Call to diversify data access for credit scores

OUR SPECIAL CORRESPONDENT

Calcutta: Credit rating agencies are seeking access to more granular and diversified datasets to sharpen credit assessments for individuals and MSMEs. The industry has flagged this requirement during pre-budget consultations with banks and the government, arguing that India's evolving digital infrastructure now makes richer credit evaluation possible.

"Right now, credit information companies have access only to credit data. One of the inputs we have provided as part of the pre-budget discussions is to establish a broader framework that enables the responsible use of alternate data while maintaining privacy," said V. Anantharaman, chairman, TransUnion Cibil, on the sidelines of a Calcutta Chamber of Commerce organised event on Friday.

Traditional credit data includes borrower information such as name and PAN, details of facilities like credit cards, mortgages or personal loans, and repayment records including days past due and default history. With systems such as GST, UPI and the account aggregator network, Anantharaman said significantly more information is now available to assess borrower cash flows and evaluate risk — an approach already used globally to strengthen credit reporting.

India currently has four credit information companies: TransUnion Cibil, Equifax Credit Information Services, Experian Credit Information Company of India and CRIF High Mark Credit Information Services.

BROAD DATASETS

- Credit rating agencies (CRAs) are seeking access to GST, UPI, and account aggregator data to improve assessments
- The goal is to move beyond traditional credit data and evaluate borrower cash flows and risk more accurately

Regular monitoring

Anantharaman urged borrowers to monitor their credit scores regularly and report inaccuracies promptly to credit information companies so corrections can be initiated within a specified time period.

"CICs are not allowed to change any credit data themselves — it has to come from the banks. If you notice any errors, they should be raised immediately," he said.

The RBI mandates a 30-day window for the resolution of such complaints, after which the complainant becomes eligible for compensation.

He added that credit reports should be viewed as one of several inputs in lenders' decision-making processes, not as a standalone qualifying criterion. The finance ministry recently clarified in Parliament that the RBI has not prescribed any minimum credit score for loan applications.