



Use of Consumer Credit Data for Statistical Purposes: Korean Experience

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Micro-data is expected to have huge potential for statistical use. The financial turmoil of 2007-2009 highlighted gaps in the statistical framework, both at the national and international level. In particular, the crisis revealed important gaps in information for the purposes of financial stability analysis. The development of micro-databases can significantly contribute to overcoming some of these shortcomings. Micro-databases can generate knowledge about the activities of economic and financial agents at a more detailed level and allow for the drawing of conclusions that would not be possible should one rely solely on aggregated data.

The Bank of Korea Act was revised in 2011 so that the BOK is also required to monitor implications on financial stability when implementing monetary policy. Hence, facing the need to address financial stability and the rapidly snowballing household debt, the BOK has sought to obtain more detailed and timely information on the debt status, loan payment behavior, and overall credit quality of Korean consumers. Such information could facilitate the BOK's analysis of macroeconomic conditions, improve its understanding of the way credit is provided to consumers, and enhance the bank's supervision of financial stability.

For decades, information of this type has been gathered by Credit Bureaus (CBs), namely credit reporting companies. To the extent that this information is complete, comprehensive, and accurate, it represents a potential new source of statistical data for the BOK on consumer credit markets and behavior.

To acquire and use this credit information of CBs, the Economic Statistic Department of BOK plans to construct a 'Consumer Credit Panel DB (preliminary title)', a new longitudinal database with detailed information on consumer debt and credit. According to this plan, the panel DB will be comprised of a 5-10% sample and contain information derived from consumer credit reports to track individuals' and households' access to and use of credit on a quarterly basis. The DB will be used for statistical purposes, as the panel can compute nationally representative estimates of the levels and changes in various aspects of individual and household liabilities. However, the development of the CCP DB has faced a recent hurdle in the form of a series of consumer credit data leakage, which have led to increased demands for information security. The Economic Statistical Department of the BOK now has to persuade the public of the need for consumer credit data for public use.

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