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## **MONEY BOX LIVE**

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**LEWIS:** Hello. Banks and building societies are getting fussier and fussier about who they lend to, and the first thing they look at is your credit record; and credit records are the topic for today's Money Box Live. Even one or two late or missed payments on a loan, credit card, mortgage or even a mobile phone can mean rejection when you apply for a new loan or card; and if you *are* given more credit, you'll probably be charged a lot more for it. It's called risk based lending. If lending to you is seen as a high risk, it will either be refused or the price will rocket. The reason is easy to find. The amount lent on mortgages is less than half what it was a year ago and consumer credit on loans and cards is down by one sixth. Risk based lending is just one way of rationing the money that's available. But who keeps your credit record? What's on it? How can you see it? What if there's a mistake? How long do your problems stay on it? And what can you do to improve it? Whatever your question, why not call Money Box Live now - 03700 100 444. With me today to answer your questions about credit records are Owen Roberts, who's Head of Callcredit Check - part of Callcredit, one of the three credit reference agencies that stores information about our credit history; Beccy Boden-Wilks is a debt adviser with the free debt advice agency National Debtline; and Neil Munroe from Equifax is also one of the three credit reference agencies. Our first question is from Christina in Preston. Christina, what's your question?

**CHRISTINA:** Hi. Yeah, I look at my credit report quite regularly actually because I've had bad credit in the past. I've had my house repossessed probably just over a year ago and I also had a CCJ. Now I've worked at getting my credit report sort of ... my credit rating back up as much as I can, and I'm now pleased to say I've got ... well my score's in the fair category. And I was just wondering if there's anything else that I can

do considering I've got these on my record and they will remain on there for 6 years? Everything's up to date, all my payments have been made for the last 12 months - so, yeah, I'm just wondering if there's anything else that I can actually do?

**LEWIS:** Right, well you seem to have done more than many people who've called us in the past, Christina. *(Christina laughs)* Well done! Let's start with Neil Munroe. I mean obviously answer Christina's question, but explain the background to this, how it works.

**MUNROE:** Well obviously as a credit reference agency, we do hold information about people's borrowings and we have a lot of information where people have paid very much on time, which is used to their benefit to get credit; but obviously when people do fall behind, that information's recorded as well. I think Christina's done, as you say, a lot of the good things that we would advise, which is to get yourself back on track as best you can. Information will, as she said, stay on there for 6 years. But the point to be made is that lenders will look at more recent history than the older history - so keep up the good work, keep the payments being made on time. The other thing you can do, of course, is have your say. You can put a statement on the file to actually explain what circumstances you've been through and maybe you're now back in work and things have improved, and lenders are obliged to read that as well.

**LEWIS:** And how do you go about putting a statement on the file, Owen Roberts from Callcredit?

**ROBERTS:** In dealing with all of the credit reference agencies, we have a number of standard processes, so if you see anything on your file you disagree with, you can lodge a dispute with us and we'll raise that with the person that contributed the data. If that data's factually accurate, you can work with us to put a notice of correction on; and that just allows you within certain parameters to write an explanation of the circumstances that surrounded that.

**LEWIS:** Though surely if the data on there is inaccurate, it has to be changed, doesn't it?

**ROBERTS:** If the data's inaccurate, it gets changed. So you would raise that with us, we would raise it with the person that contributed the data, and ultimately they would either correct the data because it was a mistake on their side or they may engage the customer in some dialogue to understand why they believe that was the correct status to put on and the customer doesn't.

**LEWIS:** But if it was incorrect and you carry on publishing it, then isn't there some liability on you?

**ROBERTS:** What happens is after 28 days if it isn't resolved, we actually suppress that bit of data.

**LEWIS:** Beccy Boden-Wilks, Christina seems to have done very well compared to some people who have rung Money Box Live in the past, but she's still in a bit of a mess with her credit record.

