



Your credit report and previous searches

Credit Report Basics

This fact sheet explains about previous searches on your credit report.

Who is Experian?

Experian is the UK's largest credit reference agency. When you apply for credit, you will probably give the lender (the organisation 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 (which you can see by asking us for a copy of your credit report) may help the lender to decide. This information includes details of the electoral register, court judgments, bankruptcies and your current and past credit commitments.

What are previous searches?

Credit reference agencies must keep a record when anyone looks at your credit report. This is so that you 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.* Previous searches 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

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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 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?

Yes. When lenders look at your report, they can see any previous searches that resulted from you applying for credit. Lenders are allowed to use these searches - called credit-application searches - to help make decisions about you, normally when calculating your credit score. While credit-application searches can affect your credit

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score, other types of searches are not normally visible to lenders 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.

Lenders 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 lenders always use previous search information along with other information to help build a score, so that a number of credit applications alone should not normally cause a problem for you.

What if I am refused credit?

If a lender refuses to give you credit it should tell you the main reason, including whether information on your credit report played a major part. If it did, you should consider ordering a copy of it. 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.

If the interest rate you will pay depends on credit scoring, the lender may be able to provide you with an indication of the likely interest rate that they can offer you without needing to undertake a credit-application search. If you ask them if this facility is available, they will advise you that either:

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

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 give 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 credit reference agency 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.

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Other useful guides and leaflets

Credit Report Basics is a series of guides that examine common credit report issues. We produce these under our consumer education programme and a full list of these guides is below.

- Your credit report and the electoral register
- Your credit report and bankruptcy
- Credit report myths
- Your credit report and individual voluntary arrangements (IVAs)
- Your credit report and previous searches

We also produce a series of leaflets called Credit Crossroads to help you understand how credit reports are produced and used and when they affect your life. The leaflets available in this series are listed below.

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

You can visit www.experian.co.uk/consumer/introduction-to-credit/index.html to read or print all our free guides and leaflets.

Useful contacts

Experian: Help and advice about your credit report

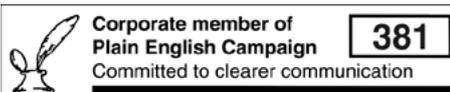
www.experian.co.uk

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Other credit reference agencies:

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