



Credit Report Advice

How to:

- **Apply for your credit report**
- **Check your own credit file**
- **Improve your credit rating**

Credit checks

When you apply to buy a shared ownership property, we will ask to check your credit history as part of the application process, and so will any mortgage lender you apply to.

A poor credit history can mean that your application is turned down by us or your mortgage lender or that you end up paying a higher rate of interest on your mortgage and other loans you apply for.

How we check your credit history

As part of the application process, we will ask you to apply for your own credit report from Experian, Equifax or Call Credit. This is because when someone else does a credit check on you (for example, when you apply for credit, such as a loan or hire purchase) it will appear on your credit history and we need to know about any loans etc that you have as part of our assessment. A lot of credit checks on your history in a short space of time can make a prospective lender suspicious.

Important: you must provide us with all pages of the report.

How to apply for your credit report.

The Consumer Credit Act 1974 gives you a statutory right to see your credit reference files by simply writing to the agencies, with a £2 fee.

To apply you can complete an online application or download and fill in an application form, by following one of the links below. Using the agencies own application form helps make sure they have all the relevant information, but beware they will often try and sell you more expensive online products, which aren't needed for your application.

Equifax www.econsumer.equifax.co.uk/consumer/uk/sitepage.ehtml?forward=gb_elearning_credit14

Experian www.experian.co.uk/consumer/orderPaperReport.html

Call credit www.callcredit.co.uk/consumer/order-your-report

Alternatively, you can use one of the template letters in this pack to write a letter detailing your past addresses, enclosing a cheque / postal order.

What things affect your credit reference?

Lenders get their information about you from three main sources

•**The application form.** Here lenders obtain the crucial details of your salary, family size, reason for the loan and whether you're a home owner. Ensure you fill the forms in

carefully; as a mistake could mean your application is rejected. Never lie on your application form as this is a criminal offence.

- Past dealings with the company.** Companies use any previous dealings with you to help assess your behaviour, though complicated data protection rules can limit which separate units of a company can communicate to each other.

- Credit reference agency files.** The three credit reference agencies Equifax, Experian and Callcredit compile information, allowing them to send data on any UK individual to prospective lenders. when assessing your file. All lenders use at least one agency.

The agency data comes from:

- Electoral roll information.** This is publicly available and contains address and who lives with whom details.

- Court Records.** County Court Judgements (CCJs) and Bankruptcies indicate if you have a history of debt problems.

- Financial Data.** Banks, building societies and other financial organisations compile details of all your payments and transactions. Around 350 million records a month are tracked including which is details of any defaults, late payments or problems.

Checking your own credit file

It is recommended that you check your own credit file from time to time anyway. A mistake on your credit file might affect your credit rating unfairly. For this reason, you may want to apply for your credit file from all three credit reference agencies, for your own peace of mind.

What to check on your file

Everything! First the obvious - Are all your debts correctly listed? Are there any inaccuracies on your repayment history?

Other details are important too. Check your present and past address details. Errors here can lead to you being judged on someone else's credit history. Also your finances may be incorrectly linked with someone else's.

What to do if there is an error?

If you disagree with anything on your file, write to request it is changed. If the agency refuses to change the file, you are entitled to add your own comments as a 'notice of correction'. This will often mean your credit applications take longer, but it may help you to obtain better deals. Do not go on too much in the explanation though, and do not overly criticise. Be concise, explanatory and factual.

What about County Court Judgments (CCJs)?

Failure to pay bills or fines on time may result in a County Court Judgment being made against you. This can damage your credit rating for a long time. We may reject your application to buy a shared ownership home if you have a County Court Judgment outstanding against you.

What should I do if I have a County Court Judgment against me?

You will need to satisfy (pay) the County Court Judgment for it to be removed from your credit file. The Judgment will remain on your credit report for 6 years from the date of Judgment, even if it is satisfied (paid). However, if you satisfy or pay the outstanding amount within a month of the judgment being issued, it will not show on your credit report.

How to satisfy Judgments/Decrees and Administration Orders

When a judgment has been paid in full, your Credit File can be amended. To do this, you must supply the court, listed in your Credit File, with proof of payment, enclosing the court fee of £15. The court will issue a Certificate of Satisfaction, which, if the debt was repaid within one calendar month of the judgment date, will authorise the removal of that Judgment from the register and from your Credit File. If repaid outside the one-month period, the Judgment will be marked as 'satisfied' and the various credit reference agencies will normally update your credit file within a month of payment.

When an Administration order has been paid in full, you can pay the court fee of £15 and obtain a Certificate of Satisfaction. However, this will not satisfy any County Court Judgment contained within that order. A separate Certificate is required and can only be issued if the full amount of the Judgment Debt has been paid.

What can I do if Court information has been registered incorrectly?