**BODEN-WILKS:** She's done very well. I mean as the other guys have said, all she can really do now is carry on making her payments of what she can afford, put a notice of correction on saying that yes I did default last year - whether that was because of losing a job or whatever. It's something that lots of lenders are going to be quite familiar with, I can imagine now. During the current recession, it's a common thing, unfortunately. And, as the other guys have said, lenders will normally look at more recent history than you know payment behaviour from a few years ago - so hopefully if she carries on the way she is, you know she'll be able to get good credit again.

**LEWIS:** And Neil Munroe, you mentioned that time limit, which Christina mentioned, of 6 years. But it's not 6 years from when you missed a payment, is it? It's a longer period than that.

**MUNROE:** It's 6 years from when the agreement actually finishes, so when it's settled.

**LEWIS:** So with a mortgage, that could be 6 years from some time in the future as far

as Christina's concerned because she's still paying off her mortgage?

**MUNROE:** Yes.

**LEWIS:** So the mortgage has to come to an end and *then* it's 6 years!

**MUNROE:** Yes, that's right, that's what's agreed.

**LEWIS:** So that's a long time in some cases.

**MUNROE:** It can be a long time. Obviously it may be slightly longer for people in the current climate because they may not be changing mortgages. Obviously when you change a mortgage and settle the old one, that record would then be settled and it would run from there. So it could be an issue that will be around for a while. But, as I say, the point of the matter is that lenders will look at more recent behaviour; and the older that information gets, the less weight it will have, which is I think the good news for Christina.

**LEWIS:** Right, well thanks very much for your call, Christina. I think you're doing the right things. Just carry on doing them I think is the message from here. Alan from Chippenham? Alan, your question?

**ALAN:** Hi. I noticed recently on my credit file that a major credit company with whom I have a personal loan are showing me as late paying since October last year. The payments are taken by direct debit on a monthly basis and have never been missed and have never been late.

**LEWIS:** And there's not been an occasion when perhaps your pay has gone in a day late and it's bounced and it's had to be repaid the next day?

**ALAN:** No. I have actually spoken on the telephone on several occasions to this company and we've gone through the statement and the payments and they've said, "Yes, everything's fine. We'll get back to you in seven days and it'll all be resolved". That's been going on since March and they have failed to call me back on every single

occasion.

**LEWIS:** Owen, what can he do about this?

**ROBERTS:** I think this goes back to the previous point about what should be on your credit report is a statement of facts. Because of the amount of data that's being pushed around, there's the opportunity for mistakes to happen, so it could be that the lender in question has submitted some data that is actually incorrect because they've simply got the payment status wrong. It could be that when it's arrived at the credit reference agency, the credit reference agency's incorrectly attributed that data. I would say if you're not getting anywhere with the actual lender, the best place to start is at the credit reference agency and raise a dispute from that end.

**LEWIS:** Right and you can do that by phoning them or through the website? Or how do you do it?

**ROBERTS:** The best thing to do is have a check of your credit report from any of the three agencies and that begins that dialogue, and then you can do it by phone, by post or by email.

**LEWIS:** And Neil Munroe, we've talked about credit records. What actually is on it? When you do get hold of it, what do you actually see? And indeed what does the lender know about what you've been up to?

**MUNROE:** Well some people actually think there's things that should be on there that aren't there; a lot of people think there's probably too much on there. But let's take it factually. There is information about you as a person, whether you're registered to vote. There's information about whether you've had any debts through the court. The vast majority of the data on there is obviously information about your borrowings from lenders. And I think what people aren't necessarily aware of is that that's quite a broad range of lenders now. Most people will think well my mortgage, my bank loan. What people may not understand is that you know there will be a record on there to show you've got a current account, there will be a mobile phone agreement if you're on a contract.

**LEWIS:** That's one you pay monthly rather than pre-paid?

**MUNROE:** Monthly one. Pre-paid wouldn't be on there. A mail order account, for example - so you may be running one of those. So it's quite broad and I think in the current climate some people when they've looked at their file for the first time have been a little bit sort of surprised to see that.

**LEWIS:** And what does it say about ... People talk about you know black marks and black lists and things, which you know I'm sure you're going to say don't exist, but you do get marks against you for every ... is it every late payment, every missed payment?

