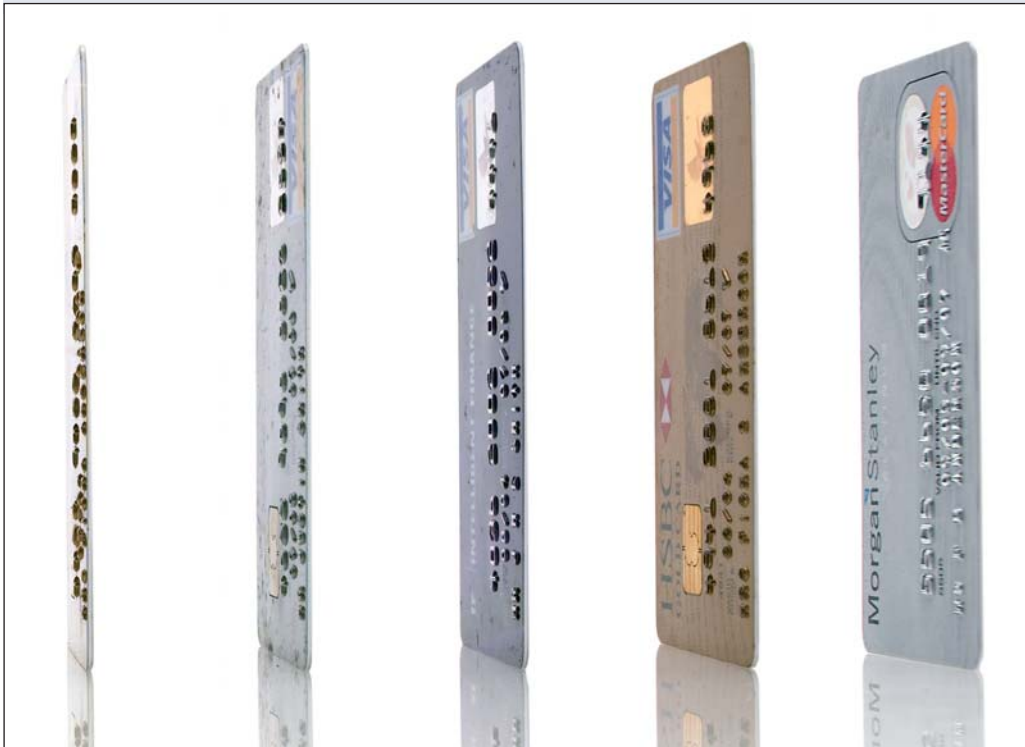


Your credit record

Understanding your credit record

Your credit record is the information a lender will look at when deciding whether to lend you money. About a third of all applications for credit cards are turned down, so it makes good sense to understand what information is used to make lending decisions; what you can do to protect it; and how you can ensure that the information held about you is correct.

This guide answers some of the key questions you might have as well as explaining why it is so important to complete application forms for credit with care and who you can contact if you have any difficulties.



Keeping your credit record healthy

Top Tips

- Always try and make your payments on time but if you think you are unable to do this, contact your lender as soon as possible. They will help you choose the best option available to you.
- Make sure you check your credit report with each of the three credit reference agencies at least annually and that the information is correct. If it isn't, contact the credit reference agency concerned and ask for it to be corrected.
- Make sure that you are on the electoral roll.
- If you have paid a court judgement, make sure it is shown as settled on your report.
- If a bankruptcy order has ended or been withdrawn, make sure that this is shown on your report.
- Try not to make multiple applications for credit in a short period. A high number of checks by different lenders may lead to some lenders refusing you credit.
- Always complete applications for credit, accurately and honestly.

Tips for handling problems

- If you have been turned down for credit, check to find out why. Check with the lender first. You may also want to check with the credit reference agency that the information held about you is correct.
- If you think that any information on your report is wrong you should contact the credit reference agency, explaining why it is incorrect and ask for it to be corrected or removed from the file.



Questions & Answers

Q Why do lenders undertake credit checks?

A When you apply for credit, for instance on a credit card, the card company will want to make sure you are capable of repaying any money you borrow and will only lend to you if they feel it is responsible to do so.

Q What is my credit score/rating?

A Your credit score or rating will be calculated by your lender to assess your credit worthiness. The higher your score the better. Different lenders and credit reference agencies may use different criteria so your credit rating may vary. This is why you may be rejected for credit by one lender and accepted by another.

Q What is a credit blacklist?

A There is no such thing as a blacklist. Your credit record only contains factual information. If you have been refused credit you should contact the lender concerned to find out why. Different lenders may make decisions based on different criteria and assessments of your credit record.

Q Can anyone search my credit report?

A No. Searches can only be made with your permission. This is given by completing a consent clause on your application form or verbally if you are applying for credit over the phone.

Q Who has access to information on my credit report?

A Only organisations who provide information to the credit reference agencies are entitled to look at the information held about you. They can only do this if you have given your permission.

Q How can I find out why my application for credit was turned down?

A Contact your lender. They will tell you whether this is because of your credit record or for some other reason.

Q How safe is my information?

A The credit reference agencies comply with the Data Protection Act 1998. They are also monitored by the Information Commissioner's Office.

Q What information is stored about me and where it is stored?

