

Useful contacts

- **Experian Consumer Help Service**
Phone: 0844 481 8000
Website: www.experian.co.uk
- **Citizens Advice**
Look in your local phone book under 'Citizens Advice Bureau'
Website: www.adviceguide.org.uk
- **Consumer Credit Counselling Service**
Phone: 0800 138 1111
Website: www.cccs.co.uk
- **National Debtline**
Phone: 0808 808 4000
Website: www.nationaldebtline.co.uk

Consumer Help Service
Experian
PO Box 8000
Nottingham
NG80 7WF
www.experian.co.uk



Other leaflets

This leaflet comes from a series of advice guides to help you understand how credit reports are produced and used and when they affect your life. Other guides available in this series are listed below.

- Bereavement or serious illness
- Relationship breakdown
- Living together
- Moving home
- Students and young people
- Redundancy or reduction of income

To order free copies of all these guides, visit www.experian.co.uk/learningzone or call 0800 013 0161 and leave your name and address.

Information we hold about you may not be the same as that held by any other credit reference agency.



© Experian 2008.

The word "EXPERIAN" and the graphical device are trade marks of Experian and/or its associated companies and may be registered in the EU, USA and other countries. The graphical device is a registered Community design in the EU.

All rights reserved.

Refused credit

Credit Crossroads



Experian is a leading UK credit reference agency. When you apply for credit, you will probably give the lender (the company you want credit from) permission to carry out a credit check through us. We do not decide who should get credit, but the information we provide may help the lender to decide.

We hope this guide will help you if you are refused credit.

How it all works

When you apply for credit, lenders have to make sure that you are who you say you are and live where you say you live. They also want to make sure that you are likely to be able to keep up the repayments. They will look at the information you give them when you apply (such as your job and income). They will also look at the information we hold about you, which we call your credit report (sometimes called your credit file).

It is important you understand the information on your credit report. Your credit report must also be up to date because it helps lenders check:

- your name and address;
- how you have managed credit in the past; and
- how you are managing credit at the moment.

If your report shows that you repay credit on time, this will usually help you get credit. It may also help you get the best credit deals.

Once you close a credit account (such as a credit card, a loan or a mortgage), details of how you handled your payments stay on your report for six years. Negative information (such as a court judgment, a bankruptcy or a 'default' – a credit account you have broken the terms of) also stays on your report for six years.

You can ask us to send you a copy of your credit report. We will also send you information to help you understand it and answer any questions you have. You can also get help and advice from our website.

To order a copy of your credit report, visit www.experian.co.uk or call 0844 481 8000. You will need to pay £2 if you apply online or £3.50 if you apply by phone.

You can also write to;
Consumer Help Service
Experian
PO Box 8000
Nottingham
NG80 7WF.

You will need to give your full name, date of birth and all of your addresses over the past six years.

If you apply in writing, the report costs £2. You need to send a cheque or postal order, made payable to Experian Ltd, with your letter.

To view your credit report online (over the internet) you can join our 'CreditExpert' credit-report monitoring service. For more details, including a free CreditExpert trial, visit www.creditexpert.co.uk.

Don't panic if you are refused credit

Lenders can refuse to provide credit for many reasons. The information on your credit report might have suggested that you would struggle to make repayments on time. Or perhaps the lender made their decision based on the information you gave them when you applied for credit (such as details about your job or wages). But it also might simply be that you are not the type of customer the lender is looking for.

Nobody has an automatic right to credit, but there are certain rules. For example, lenders cannot refuse to give you credit because of your race, sex, religion, sexuality or address. Lenders can refuse an application without giving any reason, but most have codes of practice that say they should give you the main reason if you ask.

It's normal to want to know why

When a lender says no, it is only human nature to want to know why. It's also a good idea. You may be able to do something about it and improve your chance of getting credit in the future. Only the lender can tell you why they refused your application because only they know. They should give you the main reason (or reasons) for their decision. They should also tell you if the information on your credit report affected their decision.

Lenders have to be careful not to reveal too many details about how they assess applications for credit. Revealing too much information would make life easy for fraudsters who cost the credit industry – and innocent consumers – more than a billion pounds each year.

Many lenders use automated credit scoring to help them decide if you will be able to pay back any money you want to borrow. They give points relating to the information on your application for credit and on your credit report. They then work out the total to give you a credit score. Each lender decides how many points they give to each piece of information and how many points you need to reach for them to accept your application. As a result, your credit score will vary from lender to lender, depending on each lender's own policies.

They should tell you if they refused your application because of your credit score. The law also gives you the right to have your application considered again by a person if a lender refuses to give you credit because of an automated credit score.

If the information on your credit report caused the lender to refuse your application, they should give you details of the credit reference agency they used. If it was us, order a copy of your credit report before you apply for more credit. Applying for lots of credit within a short space of time can make matters worse.

We will help you understand the information on your report, how it is used and how you can change or add to information on it if necessary. Our Consumer Help Service has more than 200 people ready to help you with any questions you have. They cannot tell you why you have been refused – they do not know – but they can answer questions about your report.

Don't pay for advice which comes free

If you are finding it difficult to get credit, never be tempted to turn to so-called credit repair companies. These companies claim to be able to get rid of negative information from your report – in return for a fee. They will charge you for doing something that you can do yourself for free by contacting the credit reference agencies direct or with the help of a money adviser.

If you are struggling to cope with your existing credit agreements, organisations which give money advice (such as a citizens advice bureau, the Consumer Credit Counselling Service, National Debtline or a local council consumer advice team) will help you sort out your debts and your credit report for free. They can also help you get a free copy of your credit report. Our Consumer Help Service will also give you valuable advice about your credit report for free.

Many credit repair companies will fail to 'repair' your credit report. In fact, some may make matters worse. Some may encourage you to break the law. Some may offer you a loan at a very high interest rate. This is likely to cause you further difficulties.

Don't panic

So if you're turned down for credit, don't panic. Find out the reason why as quickly as possible. If the person dealing with your application cannot give you the reason, get the address or phone number of someone who can help. If appropriate, get a copy of your credit report. Then, if necessary, get advice from our Consumer Help Service or an organisation which provides free money advice.

Some people are refused credit because they have become victims of identity fraud (that is, a fraudster has used the person's personal details to get credit in their name). If your credit report includes credit applications or credit accounts you know nothing about, contact our Consumer Help Service. Our Victims of Fraud team will help you sort out the fraud as quickly as possible. Visit our website for more information about identity fraud.