**MUNROE:** Yes. What we will do is for the information supplied by the lender, we will actually show a history and we will show whether you've made that payment on time. Now for a credit card, for example, that will be whether you've made the minimum payment or more. For a loan, it will be obviously the agreed amount and the mortgage as well. For the mobile phone company, it will be whether you've paid that monthly bill that's due. So if you miss one of those payments, then you will be recorded as being one month behind. If you miss the subsequent one, that will be two, and it goes on like that.

**LEWIS:** And even a late payment, Owen, can actually cause a bank or another lender to say no, thanks?

**ROBERTS:** This has been a significant change in lending of late; is that it used to be that one payment was seen as a sort of minor indiscretion and banks would look sort of fairly lightly on that. As lending's become more strict, those criteria have gone up, so a lot of people who were quite happily ticking along with one missed payment are now finding it harder to get credit.

**LEWIS:** Yes, or it becomes more expensive. So, Alan, I mean it does seem ... Sorry, we had that conversation at the end of your question, but it does seem that you can get in touch with the credit reference agency and you can register a dispute. Sorry, Neil,

you want to add something.

**MUNROE:** Yes, just wanted to add in to Alan that all of the lenders that supply data to us have a facility to amend data very quickly with us. They can do it literally as a stop press, as we call it, within 24 hours. So you know keeping going. Get it corrected.

**ALAN:** This is what I couldn't understand when sort of a month after my initial call nothing had been ...

**LEWIS:** Who did you call, Alan?

**ALAN:** I called the lender themselves.

**LEWIS:** Right, but really what I think we're saying here is you should call the credit reference agency and raise a dispute about what they've got.

**ALAN:** Right. I see, yeah.

**LEWIS:** And then obviously if something inaccurate is being published, then you have quite a strong case to get that stopped.

**MUNROE:** I just want to make the point that it can be corrected very quickly. It's not a matter of waiting a length of time.

**ALAN:** Right.

**MUNROE:** A lender agrees with you, they will adjust it straightaway. So if you're in the middle of trying to apply for something, you know hopefully then it won't delay things too much.

**LEWIS:** And of course if you feel you also have a dispute with the lender, then you can always put a complaint to them and then ultimately to the Financial Ombudsman Service and try and get that resolved. I understand that might take a lot longer and if you're trying to get credit and you've got a credit record that stops that, then it's got to

be done fairly quickly. Thanks very much for your call, Alan. Let's take an email now. This is from Bill, Bill from Torquay, who says 'Just how do I access information about my credit history and score?' Neil?

**MUNROE:** Well you have a variety of options now. We are legally obliged to provide you a copy of your file. You can get that for paying as little as £2. All the credit reference agencies now allow you to apply through the post. Fill in a form with your address and previous addresses up to 6 years old. You can also apply online and get that file as well. There are other products as well, which are around, over and above those - what we call the statutory reports - as well.

**LEWIS:** You know what I'm going to say though, don't you Neil?

**MUNROE:** Yes.

**LEWIS:** When you go to your website - and it's exactly the same for Owen's website and for your rival Experian's website - the thing that hits you in the face is 'click here for a free credit report', or 'for your credit report, you click on the button' and you're immediately taken somewhere where you have to pay for a regular credit report. Owen, I mean this is certainly true of your site.

**ROBERTS:** One of the challenges that we have is that, as Neil said, we're obliged to provide the report for £2 and we need to make sure that we allow customers the information to do that. From a commercial perspective, it costs a lot of money to collect this data, to service you as a customer and to find it, so what we do is wrap that statutory report in value added services like credit scores and credit monitoring services. And from a commercial perspective that's what we're looking to sell, but we're certainly not looking to sell that and make it impossible for you to get your £2 report.

**LEWIS:** I think the clue is you should always look for the word 'statutory report' because that's at the bottom of your front page, Neil, and it's actually buried away on a slightly different website in your case, Owen. But if you want the £2 report, it's the statutory report. Anything else, you will have to pay. And just tell us what you *do* pay. Owen, what does yours cost? And this is for a regular thing you can see whenever you

want, isn't it?