A Most people have some type of credit agreement on a credit card, loan, mortgage or mobile phone account. Every lender stores information on credit agreements with one or more of the UK's three credit reference agencies.

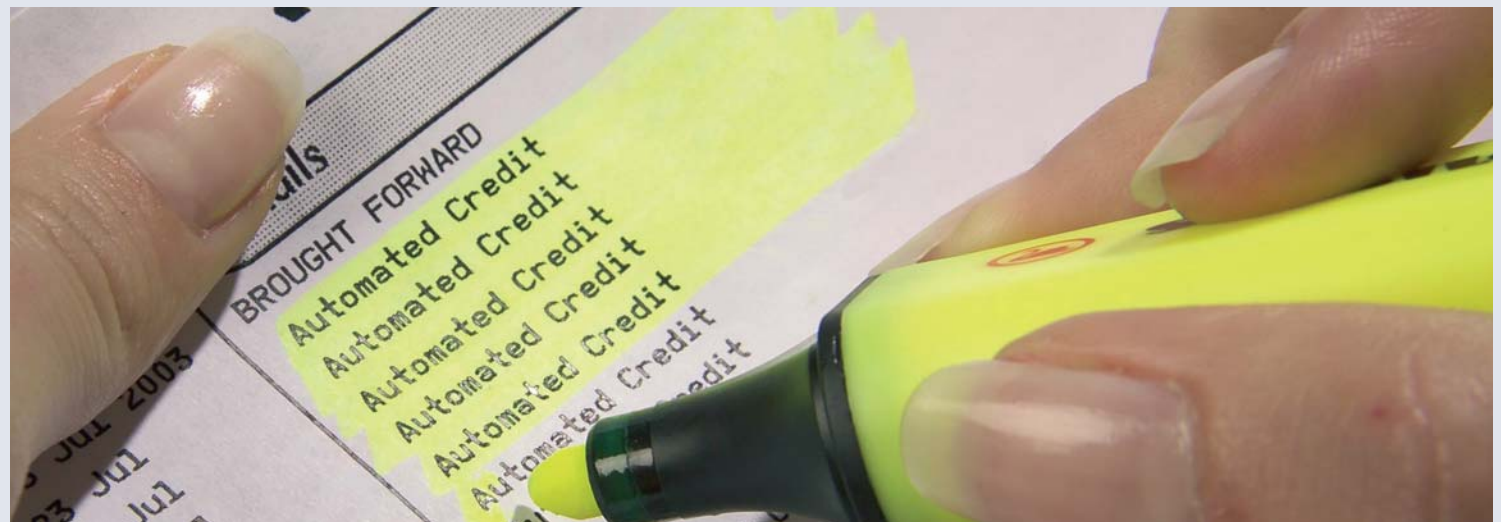
Every time you apply for new credit this information is used by the new lender to check your credit history or rating; to see how much you already owe and how well you've managed any previous credit.

A lender can look at how many other applications for credit you have made recently and review publicly available information held by the credit reference

agencies. This includes whether you are registered on the electoral roll, if you have any court judgements against you or have been registered bankrupt.

Specifically a prospective credit card issuer will be able to see what outstanding loans, mortgages and credit card products you have. They will be able to see what cards you have, what the credit limit is on those cards and what the current outstanding balance is, as well as whether regular repayments are being made on that card.

If you apply for a card with someone you already have a financial relationship with (e.g. mortgage, current account), they will have access to additional information about your financial behaviour.



Information held by the credit reference agencies includes:

Your credit history details

Credit reference agencies store records showing how you have made payments on credit agreements for the past 36 months. Other information can also be held including whether you have a joint account or whether you have raised a query on your record.

Court judgements

Credit reference agencies receive and hold information on court judgments, bankruptcies (or sequestrations in Scotland), bankruptcy restrictions order and any voluntary arrangements that may have been made with your creditors.

Other credit applications

Credit reference agencies hold 'search' records, sometimes known as 'footprints'. These show organisations which have looked at your report over the last 12 months. These will be visible to you on your credit report and visible to lenders who may decide not to lend to you if you have made a large number of applications over a short period of time.

Electoral Roll

Lenders look at the electoral roll to check that you live at the address on your application form. This can help prevent fraud and money laundering.

Who are the three credit reference agencies in the UK?

experian

PO Box 8000
Nottingham
NG80 7WF
0870 241 6212
www.experian.co.uk

EQUIFAX

Credit File Advice Centre
PO Box 1140
Bradford
BD1 5US
0870 010 0583
www.equifax.co.uk

Callcredit

Consumer Services Team
PO Box 491
Leeds
LS3 1WZ
0870 060 1414
www.callcredit.plc.uk

If you believe that you have been a victim of ID fraud you should contact each of the organisations above and keep copies of any correspondence. You may be advised to report the theft to the police. You can get further advice and guidance from www.identitytheft.org.uk.

Checking your credit record

You can contact each of the three credit reference agencies to ask for a copy of your credit record at any time. There is a statutory fee of £2 for each report. Reports are also available online but may cost you more. The information held by each agency can vary so it is vital to check all three. We recommend you check your record with each agency at least annually. Not only is this a good way of ensuring that the information held about you is correct but it can also provide peace of mind that you have not been victim of identity theft and that no-one has successfully applied for credit in your name.

