

Your credit score

So, what is a credit score and why is it so important?

Your credit score is simply a number that is calculated based on an analysis of your credit file e.g. Any unpaid or overdue loans or credit.

Your credit score will be used by credit providers (like banks and credit unions), to help them decide whether to lend you money, how much to lend you, and what interest rate to offer you

Knowing your credit score can help you negotiate a better deal with your bank, or to find alternative lenders that will reward your good credit history



It's important to note that criminals who gain access to your personal details may take out credit in your name – impacting your credit score. So, it's vital that you secure your personal details and check the accuracy of your credit report at least once a year.



How can you access your credit report?

- Creditsavvy (Experian rating)
- Credit Simple (Dun and Bradstreet score)
- Finder (Equifax score)
- Get Credit Score (Equifax score)

Checking with more than one reporting agency can provide a more reliable measure of your overall credit rating than by just checking one.



What does your credit score mean?

Credit scores are generally expressed as a number between zero and 1,000 or zero and 1,200 (depending on the method the credit agency uses).

Your score is rated on a five-point scale and the position of it on the scale helps lenders work out how risky it is for them to lend to you. The scale ranges from:

- Excellent (you are highly unlikely to have any adverse events harming your credit score in the next 12 months) to,
- Below average (you are more likely to have an adverse event being listed on your credit report in the next year)