**ROBERTS:** Yeah. The Callcredit service is £12 for every 3 months, so it breaks down at £4 a month. And you get to see your report as often as you like and that data's pulled in real time, so it's not travelling back and forth through the post and taking 7 days.

**LEWIS:** Okay. And Neil?

**ROBERTS:** And you also get ...

**LEWIS:** Sorry.

**ROBERTS:** ... a credit score and email alerts if anything on your file changes.

**LEWIS:** And the credit score of course is not necessarily the one that a bank or lender will use. It's a kind of ... it's an indication of it, but it doesn't mean it's the same that they will use.

**ROBERTS:** (*over*) Absolutely. It gives you as a customer a sense of your creditworthiness. What it *doesn't* do is give you a number that you can take to a lender and say, "My credit score is 700. Therefore I'm entitled to credit here".

**LEWIS:** Okay. And, Neil, yours is a bit more expensive. Do you offer more for that?

**MUNROE:** Ours is £6.99. You get 24 hour ...

**LEWIS:** That's a month?

**MUNROE:** A month. The first month is free, you get a free report, so if you cancel within 30 days you don't pay at all. But £6.99 will get you 24 hour alerts as well and as much access as you like over the year.

**LEWIS:** Beccy?

**BODEN-WILKS:** Yeah, just to let the listeners know as well at National Debtline we've got a range of sample letters available on our website, and one of the sample letters is to ask for a free copy of your credit report. So if you're bamboozled by different websites and you can't find what you want to ...

**LEWIS:** So you can get *free* ones through you?

**BODEN-WILKS:** You can get .. Well the statutory one that you were talking about ...

**LEWIS:** For £2.

**BODEN-WILKS:** ... another way of getting is to use one of the National Debtline sample letters and send that off to either Experian, Equifax or Callcredit.

**LEWIS:** Neil, very briefly?

**MUNROE:** Yes, just to re-endorse that. We've actually offered this service for a while now. Anybody who does go to a debt charity and is under their care trying to sort things out, we will provide a report free of charge.

**LEWIS:** Okay. Thanks very much for that and thanks for the emails. We had a number of them coming in asking exactly that question, so thanks for that. And we're going to Peter now who's calling us from Bransgore. Peter Harris, what's your question?

**PETER:** Hello. I had a problem with Citibank. They got some information incorrect on my account. I was made bankrupt and they didn't put the date of the bankruptcy back to the actual date of the bankruptcy. They did it from the date they put the information on, so it was 6 months out of date. I tried to get Citibank to change it and I didn't get any response because they were merging with Egg at the time. I then therefore contacted Equifax and Experian through their customer services - a whole list of questions, emails backwards and forwards - and they refused to do anything about it, saying I had to go back to Citibank. So I want to know where is this mechanism whereby the person that put the information on can change it within 24 hours because Citibank didn't do it?

**LEWIS:** Yes. Okay, thanks for your call. Your line's crackling a lot, Peter, but we'll certainly get an answer to that. I mean, Neil, it is fair enough to say, isn't it, that on this programme we often talk about what *should* happen and people's rights and then we get callers saying well that didn't happen in my case. What might have gone wrong here?

**MUNROE:** Well I'd certainly take it offline and investigate it for Peter because obviously we should have a process whereby if you do come to us, we will raise a dispute. It may well be the case that we felt that it was really something we couldn't do, you have to go back to the lender to get them to change that. I think Peter mentioned about a bankruptcy. I mean obviously that would be more of a public record than actually something relating to the lender itself, so that may have added a complication to it. But you know if there is an issue there, I would certainly pick it up offline and you know it should run the way we've described.

**LEWIS:** And just to be clear, Owen, if you have a bankruptcy the 6 years starts at the date the court made the order rather than when you happen to get it on your database. Is that right?

**ROBERTS:** Yes. We hold records for 6 years and they age over time.

**LEWIS:** Yes, but I mean the starting date should be when the court made the order ...

**ROBERTS:** That's right.

**LEWIS:** ... which Peter says was not the case in his case. Well, Peter, it sounds as if you make sure that we ... We've obviously got your phone number, but if you want to email us as well then Neil has offered to look into that for you, so we'll try and get that sorted. And we now have another Peter, Peter Hemshire in Hereford. Peter, your question?

