

Credit Reports and Utility Service Customer's Delinquency

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Issue

Can utility companies report to credit rating agencies information about their residential customers' delinquency?

Summary

The answer is yes, if certain conditions are met.

Under Connecticut law, a utility company (see sidebar) may report a residential customer's delinquency to credit rating agencies if the customer is more than 60 days delinquent. At least 30 days before making such a report, the company must send the customer, by first class mail, a notification that includes the following statement:

Utility Company

means (1) electric distribution, gas, telephone, or water company and (2) gas registrant or municipal utility furnishing electric, gas, or water service ([CGS § 16-262d\(g\)](#)).

"AS AUTHORIZED BY LAW, FOR RESIDENTIAL ACCOUNTS, WE SUPPLY PAYMENT INFORMATION TO CREDIT RATING AGENCIES. IF YOUR ACCOUNT IS MORE THAN SIXTY DAYS DELINQUENT, THE DELINQUENCY REPORT COULD HARM YOUR CREDIT RATING."

The utility company is prohibited from reporting any information about a residential customer's delinquency if the customer has initiated a complaint or has a pending investigation hearing or appeal ([CGS § 16-262d\(g\)](#)).

According to the federal Consumer Financial Protection Bureau ([CFPB](#)), most utility companies do not report a consumer's payment history to the big three consumer reporting agencies (Experian, Equifax, and TransUnion). If, however, a customer fails to pay a bill and it is sent to a collection agency, the collection agency may report the debt to a credit reporting agency.

There are specialty consumer reporting companies that focus on certain market areas and consumer segments, such as utility services. Unlike the big three consumer reporting agencies, specialty consumer reporting agencies collect and share information about customers' (1) transaction history with a business or (2) use of a specific product or service. At least one specialty consumer reporting agency, the National Cable, Telecommunications and Utilities Exchange (NCTUE), collects information on new telecom and utility connection requests, account and payment histories, defaults, and fraudulent accounts associated with telecommunications, pay TV, and utility (electric, gas, water) services. The NCTUE reports this information to companies in the telecommunications, utilities, and pay TV industries.

For more information see:

- The [NCTUE](#) website
- The [CFPB](#) website

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