

# JUST MONEY

## Credit report guide

Living in the tough current economic climate, debt through credit is unavoidable. The challenge however presents when people are unable to manage their debt and their credit and as a result have a poor credit score and/or report.

### What is a credit report?

A credit report/score is a complete record of your financial history, with detailed information of your borrowing, spending and payment trends.

More than that though, it holds records of every account you have opened, every payment made and skipped, every judgement against your name and all monies still owed and to whom.

It, however, also holds positive information like your contact information and personal information, as well as records of a good payment history and debt settled.

A credit score is a tool used by credit providers to determine whether you are a high or low risk borrower and is scrutinised in detail before you are granted any form of loan or credit.

### Where can you access your credit report from?

Your credit report is available through a credit bureau, and each credit bureau will present the information in a different format. You are legally entitled to one free credit report annually per credit bureau. Places like Experian, XDS and TransUnion offer credit reports. Other companies like Kudough further analyse your credit report making it more reader friendly, highlighting money saving opportunities and suggesting ways to build your credit status.

### How does accessing your credit report benefit you?

If you are considering applying for credit, your credit record will largely determine how much credit is available to you and what interest rate you are charged, it is important for this reason to be in good standing.

The accessing of your credit report will therefore be beneficial to you in monitoring your payment progress and habits, and if need be change them for the better.

One's credit report becomes especially important when you are wanting to purchase assets like a house or a vehicle. If your report indicates that you are a high risk, meaning your score is low because of lack of frequent payment, your chances of being granted a loan or a bond are very slim.

### How do you improve your credit score?

It is therefore very important for you to uphold a good credit score, and if need be work on improving it.

Here are a few ways in which that can be done:

- Pay your accounts on time, to avoid be labelled a slow payer.
- Keep balances low on credit cards
- Open credit accounts only as needed.
- Pay off debt as quickly and efficiently as you are able.

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The absence of a credit score will also count against you. The key is to not abstain from taking out credit but to manage it properly and to be realistic with your finances so you are able to maintain the repayments.