**PETER H:** Oh, this goes back quite a long time. About 15 years ago, I had a joint mortgage with a former employer. She then sacked me and then decided not to pay her side of the mortgage. Because we were jointly and severally responsible, the building

society wanted to you know take the property back. I eventually paid her part of the mortgage, but I think I have probably black marks against my name because of the non-payment on her behalf.

**LEWIS:** Yes, I mean there is this strange thing of joint and several liability, which means if two people take out a debt they are both equally liable for the whole of it, Neil, aren't they, and that is a problem?

**MUNROE:** That's right, yes they are. I don't know if the loan's ... the mortgage has actually been repaid now, Peter?

**PETER H:** Oh a long time ago. It's all been done and dusted. I had to sue her for it, Did all that.

**LEWIS:** Well we needn't go into all that. But the point is ... *(laughter)*

**MUNROE:** I'll just finish off. I think the point is if the mortgage has actually been settled, what you can do ... I mean the arrangement is that if you have had a previous financial arrangement with somebody, you are therefore linked with that person. But however if any linkage is a form of a loan which has then been repaid, you can actually what we call disassociate yourself from that person.

**LEWIS:** But you have to do that positively. You have to get in touch and say I no longer have that loan with x. Disassociate them.

**MUNROE:** Yes.

**PETER H:** So if I contact the building society and say you know this goes back a long time, but this is what happened, they will then decide to sort of clear my name as it were?

**LEWIS:** I think it would be the credit reference agencies you'd have to contact.

**MUNROE:** Yes, come to us first.

**LEWIS:** And, presumably, would you have to contact all three, Owen, or do you exchange information on this?

**ROBERTS:** For completeness, it would be sensible to contact all three.

**LEWIS:** Contact all three. So that's Equifax ...

**PETER H:** Where do I get that detail?

**LEWIS:** Well that will be on our website, [bbc.co.uk/moneybox](http://bbc.co.uk/moneybox). There'll be links to all the three agencies: Equifax, Experian and Callcredit. And they all have websites that are fairly easy to find. Neil, very briefly?

**MUNROE:** Just to add very quickly that disassociation is actually what we will do, so it's actually disassociating you to make sure your credit file is clean rather than that particular arrangement that you have with the building society.

**LEWIS:** Yes, it clears the credit record. It says nothing about that.

**MUNROE:** Yes, absolutely.

**LEWIS:** We've had a number of emails about this. I mean, for example, Peter says 'Is a credit file a personal thing or is it influenced by say the credit rating of a partner or spouse?' Owen?

**ROBERTS:** It's very much a personal thing. The laws around how risk is measured changed a couple of years ago whereby this notion of kind of the people in your house having an impact on your credit worthiness went away. The only link is if you've got a joint financial arrangement and the person who's on the other side of that joint financial arrangement is starting to go seriously into arrears. So it's this notion of some associate of yours is starting to look like a very bad credit risk. Then you can see sensibly why a

bank would worry about that.

**LEWIS:** Yes, but if you have no association with them or financial association ...

**MUNROE:** Then it's not an issue.

**LEWIS:** Is this a big issue, Beccy, with people in debt - that they suddenly find they're taking on the debts of an ex-spouse or, in Peter's case, an ex-employer?

**BODEN-WILKS:** Absolutely. I mean you know it's one of the big life changes, isn't it - you know redundancy and relationship breakdown and marriages breaking up, unfortunately - and when you've taken out joint loans or a joint mortgage together, it can be very difficult. And a lot of people don't understand. A lot of people do assume that we talk to at National Debtline that if you take out a loan for 10 grand with your partner, you're both liable for 5 grand each; and once you've paid your 5 grand, that's it, it's got nothing else to do with you. And of course that isn't ...

**LEWIS:** But that's the opposite of the truth.

**BODEN-WILKS:** Yes, that isn't what happens. You're both liable for the full £10,000. So think carefully before you take out a joint loan with someone.

