FACTORS INFLUENCING DISSEMINATION OF CREDIT INFORMATION BY CREDIT REFERENCE BUREAUS IN KENYA

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DECLARATION

Declaration by the Candidate

I declare that this research project is my original work and has not been submitted to any other university for award of a degree.

Signature ___________________________ Date 22/04/2013

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Declaration by the Supervisor

This research project has been submitted with my approval as the university supervisor.

Signature ___________________________ Date 24/6/2013

MR. SAMSON KAPLELACH
LECTURER,
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Declaration by the Chairman

This research project has been submitted with my approval as the chairman of the department

Signature ___________________________ Date 24/05/2013

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ABSTRACT

This study aimed to establish the challenges of disseminating credit information by credit reference bureaus in Kenya. The information obtained from this study would be useful to both the Government, Central Bank and in particular the Ministry of Finance Kenya to enhance credit information sharing. The study focused purely on licensed Credit Reference Bureaus in Kenya, because credit information sharing facilitated the development of information capital, in the process it changed the current collateral technology. The type of research design used for this project was explanatory design and the target population of this study was all licensed Credit Reference Bureaus in Kenya. This study employed census survey because the target population was relatively small. Data was collected by use of questionnaire method. The results found were then presented in frequency tables and pie charts. One of the objectives of the study was to assess the effect of privacy protection on dissemination of credit information. Results indicated that majority of the respondents agreed with the statement related to privacy protection. This implied that credit bureaus emphasized on privacy protection of credit information. The other objective of the study was to assess the effect of competition on dissemination of credit information. Results indicated that majority of the respondents agreed with the statements relating to competition. This implied that there was high competition thus low dissemination of information. Another objective of the study was to assess the effect of business ethics on dissemination of credit information. The findings indicated that majority of respondent agreed with the statement relating to business ethics on dissemination of credit information. This implied that credit bureaus emphasized business ethics fully. The study concludes that there was a negative and significant relationship between privacy, competition and dissemination of information but there was a positive and significant relationship between business ethics and dissemination of information. The study recommends that there should be adequate legal and institutional measures to protect consumer information in Kenya, that the government should also set rules on stiff competition in the financial sectors and finally the study recommends that Banks should use CRB reports to appraise borrowers and to enhance business ethics, both banks and CRB employees should join professional and trade association codes.