

aml

From: [REDACTED]@equifax.com>
Sent: Friday, 24 December 2021 11:59 am
To: aml
Subject: Re: [IE] RE: AML Submission
Attachments: AML Review Submission.docx

Tēnā koe

Please fine attached Equifax' submission on the AML Review consultation.

Ngā mihi nui

[REDACTED]
Head of Legal, New Zealand

Equifax

Level 10, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand

P + [REDACTED]
M + [REDACTED]
[REDACTED][@equifax.com](mailto:[REDACTED]@equifax.com)

On Thu, Dec 16, 2021 at 9:55 AM aml <aml@justice.govt.nz> wrote:

Kia or Deborah,

Yes, that's fine, I'll make a record of that in our notes and look forward to receiving your submission next week.

Ngā mihi,

Nick



Nick Kokay ([he/him](#))

Kaitohu Tōmua | Senior Policy Advisor

DDI +64 4 494 9810 | Ext 50810

www.justice.govt.nz

Mon Tues Wed Thur Fri



From: [REDACTED] [@equifax.com](#)>

Sent: Wednesday, 15 December 2021 8:22 pm

To: aml <aml@justice.govt.nz>

Subject: AML Submission

Hi there

Equifax was hoping to put in a short submission on the AML review document. We understood from the Financial Services Federation that the deadline of 3 December had been extended until 22 December 2021. We only since discovered that this was an extension granted to the FSF and not a general extension.

Is it possible for us to also obtain this extension and we will send in our submission early next week.

Ngā mihi nui

[REDACTED]

Head of Legal, New Zealand

Equifax

Level 10, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand

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M

 [@equifax.com](mailto:postmaster@equifax.com)

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22 December 2021

AML/CFT Statutory Review Consultation 2021

To: The Ministry of Justice c/- aml@justice.govt.nz

Introduction

This submission is from Equifax New Zealand Information Services and Solutions Limited in relation to the AML/CFT Statutory Review Consultation ("**Review**"). Any correspondence in relation to this submission should be directed to the attention of Deborah Malaghan at the address below, or to deborah.malaghan@equifax.com.

Equifax New Zealand

Equifax New Zealand is one of the three credit reporting agencies that operates in New Zealand. As a credit reporter we are regulated under the Credit Reporting Privacy Code 2020. Credit reporters are also noted as an example of an independent and reliable source of electronic identity verification information under the Explanatory Note: Electronic Identity Verification Guideline July 2021 (For Part 3 – Amended Identity Verification Code of Practice 2013 "**IVCOP**").

Equifax is a global data, analytics, and technology company. Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 11,000 employees worldwide.

AML/CFT Statutory Review Consultation

Equifax is grateful to be able to submit on the Review. We are also grateful to the Ministry of Justice for giving an extension to provide this submission.

As a service provider to reporting entities since the inception of the AML/CFT Act, Equifax has had much experience with helping these entities meet their compliance obligations, specifically through electronic identification of name, date of birth, and address.

As noted above, credit reporters were expressly added as a data source in the recently revised Explanatory Note: Electronic Identity Verification Guideline. We now welcome the review into the operation of the AML/CFT Act, as it contains significant compliance obligations for those entities subject to it, and therefore it is in both theirs and the public interest that these obligations are meeting their intended purpose.



Address verification

The only aspect of the Review we wish to specifically submit on is in relation to address verification. We are concerned with the suggestion of removing address verification except in limited circumstances. In our view address plays an important role, as noted in the Review consultation document “to ensure accuracy of a person’s identity information as well as further enabling the ability for transactions to be traced around the economy and thereby support law enforcement outcomes.”

From a fraud perspective, this change to reduce the scope of address verification, is not supported. Equifax manages a shared fraud database in Australia, which is the largest private collection of fraud intelligence in Australia, contributed by credit providers, foreign exchange providers and telecommunication providers. We know from this source that address is a critical piece of information when detecting fraud.

The consultation document notes that some customers may not be able to provide evidence of an address to be verified for a variety of reasons, including that they do not have permanent accommodation, they are not the account holder for any utility bills, or do not have easy access to suitable documentation which proves their address. We believe the proportion of people that fall in this category is low, and that where people cannot be verified automatically, there are manual fallback processes that reporting entities can follow.


We acknowledge that fixing issues with address verification can be time consuming and therefore costly for reporting entities. However, evidence from our bureau shows that we have a high pass rate for confirming address matches. Equally, use of credit bureau information enables a robust process for verifying address. This is because the bureau is a dynamic database with millions of transactions involving individuals occurring daily, with residential address being a component of this data.

Conclusion

We support retaining the current requirements for address verification under the AML/CFT Act as we consider this provides an important function in fraud prevention and therefore achieving the aims of this legislation.

While we consider there are currently robust options for reporting entities to verify address, we support the suggestion that the IVCOP could be amended to provide alternative approaches to verifying address information.

Ngā mihi nui


Head of Legal
Equifax New Zealand