**LEWIS:** And I suppose that the bank will obviously go to the person who is most likely to repay it, so if you split up and one of you has no job and one of you has a job, it's the one with the job that's going to get chased because they're most likely to repay the debt?

**BODEN-WILKS:** Yeah, absolutely. I mean obviously both of you will have implications on your credit file - it's not like the other one that doesn't pay you know won't have any repercussions at all. You'll both have a mark on your credit file. But you know the important thing is if you are in that situation, if you have recently split up with somebody and you've got joint financial commitments and you're being pursued and you can't keep up with it, you need to get advice as soon as possible. It's always about doing a budget sheet and making an offer of what you can realistically afford.

Yes it's good to have a great credit file with no marks or anything, but you can't give them what you don't have.

**LEWIS:** Let me just bring in a quick email on exactly this topic. This is Frances who writes. 'I'm worried as my credit report shows me as financially associated with my 23 year old son who lives', she says, 'in a chaotic house with friends who are always behind with everything. What can I do about this? My son uses my address for some things. Will he damage my credit rating?' Why are they associated, Neil?

**MUNROE:** Well there must be some financial connection. One would probably suggest as it's a son of that age, there's been some support through some financial agreement jointly written or ...

**LEWIS:** A guarantor or something like that?

**MUNROE:** A guarantor, yes, at some stage, although they're increasingly rare now. But there must be something there.

**LEWIS:** But if that's no longer the case, Frances can get in touch with the credit reference agencies and make sure that that doesn't happen.

**MUNROE:** Yes, absolutely. I'm sure she probably doesn't want to be associated with student residents. *(laughter)*

**LEWIS:** Yes. And indeed I mean I think she's ... well she's seen her credit report and it does show her as associated, so she should contact the rating agency?

**MUNROE:** Yes, absolutely.

**LEWIS:** Okay, I just thought I'd take that quickly as we were on that topic. And Christine has a sort of similar question from Oxford. Christine?

**CHRISTINE:** Hi. Yeah basically my husband and I ... I have a number of credit cards in my own name with him as a joint user. We have had a mortgage, but no longer have

a mortgage; we have no debts; we don't owe any people any money. And yet when he applied to get a credit card recently, he was turned down, and I just wonder is it because he has no previous history of owing money that he's paid off, or why for instance?

**LEWIS:** Well it's interesting you raise that because we've had a number of emails about this - people who've got no credit history and then suddenly decide they want or need to borrow some money and they can't do it. Owen, is this a problem?

**ROBERTS:** It is. There's a term in the industry and it's called a 'thin file', so this is where ...

**LEWIS:** A thin file?

**ROBERTS:** ... either you appear on the electoral roll and have no active credit agreement, so you don't even appear on the electoral roll. And what it means is if a lender's looking at you, they don't know if you're about to borrow and be a wonderful payer or if you're about to borrow and be a terrible payer. They've got no sense of how you're going to behave and you get caught in this difficult loop. And actually the odd way to get out of it is to take very small credit agreements like mobile phone agreements.

**LEWIS:** Yes, or I suppose a credit card. I mean we've had a number of emails. Louise says, 'I've been employed for 25 years in a well paid job with a healthy bank account' and she gets turned down for a credit card. And Martin writes from Great Yarmouth that he decided to get a card for Internet purchases and didn't get one because he didn't actually have any credit history. So it does happen. And the other one, which is perhaps most serious of all, is from Simon who is a soldier in the British Army, but he says because he's moving around all the time, he's single, he lives in army accommodation, he doesn't have a mortgage, he has no debt history, he can't get any credit. Is this a problem for service personnel?

**MUNROE:** It is a problem that we've been trying to work through with not just service personnel; actually any other government officials that work abroad. We've had discussions with the Foreign and Commonwealth Office as well. Because obviously

what lenders do these days is they will want to check you are who you are to prevent ID theft and fraud and also make the best possible credit assessment. And it's all down to accessing information about you at an address and the problem we have at the moment is the fact that most of these addresses are what they call BFPO addresses, which are forces addresses which are very difficult to put into the database in terms of the way they're structured. But there is ongoing dialogue with the forces to try and get round this. Some of the advice we have given is to try and you know to get yourself linked to an address back in the UK, whether it's your parents' address or something of that nature, so that you can then at least be established as existing.

