



BlacklistedLoans

Your Credit History

A brief overview..... Credit reference agencies (the main ones being equifax and experian) collect and maintain data relating to your borrowing. The credit reference agencies are for-profit corporations that sell your personal information for money to companies that may request it (a loan company would request this data if you made an application to determine your eligibility).

The credit reference agencies receive your information through the lenders who grant you credit. When you apply for credit you agree with the 'lender' that they are allowed to share your information with the credit reference agencies. If you are accepted for the credit/loan then the lender will report how well you maintain the loan back to the credit reference agencies. If you make a payment this is recorded, if you miss a payment this is recorded, if you miss 3 or 4 payments this will be recorded as a default (this is a significant black mark against your credit record).

Credit reports are not just a record of how you are currently managing your credit accounts. Credit reports are a history of everything you are doing with your current borrowing as well as previous borrowing. When you apply for any type of credit or borrowing, a credit report is pulled from at least one of the credit reference agencies – If the lender doesn't like what they see, then they won't lend you the money – simple as that!

Credit reference agencies have access to information from a variety of databases such as the electoral roll, county court judgements and bankruptcies are just a few. They also have the credit history data from lenders who provide store cards, car loans, mortgages, and credit cards. If there is any history of late payment, or worse, this will be viewed badly by the reference agency.

It's not all bad news though – If you maintain a good track record with your borrowings, then your credit report will act as a positive 'voucher' for your credit 'worthiness' and any lender looking at it will be more likely to lend you any money you apply for. If you currently have a poor or bad credit history, then you can start to rebuild your credit by managing your finances better. The first step is to view your credit report, which you can do at either Experian or Equifax.