If you believe a county court Judgment/Decree has been registered incorrectly, you should contact the relevant court directly. You will need to provide the court with the judgment/decree case number shown on your credit file.

Things that can help your credit rating

•Get on the electoral roll

If you are not on the roll, it is unlikely you will get any credit. Write to your local council to ensure you are. For those who are not eligible to vote (mainly foreign nationals), send

all the credit reference agencies proof of residency and ask them to add a note to verify this.

•Time applications correctly.

Lots of credit searches (the notes left on your file when you apply for things) in a short space of time hurts your score. Space out applications, not just for credit but for car insurance, mobile phones and others, as all can leave searches on your file. Moving house also disrupts a score, so make important applications pre-moving. However it's important to take time to get your finances on an even keel and get used to what will probably be a tighter budget as a new home owner. Increasing your borrowing just after moving may mean that you struggle to keep up repayments and you could end up losing your new home if you over-commit yourself financially.

•Evidence of stability is good.

Home owners rather than renters, and those who are employed rather than self-employed, tend to score more highly. Putting a fixed (land) line rather than a mobile number on application forms can help with security checks and improve your chances. Being with the same employer, bank and current address for a while all help too.

•Always check your credit file if you are refused credit.

If you carry on applying and being rejected your credit file will show multiple credit searches. These can lead to you being rejected for credit in future even when the original error has been corrected!

•Cancel unused credit cards, debts and accounts.

Access to too much credit, even if it isn't used, can be a problem. If you have a range of unused credit cards, cancel most of them; this lowers your available credit and should help.

•Keep up payments and never be late.

Always try to follow at least the minimum repayment plan for your financial products. Even if you're struggling, do not default or miss payments. Doing this once or twice will cause problems that can cost you for years.

If you are in difficulties, the clichéd 'contact your lender' is good advice. Hopefully it will try and help a little. Changing your repayment schedule is preferable to you defaulting - and though it will hit your credit score, it's better than a County Court Judgment (CCJ) against you.

•Dealing with joint finances.

Simply marrying or living with someone with a bad credit score shouldn't impact your finances, as recent changes means someone else's information doesn't appear on your

file. Yet if you are 'financially linked' in any product, it can have an impact. Even just a joint bills account will mean you are co-scored. If one partner has a poor history, keep your finances rigidly separate, and it should maintain access to good credit for the other. As a note, there is no such thing as a 'joint' credit card; technically it is one person's account and the other just has access to it.

If you split up with someone you have joint finances with, once the accounts are separated, always write to the credit reference agencies and ask for a notice of 'disassociation', to stop their credit history affecting yours in the future.

Beware Credit Repair agencies

You may have seen adverts for credit repair agencies promising to improve your 'rating' for a fee, yet there's nothing they can legally do that you cannot do yourself for free. The Citizen's Advice Bureau and the Consumer Credit Counselling Service can help you negotiate with a lender after a CCJ has been serviced. It may be possible to agree a settlement and get the CCJ wiped as part of the agreement. They will do this as a free of charge, so there is no need to pay credit repair agency for this sort of service.

	Your name
	Your address
Equifax, Plc. Credit File Advice Centre PO Box 1140 Bradford BD1 5US	
Dear Sir / Madam,	
I wish to apply under section 7 of the Data Protection Act 1998 for a single copy of my credit report. I enclose the statutory fee of £2 made payable to Equifax Plc.	
Here are my personal details:	
Full Name:	
Current Address:	
Date of Birth:	
Contact Details (Phone / Email):	
Addresses where I have been resident in the past 6 years:	
Yours faithfully	
(signature)	

Your name
Your address

Consumer Help Service
Experian Ltd
PO Box 8000
Nottingham
NG80 7WF

Dear Sir / Madam,

I wish to apply under section 7 of the Data Protection Act 1998 for a single copy of my credit report. I enclose the statutory fee of £2 made payable to Experian Ltd. Here are my personal details:

Full Name:

Current Address:

Date of Birth:

Contact Details (Phone / Email):

Addresses where I have been resident in the past 6 years:

Yours Faithfully

(signature)

Your name
Your address

Consumer Services Team
Callcredit plc
PO Box 491
Leeds
LS3 1WZ

Dear Sir / Madam,

I wish to apply under section 7 of the Data Protection Act 1998 for a single copy of my credit report. I enclose the statutory fee of £2 made payable to Callcredit Plc Ltd. Here are my personal details:

Full Name:

Current Address:

Date of Birth:

Contact Details (Phone / Email):

Addresses where I have been resident in the past 6 years:

Yours Faithfully

(signature)

How to contact us

If you would like more information about anything in this leaflet, or would like it in another format please contact the Home Ownership Team by:

Telephone: **0808 202 7728**

E mail: **homeownership@coastlinehousing.co.uk**

Address: **Coastline Housing Ltd**

Ferris House

Dolcoath Avenue

Camborne

TR14 8SD