**LEWIS:** Okay. Thanks very much for those comprehensive answers, Neil, and thanks for all those emails and questions. I want to go to Guy now in Hull. Guy, your question?

**GUY:** Hi. I had a credit card with a supermarket and I was trying to pay it off and I was struggling financially and was unable to make regular payments of the amount that they wanted. I phoned them up one month and said, "I'm not going to be able to make the payment that you require this month. Is it possible to pay half the amount this month and make up the balance the following month?" And they said that it was okay to do that, but the following month they gave me bank charges or you know a charge for the late payment. Having phoned up and asked them to do that, I ended up in dispute with them for a long time, for months and months ...

**LEWIS:** And this has gone on your credit record, has it?

**GUY:** Well it must have gone on the credit record. But worse than that. What eventually happened was I said, "Well we're not getting anywhere with this dispute" and I did stop paying them for a while ...

**LEWIS:** Right.

**GUY:** ... and I said, "I'm now going to start paying. I'm going to increase the amount that I pay to get it caught back up again, but that's going to take a period of time".

**LEWIS:** Yeah, okay. Let me stop you there, Guy. I think we've got the gist of it and we are running out of time. Beccy Boden-Wilks, I mean Guy in a way has behaved sensibly now by making sure the debt is beginning to be paid off.

**BODEN-WILKS:** Absolutely. But what's happened is what you've done, Guy, is you've defaulted on the original credit agreement that you had with the lender. I mean it's quite common. I mean we always advise people if you can't afford the minimum payments or the contractual payments, you do a budget sheet and you make an offer of what you *can* afford. And hopefully the lender will accept it. You can't give them what you don't have. They will accept it. But you have defaulted on that original agreement. You're not paying them what you said you would pay when you originally took out the agreement, so the only way to save your credit rating is to take out another agreement. So if you've got a personal loan and you couldn't afford the contractual payments, before you miss any payments you could sit down with your lender and say, "I can't afford this anymore. Can we refinance? Can we take out another agreement?" And if you make the payments on that, then that won't affect your credit rating.

**LEWIS:** Yes. So, Owen, miss... well missing a payment in Guy's case. We had another caller, Sarah, who we've no time to put on, but Sarah says she made a partial settlement. Will that count against her? It really will, won't it?

**ROBERTS:** Yeah, it's very much what Beccy said. It's this record of whether you made your contractual payments. You set out at the start of this agreement with a set of payments you were going to make and it's whether you kept up with those. And it comes back to this notion of kind of the fact of the matter is that if the bank didn't get the payment, they tell the credit reference agency and we just record that fact.

**LEWIS:** You record that fact. And, Neil, is there any point in those circumstances of putting a notice of correction or a comment on your file? Do the banks take any notice of those?

**MUNROE:** They're obliged to take notice of them and I would suggest you do do that. One of the things you need to do as well, of course - just a general tip to finish up with. It's very common for people to say there's something wrong with your credit file or

assume there is when you've been turned down. My tip of the day is to actually ask the lender *why* you've been turned down because they're meant to tell you whether you just don't fit their profile or whether you've got something on your credit rating.

**LEWIS:** Right, so see what they say and of course get your credit file. And the statutory one is £2 or you can pay more for regular ones. That is all we have time for. My thanks to Neil Munroe of Equifax; Owen Roberts of Callcredit Check; and Beccy Boden-Wilks from National Debtline. Thanks to you for all those calls and emails. Sorry we couldn't get you all on air. That's never possible. You can find out more about credit reports and getting hold of them from the BBC Action Line - 0800 044 044. Our website is [bbc.co.uk/moneybox](http://bbc.co.uk/moneybox). You can listen again, download a copy, subscribe to the podcast or my weekly newsletter; and in a couple of days read a transcript. I'm back at noon on Saturday with Money Box and next Wednesday afternoon Vincent Duggleby's here with Money Box Live to take your calls on renting and letting.