reporting agency, regardless of how the information is stored.

**3.** Every consumer-reporting agency shall, upon request and proper identification of any consumer, and without charge, clearly and accurately disclose to the consumer:

- (a) the nature and substance of all information in its file on the consumer at the time of request;

## **Explanatory Notes**

- 1.** Short title.
- 2.** Interpretation.
- 3.** Provides for the right of a consumer to have access to a file containing information on himself in the files of a consumer-reporting agency.

- (b) the sources of the information;
- (c) the recipients of any consumer reports on the consumer which it has furnished within the six-month period preceding the request.

4. Every consumer who is rejected following an application for credit, insurance or employment by reason of a consumer report shall be informed by the person to whom the application was made to the name and address of the consumer-reporting agency.

5. Where the consumer establishes that information contained in his file held by a consumer-reporting agency is inaccurate, the information shall be corrected.

6. If the completeness or accuracy of any item of information contained in his file is disputed by a consumer, and such dispute is directly conveyed to the consumer-reporting agency shall within a reasonable period of time re-investigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant. If after such re-investigation such information is found to be inaccurate or cannot be verified, the consumer reporting agency shall promptly delete such information.

7. If the re-investigation does not resolve the dispute, the consumer may refer the matter to the Consumer Affairs Branch for investigation and file a brief statement setting forth the nature of the dispute which shall be placed in his file.

8. Whenever a statement of a dispute is filed, unless there are reasonable grounds to believe that it is frivolous or irrelevant, the consumer-reporting agency shall, in any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.

9. No application for credit, employment, or insurance completed by a consumer may be used for any other purpose, or transmitted to any other person or to a credit-reporting agency without the prior written permission of the consumer.

10. Information supplied by a consumer-reporting agency to a firm on a consumer shall be confidential and used only for legitimate business purposes of that firm.

4. Provides for the right of a consumer who is rejected for credit, insurance or employment because of a consumer report, to be informed of the name and address of the consumer-reporting agency.

5. Information contained in a file held by a consumer-reporting agency to be corrected when the consumer establishes the information is inaccurate.

6. Incomplete and inaccurate information contained in a file held by a consumer-reporting agency to be re-investigated if disputed by a consumer.

7. If the re-investigation does not resolve the dispute the consumer may refer the matters to the Consumer Affairs Branch and also file a brief statement regarding disputed information in his file.

8. Consumer-reporting agency must note the item of dispute and include accurate summary thereof.

9. Credit, employment or insurance application shall not be used for other purpose without the written consent of the person.

10. Consumer credit report shall be kept confidential.

**11.** Adverse information regarding a consumer held on file by a consumer-reporting agency shall be deleted after five years, or, in the case of bankruptcies, ten years.

**12.** Information held on file by a consumer-reporting agency shall be factual and, in the case of adverse information obtained from newspapers, periodicals and personal interviews, must be verified before placing in a file.

**13.** A consumer-reporting agency shall maintain only one file on a consumer which file must contain all information pertaining to the said person.

**14.** Any person who contravenes any of the sections of this Act is guilty of an offence and liable on summary conviction

- (a) for the first offence to a fine of not more than \$500.00, and not less than \$100.00, and
- (b) for any subsequent offence to a fine of not more than \$10,000.00 and not less than \$500.00 or to imprisonment for a term of not more than one year, or to both the fine and imprisonment.

**15.** This Act comes into force on the day upon which it is assented to.

**11.** Information to be deleted after five years or in the case of bankruptcies, ten years.

**12.** Information held on file by a consumer-reporting agency shall be factual.

**13.** Maintenance of only one file on a person by a consumer-reporting agency.

**14.** Offences and penalties.

Incorporated in this Bill are a number of the recommendations of "A Report to the Alberta Legislature" of the "Special Legislative Committee on Invasion of Privacy", tabled in the House last year.

The Report of the Supervisor of Consumer Credit and the Annual Report pursuant to The Consumer Affairs Act tabled in the House this year also indicate that legislation is required in this area.