

## We've turned you down because your credit score is low

We believe it would not be appropriate to offer you a loan because of the information contained in your credit report.

We are not able to give you the full detail of what is in your report but in some circumstances we can help you get a copy of your report and tell you what information has made us come to this decision.

## What is a credit report?

Your credit report contains details about your past borrowing behaviour and gives a score. This score indicates whether you are likely to manage more debt or repay your loan.

The credit score varies. The higher the score the more likely that you will be considered low risk and therefore given a loan, or viewed favourably by a potential employer or property landlord.

## Check up on your credit report

There are lots of things you can do to improve your chances of being accepted for credit but first you should get hold of your report.

Your credit report is held by three companies (CallCredit, Equifax and Experian). Each holds slightly different information so it might be worth getting a report from each. London Plus Credit Union gets your report from Experian and can provide the application form you need.

Everyone has a right to get their report for a fee of £2.

You can access your report for free from some sources, but you should be wary about where you get that from and what conditions are in place.

[www.moneysavingexpert.com](http://www.moneysavingexpert.com) has information on accessing free credit scores.

This leaflet gives some ideas on improving your chances of getting a good loan decision.

## Get help

If you have tried to bring your household finances under control but are struggling to make it all add up; don't ignore it. There are places you can go and people you can speak to to help you manage your money.

Do you have so many debts you don't know who to pay and when?

[www.stepchange.org.uk](http://www.stepchange.org.uk)

[www.nationaldebtline.org](http://www.nationaldebtline.org)

Do you need support and want someone to help you to manage your money?

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Do you want to know where you can go to help you save money?

[www.moneysavingexpert.com](http://www.moneysavingexpert.com)

Do you feel that you can't seem to cope with it all and are feeling stressed and ill because of it all?

Make an appointment with your **GP** or go online to [www.nhs.co.uk](http://www.nhs.co.uk) and type 'money worries' into the search box for advice.



More Than Just money

**London Plus Credit Union**

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[www.londonpluscu.co.uk](http://www.londonpluscu.co.uk)

*The information contained in this leaflet is for information purposes only and does not constitute advice, financial or otherwise. London Plus Credit Union accepts no responsibility for the result of any actions taken as a result of the information contained herewith.*

# We've declined your application because of your credit report



**CREDIT REPORT**



More Than Just money



# Take Control

## Check your report

Check your credit report to see if there are any mistakes or if you've been a victim of fraud. Your credit report typically holds the following information:

- Your bank and credit card accounts, outstanding loan agreements and utility accounts. They show whether you have made repayments on time and in full. Missed or late payments will stay on your credit report for at least 6 years as do CCJs, bankruptcies, debt management plans, and IVAs.
- Details of any people who are financially linked to you if you've taken out joint credit.
- Your bank account provider, but only details of overdrafts.
- Whether you are on the electoral (voters) register.
- Public record information such as County Court Judgments, house reposessions and bankruptcies for six years after they occur.
- Your name and date of birth.
- Your current and previous addresses.
- If you've committed a fraud (or someone has stolen your identity and committed fraud).

If you spot any mistakes contact the relevant credit reference agency.

They have 28 days to remove the information or tell you why they don't agree with you.

You could also contact the lender to make sure they have given the correct information to the credit reference agency.

The Money Advice Service has more information on credit reports:

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

## Improve your credit score

If your credit score is poor or you have no history of borrowing for lenders to see, there are immediate steps you can take to improve your credit score.

### • Stop applying for credit

Applying for and being turned down for credit affects your score. Don't apply for any more credit until you've sorted out any problems on your credit file and improved your credit score.

### • Cancel unused credit cards

Lenders can take into account the credit limits available to you, not just what you currently owe. This also reduces the chances you'll fall victim to fraud if they were to be stolen.

### • Get on the electoral register

If your name's not on the electoral register you'll find it much harder to get credit or someone else could use your address to get credit.

### • Protect your identity

Look out for unfamiliar or suspicious entries in your report, such as an account you didn't open, a sudden surge in the amount you owe or new credit applications you didn't make — they could mean you're a victim of identity fraud. If you notice anything out of the ordinary, contact the relevant lender immediately and explain your situation — be prepared to provide evidence to support your case.

Have a  
complaint  
about a  
financial  
company?

If you have complained to a financial institution and are not happy about the way they have responded you can contact the **Financial Ombudsman**.

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

0800 023 4567

### • Check on linked individuals

If you have a joint mortgage, loan, bank account "Linkage" means that their credit history can be looked at when you're scored, so avoid applying for credit jointly if one of you has a poor history of managing credit. Equally, if you separate from someone you were joined to, write to the credit reference agencies and ask for a "notice of disassociation".

### • Avoid credit repair companies

You may see adverts from firms that claim to repair your credit rating. Most simply negotiate with any companies that have sought County Court Judgments against you. Others claim they can do things that legally they can't, and some may even encourage you to lie to the credit reference agencies. Don't even consider using such firms. There's no reason you can't improve your credit rating yourself, so don't pay someone else to do it.

### • Deal with your debts

If you are feeling worried or ashamed about speaking to someone about your debt you are not alone. 41% people admit to not feeling able to get help.

If you contact an agency or company, please check if they are going to charge a fee before you sign up. Many take a percentage of your agreed repayments as a fee for administering your debt.

There are debt management charities that will not charge you for helping you manage your debt. Details for some of these organisations are on the back of this leaflet.

