

# 10 Ways to **Improve** Your Credit Score





# The importance of your credit score

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Your lender wants to ensure you're a trustworthy customer who can make their monthly mortgage repayments.

They do this by reviewing your credit-score in an attempt to predict your future behaviour by analysing your past.

Now, more than ever, lenders are selective - so if your credit score is poor, they might reject you.

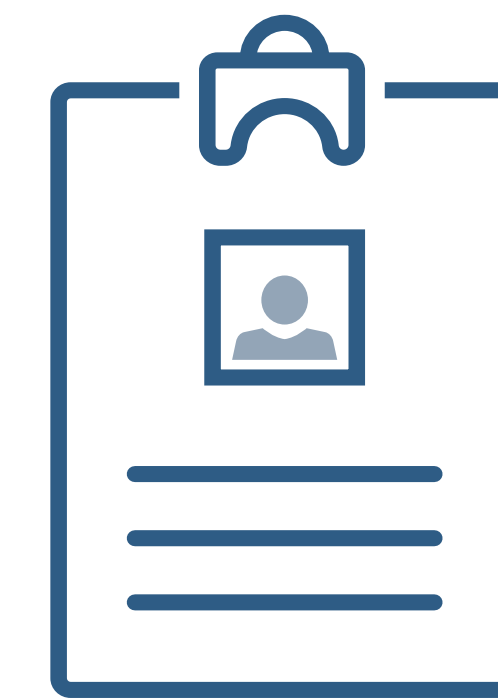
In the following pages, you will find **10 quick ways** to help you improve your credit score.





# 1) Register on the electoral roll

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Register on the electoral roll or check whether you're already registered by going to [www.gov.uk/register-to-vote](https://www.gov.uk/register-to-vote).

If you're registered on the electoral roll, it makes life so much easier when you apply for a mortgage.

For anyone ineligible (I.E. foreign nationals), you can attach an addition to your credit file stating that you've other proofs of address/residency.





## 2) Review your credit file

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You can review free copies of your credit file from all three credit reference agencies – **Equifax**, **Experian** and **TransUnion** (formerly Callcredit).

When viewing your file, check it over for any errors. If you think your file is wrong, request that the lender correct it.

You can add a **notice of correction** to your file explaining why it's unfair or explaining how certain circumstances arose. If the credit agency won't amend your file, you're entitled to submit a complaint to the **Financial Ombudsman**.





# 3) Check addresses on your file

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Anything **unusual or suspicious** on your credit file can cause lenders to worry.

Checking that addresses on all active accounts (even those not in use) are up-to-date is something people often miss - or neglect to do.

It's not entirely unheard of for people to be **refused credit** because unused but still active, old mobile contracts are listed at a past address.

Ensuring your addresses are up-to-date can be more important than you think.





## 4) Break with past relationships

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It's important to ensure that you're not limited by any of your past relationships.

If you're concerned about a past relationship, write to credit agencies requesting to be unlinked from any ex-partner or flatmate you had joint finances with.

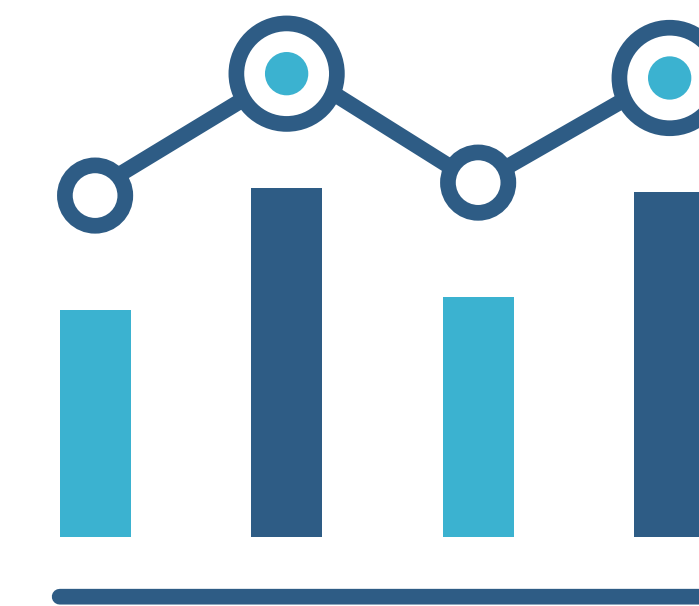
This will **stop their credit history negatively impacting your applications** in future.





## 5) Build/rebuild your score

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If your credit score is poor, it will take some time to rebuild it.

Although it might feel counter-intuitive, a good way to prove to lenders you can borrow responsibly is to acquire a new credit card and spend on it each month.

However, to avoid interest and further damage to your credit score, only do this if you **ALWAYS** repay **IN FULL**. Over the course of a year, if you can spend about £50 a month before clearing it, that should help your score.





## 6) Accept you might need to be patient

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Unfortunately, issues such as court judgments for unpaid bills are only wiped from your record after **six years**.

If you've been legally prosecuted for late payments, you need to wait for your record to clear before you apply for a mortgage.

Other applications only stay on your file for one year, so if you've a raft of those (eg, lots of credit cards), then wait the required time before applying.





## 7) Don't miss payments/ pay late

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To ensure you're never late and never miss a monthly installment, set up direct debits on all your current/ existing credit cards.

You should aim to make at least the **minimum repayment** each month.

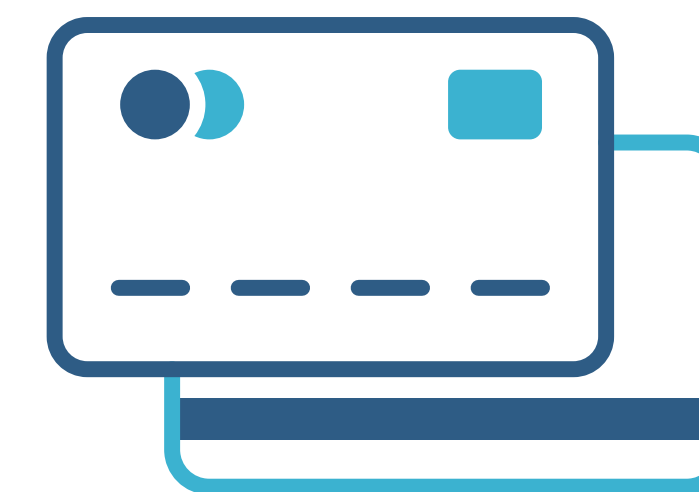
When it comes to your credit score, it's **always better to repay more**, so make manual repayments on top when and where you can.





## 8) Keep it to a minimum

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Other credit applications, whether successful or not, go on your file, so space out applying for anything that adds a footprint to your credit file (including car insurance and mobile phones) in the months prior to applying for a mortgage.

Lenders can be concerned by a lot of borrowing in a short space of time, as it makes you look **desperate for credit**.





## 9) Don't use a credit card for cash

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Using a credit card to withdraw cash is specifically noted on your file and is frowned upon as it's **incredibly expensive** and **not a good sign**.

Unfortunately, when you use a credit card for cash withdrawals, lenders take it as a signal that you're desperate for cash and quite possibly unable to live within your budget.





# 10 ) Stop applying after a rejection

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If your application is rejected, **always check for errors on your credit files** before deciding to apply for anything else.

If you don't stop consider why your application was rejected, even if you fix any errors later on, all the footprints from rejected applications may stop your ability to gain credit in future anyway.

