



CREDIT REPORT FACTSHEET



www.fla.org.uk

**CREDIT
REPORT**
FACTSHEET

What is the purpose of this fact sheet?

This fact sheet explains about previous searches on your credit report. More detailed guidance about your full credit report is available from the credit reference agencies (CRAs).

What are previous searches?

The CRAs must keep a record when anyone looks at your credit report. This is so that you and your lenders know who has looked at your report, when and why. We call these records 'previous searches' or 'footprints'. Previous searches stay on your report for up to two years. They do not show the outcome of your application.

Are there different types of searches?

Yes, each previous search will tell you when and why a named organisation carried out the search. Your report can actually be searched for many different reasons, with your permission, including the following:

- You have asked to see your own report.
- You have applied for credit and the lender is assessing your creditworthiness.





- You have applied for another financial product and the organisation concerned is checking your identity.
- You have asked the lender for a price quotation and they need to look at your report before providing this.

Can searches affect credit scoring?

When we and other lenders look at your report, we can see any previous credit-application searches that resulted from you applying for credit. We are allowed to use these searches to help make decisions about you, normally when calculating your credit score. Other types of searches are not normally visible to us and do not affect your score. You can check your own report as often as you wish and this won't harm your credit rating.

We use previous searches because certain patterns can, along with other information, indicate high-risk. For example, a lot of credit applications in a short space of time can signal someone applying for more credit than they can afford. It could also be a sign of fraud.



It is possible to have lots of credit application searches quite legitimately. For example, you may move house, get a new mortgage and buy a number of different things on credit. That is why we always use previous search information along with other information to help build a score, so that the number of credit applications alone should not normally cause a problem for you.

What if I am refused credit?

If we refuse to give you credit we will tell you the main reason, including whether information provided by a CRA played a major part. If it did, you should consider requesting your credit report. To avoid your credit report looking unusual, it's sensible not to keep applying for credit until you have made these simple checks.

Can I shop around without damaging my credit score?

If you're shopping around and comparing various credit offers, make sure you don't actually apply for credit until you've decided on the best deal. In some circumstances, we may be able to provide

CREDIT REPORT FACTSHEET

you with an indication of the likely interest rate that we can offer you without needing to undertake a credit application search. If you ask us if this facility is available, we will advise you that either:

- it is available, in which case we would register a 'quotation' search, which will not affect your credit score; or
- it isn't available, meaning that we will need to undertake an application search in order to be able to provide a quote.

Specifically, if you're shopping around for a mortgage, don't apply for a 'decision in principle' until you've decided on the best deal. A decision in principle is not a price quotation – you are asking for a commitment to grant you credit, so this will register a credit-application search.

What happens if I check my credit report and find a mistake?

If you find something you disagree with on your credit report, make sure you question it. You can either ask the CRA to investigate this for you or you can go straight to the organisation that registered



the information. By law, the information on your credit report should be accurate and up to date, so any disputes should be investigated and resolved quickly.

Who are the CRAs?

The three consumer CRAs in the UK are Experian, Equifax and Callcredit. Here are their contact details.

Experian
www.experian.co.uk
0844 481 8000

Equifax
www.equifax.co.uk
0844 335 0550

Callcredit
www.callcredit.co.uk
0845 366 0071



About FLA

We are the biggest UK representative organisation for the UK consumer credit and asset finance sectors. Our members include banks, subsidiaries of banks and building societies, the finance sections of leading retailers and manufacturing companies, and a range of independent firms. They provide a wide range of facilities, including finance leasing, operating leasing, hire purchase, conditional sale, personal contract purchase plans, personal lease plans, secured and unsecured personal loans, credit cards and store-card facilities.



Finance & Leasing Association

Imperial House
15-19 Kingsway
London
WC2B 6UN

info@fla.org.uk
www.fla.org.uk

Member contact information