

# What is Commercial Credit Data Sharing and why is it important?

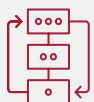
Commercial Credit Data Sharing (CCDS) is a significant initiative introduced by the UK government to enhance the lending environment for small and medium-sized enterprises (SMEs). This system requires major UK banks to share a detailed record of business loans and current account data, creating a more transparent and accessible framework for lenders and SMEs alike.

By sharing comprehensive financial data, CCDS ensures lenders, particularly non-traditional ones, can access vital information about an SME's financial health, facilitating more informed and equitable lending decisions. This not only helps level the playing field, but also drives financial inclusion, giving SMEs a better chance of securing the funds needed to grow and succeed.

## Why is CCDS important?



**Access to accurate and consistent data:** before CCDS, non-bank lenders had limited access to SME data, making risk assessment more challenging. CCDS aims to eliminate this barrier, granting lenders access to a wider data set, resulting in more accurate credit risk analysis.



**Facilitating responsible lending:** by enabling banks to share crucial data, CCDS helps lenders assess risk more effectively, reducing the chances of over-lending or offering inappropriate credit products. This ensures that SMEs receive finance solutions that match their specific business needs.



**Support for underserved SMEs:** many SMEs, especially those with short or incomplete credit histories, often struggle to access credit. With CCDS, these businesses can benefit from a more comprehensive picture of their financial activity, including payment patterns, providing lenders with the visibility they need to offer finance more equitably.



**Boosting competition and innovation in lending:** by democratising access to SME credit data, CCDS encourages competition in the market. Non-bank lenders and fintech companies can compete with established banks - offering new, innovative financing solutions tailored to SME's specific needs.

## How does CCDS work?

Under the CCDS framework, banks share a wide range of business data - including loan balances, overdraft limits, and repayment performance. This data covers SMEs with an annual turnover of up to £25 million and is shared securely with authorised lenders and credit reference agencies (CRAs), such as Equifax. This transparency helps lenders offer tailored products to SMEs, improve underwriting processes, and mitigate risks more effectively.

## The role of Equifax in CCDS

As a leading CRA, Equifax is integral to the CCDS ecosystem. Our robust data handling capabilities ensure that the shared commercial credit data is processed accurately, securely, and in a way that enables lenders to make well-informed lending decisions.

By leveraging advanced analytics and machine learning models, we enhance the value of CCDS data, turning it into actionable insights for lenders. This allows for more precise credit risk assessments, better fraud detection, and the development of tailored credit solutions for SMEs.



## Key benefits of CCDS



**Lenders:** CCDS provides access to richer and more accurate data, improving decision-making processes, reducing credit risk, and increasing operational efficiency. Lenders can enhance their portfolio management and expand their offerings to a broader range of businesses.



**SMEs:** SMEs benefit from greater financial inclusion, as lenders can access the full picture of their financial activities. Even businesses with limited credit histories are evaluated on their overall performance, helping them secure better lending terms and grow their operations.



**The economy:** by promoting responsible lending and increasing access to finance for SMEs, CCDS supports the UK economy by driving growth and job creation in the SME sector, which is vital to national economic health.

## What is the future of CCDS?

As CCDS continues to evolve, it is expected to play an even larger role in transforming SME finance.

With ongoing advancements in data analytics, artificial intelligence, and financial technology, CCDS will enable more personalised, efficient, and flexible lending solutions, further empowering SMEs and fostering a more resilient and dynamic business ecosystem.

## Contact us

Discover how Equifax can help you integrate CCDS data into your lending operations. Visit our website or contact our team for more information.

[Speak to our experts](#)