



Part of the Callcredit Information Group

## Your Credit File Explained

Credit reference agencies (CRAs) collate and store financial and publicly available information about almost every adult in the UK. This information is then supplied to lenders and other organisations to assist them in establishing an individual's identity, credit history and current credit commitments.

The information also allows lenders to confirm the address provided by their applicant and to help to prevent fraud.

Major financial institutions use CRAs, as do landlords to vet prospective tenants, employers to credit health check prospective employees and mail order companies to set up new customers' accounts, amongst others. The data that can be displayed to our clients differs depending upon their membership of certain shared databases. Information available in the public domain such as the Electoral Roll, Bankruptcies and County Court Judgments can be displayed to all our clients if they request it, however SHARE data can only be displayed to clients who are members of these shared databases.

**It is important to understand that we do not decide who can and cannot obtain credit. We do not hold a 'blacklist' or give black marks to individuals.** Only the lender concerned knows why they declined an application and most will inform the applicant of the reasons behind their decision.

### Frequently Asked Questions (General)

#### **Why do lenders use credit reference agencies?**

Lenders must verify the identity of their applicants and establish some basic facts about their applicant's finances to enable them to lend responsibly. They also need to fulfil their legal responsibilities and comply with Money Laundering regulations. They use CRAs to help them do this. They check their applicant's credit history to establish if previous credit agreements have been repaid on time, and to check their current financial commitments. This assists them in establishing whether the applicant has the ability to repay the credit they are applying for without causing over-commitment. They also check the files of a CRA to help them identify fraudulent applications.

#### **Can anyone search your database for information about me?**

No. Searches can only be made with your permission, except under certain circumstances where we are required to provide information to a Government department, or the Police. When you apply for credit, your permission is obtained in various ways, dependent upon which method of application you use. Some lenders obtain permission through the consent clause or declaration on the application form you complete and sign. If you apply for credit over the telephone, you should be informed verbally before you proceed that a credit search will be carried out with one or more of the CRAs. If you apply for credit over the Internet you should be asked to confirm that you consent to the declaration or terms and conditions of the account. This should include permission for a credit search to be carried out with one or more of the CRAs.

#### **How do I know who has seen information about me?**

Every time an organisation accesses your Callcredit file we record this, along with the name of the company, the type of search/enquiry performed, the product type applied for (where applicable) and the date of the search. We retain a record of each search for 2 years. The Credit Search History section of your credit file will contain any searches performed in the last 2 years.

#### **Do the credit reference agencies (Callcredit, Experian and Equifax) hold identical information about me?**

No. The information obtained by the CRAs from public sources, such as Electoral Roll data, Bankruptcies and County Court Judgments, should be similar. Information supplied to the agencies by lenders may well be different. Some lenders supply data about their credit accounts to all three CRAs, however others only supply data to one or two agencies. The CRAs also retain a record of every search performed on their database. These are shown on your credit file in the Credit Search History section. Lenders normally search the files of one CRA (although some use multiple agencies) therefore the searches visible on your Callcredit credit file probably won't appear on your Experian or Equifax file, and vice versa.

We recommend that you obtain a copy of your credit file from all three CRAs on a regular basis, to ensure the information held is accurate.