

Your credit report



Factsheet

February 2014

If you've ever applied for credit or a loan (whether or not you went ahead), you are likely to have a credit report.

Credit providers use the information in your credit report to help work out whether you can afford a loan, or a larger credit limit on an existing loan, and whether you are likely to repay it.

It's a good idea to check your credit report every year. As well as affecting your ability to get credit, incorrect listings can alert you to things like identity theft, where other people use your personal information for financial gain (see page 2).



TIP Check your credit report

- ▶ The Privacy Act says how the information in your credit report can be used. It also gives you the right to find out what's in your report and change any incorrect information. Credit providers must tell you if your application has been rejected because of something in your credit report.
- ▶ **You are entitled to check your credit report once a year for free.** If you need to see it quickly, there may be a charge, but if you are prepared to wait a little longer (around 10 days) it won't cost you anything.
- ▶ Here are some possible problems to check for:
 - ▶ Your name or date of birth might be incorrect.
 - ▶ Your address may need updating.
 - ▶ A debt might be listed twice or the amount might be wrong.
 - ▶ You may have missed one repayment on your loan but were never 60 days in default.
 - ▶ Someone might have stolen your identity to get credit.

How does a credit report work?

Your credit report details your **credit history**. You can get a copy of your credit report from these credit reporting agencies:

| | | |
|-------------------------------------|------------------------|----------------|
| Equifax | equifax.com.au | 13 83 32 |
| Dun and Bradstreet | dnb.com.au | 13 23 33 |
| Tasmanian Collection Service | tascol.com.au | (03) 6213 5555 |
| Experian | experian.com.au | 1300 783 684 |

You could have a credit report with more than one agency. Tasmanians should check with the Tasmanian Collection Service and Equifax. If you live in other states, check with Equifax, Dun and Bradstreet and Experian.

Here's what might be listed in your report:

- ▶ **Your personal details.** Your name, date of birth, current and past addresses, employment and driver's licence number.
- ▶ **Your credit history.** Listings of any credit or loans you have applied for, defaults (overdue payments of 60 days or more where collection activity has started) and any other credit infringements (infringements can be listed for up to five years after they occurred, or seven years for serious infringements).
- ▶ **Repayment history.** Dates your credit payments were due, whether or not you made the payments by the due date, which dates you missed any payments.
- ▶ **Other information.** Bankruptcies (for up to seven years after they occurred), court judgments, debt agreements and personal insolvency agreements (for up to five years after they occurred).





What is identity theft?

Identity theft is where other people use your personal information for their financial gain. For example, someone might run up debts on your credit card or try to apply for credit in your name.

If you think someone has accessed your account, talk with your credit provider. If you are contacted about debts with a credit provider you have never used, it is a good idea to contact all the credit reporting agencies as well as the Financial Ombudsman Service (FOS) by calling 1300 367 287 or visiting fos.org.au. In both cases, you should also inform your local police.

For more information about identity theft and protecting your financial identity, go to protectfinancialid.org.au and staysmartonline.gov.au.

Jin had an incorrect listing on his credit report



Jin had a personal loan with a bank. Even though he'd been meeting all his repayments, he got a default notice on his loan. Unfortunately, due to a processing error, his payments had not been credited to the loan for two months. The bank fixed the problem and adjusted the interest charged. Jin paid out the personal loan about a year later.

When Jin applied for a home loan two years later, his application was rejected because of the old default listing from his bank on his now repaid personal loan. Jin contacted the bank and asked them to investigate and correct the listing, which they did. He then reapplied and was successful in obtaining a home loan.

Changing an incorrect listing

If you don't agree with what's on your credit report, you can request to have it changed. Incorrect listings should be changed for free. However, a credit report cannot be changed unless a listing is shown to be inaccurate or out of date.

Avoid debt solution companies that claim they can 'improve' your credit report, especially those that charge fees for services that credit reporting agencies provide free.

In most cases, default listings and other information about your credit history cannot be removed from a report unless it is proven to be incorrect. Listings usually remain on a credit report for the maximum period under the Privacy Act (five or seven years).

Follow these steps to change an incorrect listing

- ▶ **Talk with the credit reporting agency first.** They may be able to fix small errors straight away. For others, they will help you through the steps needed to make a change. They may offer to contact credit providers for you.
- ▶ **Talk with your credit provider.** Contact your credit provider and explain why the listing is misleading or incorrect. If they don't fix the problem, go directly to your credit provider's independent dispute resolution scheme. This will be either the Financial Ombudsman Service (FOS) at fos.org.au (phone 1300 367 287) or the Credit and Investments Ombudsman (CIO) at cio.org.au (phone 1800 138 422).
- ▶ **Listing still incorrect? Contact the Privacy Commissioner.** If you still haven't been able to sort out the problem after going to your provider's dispute resolution scheme, contact the Office of the Australian Information Commissioner (go to oaic.gov.au). You have 12 months from the date you became aware of the problem to file a complaint. If the incorrect listing has caused you financial loss, include this in your complaint.



moneysmart.gov.au

ASIC Infoline: 1300 300 630

Disclaimer

Please note that this is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice.

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