

Credit Score Factsheet

What is a credit score?

A credit score is created from information on your credit report (also known as a credit file). The information held on your credit file can have an impact on:



Whether lenders should lend to you or not.



How much money lenders are willing to lend to you.



How much interest lenders will charge you.

How can I check my credit score?

You can access your credit score for free using a variety of services. Below are some examples of free services that you can use to check your credit score:

- [ClearScore](#)
- [MoneySavingExpert's Credit Club](#)
- [Credit Karma](#)

Whilst free credit checks are still reliable, a paid membership with one of the main agencies will allow you to gain more up to date information on your credit score. You are able to access your report online or request for your file to be sent to you for free (this will contain more detailed information).

The main credit scoring agencies are:

- [Equifax](#)
- [Experian](#)
- [TransUnion](#)

Does it matter which company I use to check my credit score?

All Credit Scoring Agencies (CSAs), also sometimes known as Credit Reference Agencies (CRAs), do not hold the same information on you. This means that your credit report can vary slightly depending on who you use.

These differences should be minimal but if you do notice any big differences, it is important that you check the information is correct and up to date. This can be done by requesting your credit file, checking it over and contacting the CSA or CRA to provide the up to date information.

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Why should I check my credit score? And what happens if I check it too often?

Checking your credit score is free (paid services are also available) and will not impact your score.



It is important to check your credit score at least once a month. Familiarity with your score will make it easier to identify errors and fraudulent activity, both of which could have a negative impact on your credit file.

What happens if I have a bad credit score?

- The most recent information on your credit file will have the most impact (for example, missed payments), as potential lenders are most interested in your current financial situation. However, all of your financial decisions (good and bad) from the last six years will be on your record.
- A bad credit score can mean that you may be charged a higher interest rate or may not be eligible for some loans. It can also have an impact on your ability to get insurance, mobile phone contracts, and rental agreements.

How do I improve my credit score?



Set up automatic payments – This will reduce the chances of late or missed payments.



Get a low limit credit card – Use this credit card to pay for regular spending (such as petrol or groceries), and then pay the balance off in full every month.



Register on the electoral roll – This can be done from the age of 16.



Check your credit file regularly – Even small errors (e.g. wrong address) can have a negative impact.



Check if you are linked to another person – Having a friend/family member linked to your credit through a joint account can affect your personal rating if they have a poor score.



Check for fraudulent activity – Any incorrect or unauthorised information must be reported to the credit reference agency immediately.



Avoid changing address frequently – Lenders will feel more comfortable if you have lived at the same address for longer periods of time.



Keep your credit utilisation low – This is how much of your available credit limit you use. Using less of your available credit will increase your credit score.