



Money Guidance Service Toolkit

Factsheet 6 – Controlling your credit rating

A good credit score is important when you want to borrow money, take out a mobile phone contract, get home broadband etc.

Companies will check your credit report before deciding these things, but many things can affect your credit score, making it harder to get better rates. Something that can make it harder to get a good credit score is missed or late payments, maxed-out credit cards, court judgements, bankruptcy, Debt Relief Orders or Individual Voluntary Arrangements.

Checking your credit rating

You may not want to get credit now, but if gambling has caused financial problems, this can affect your future plans. It's a good idea to check your credit report and start to take control of your credit situation now.

Taking the first step may feel overwhelming but getting familiar with your credit report is crucial in financial recovery. It's not unusual for people affected by gambling to lose track of who they owe money to and how much. Your credit report gives you this information and can help if you seek debt advice. Find out more at [MoneyHelper](#) and check out our [Q&A with Experian](#).

Credit reference agencies

Start by setting up an account with the credit reference agencies. You will need some personal information to register and may need to verify your identity. Each agency will guide you through the process.

There are three credit reference agencies in the UK.

Most lenders will use at least one of these agencies to decide on giving you credit. However, your credit rating may differ across agencies, so it is important to register and check with all three.

All agencies must offer free access to your 'statutory credit report'; however, be careful not to sign up for any paid subscriptions for ongoing access. You can get continuous free access to your credit report from the leading credit reference agencies:

- [MoneySavingExpert Credit Club](#) (Experian)
- [Clearscore](#) (Equifax)
- [Credit Karma](#) (TransUnion)

Improving your credit score

Working to improve your credit score can help you build good financial habits and may improve your credit options in the future. However, improving your score takes time, and you must maintain debt repayments to make a difference. There is no guarantee you will be able to secure credit in the future, but an improved credit score may improve your chances of a successful credit application.

You can improve your credit score by doing a few things:

- Make sure your details are correct and up to date.
- Ensure you're registered to vote (on the electoral roll).
- Make payments for your debts and bills regularly and don't miss payments. If you are struggling to keep up all your debt repayments, Speak to us.
- Stay within your credit limit. Aim to keep your credit card balances below 30% ideally and try not to max out your credit cards.

- Only borrow what you can afford to pay back and only take on credit if you need to for essential things. We have heard from gamblers who have taken out additional credit when in high stress or relapse and who have later struggled to keep up payments.
- Limit credit applications as lenders run a "hard search" on you every time you make a new credit application. Repeated credit applications might quickly have a negative effect. Also try to reduce your overall spending, especially where your debt is higher than your annual salary (excluding your mortgage).

Credit scores and mortgage applications

Gambling transactions may impact a mortgage application. Please remember that some mortgage lenders may not consider applications with evidence of gambling.

Taking on more credit – Pros and Cons

There are positives to taking on more credit, but you should never take on more credit just to boost your credit score. Find out more about the pros and cons below:

Extra credit – Positives	Extra credit – Negatives
Can improve your credit score through small amounts you would spend anyway and that are repaid in full.	You may be unable to keep up with payments and can get out of control quickly.
Can ease financial pressures. But think about the longer term effects and ensure you can afford to repay it.	It may not feel like real money, and it can be easy to spend more on credit than you can afford to repay.
May allow you to access further lower interest rate credit options over time.	Impact on your credit score if payments are missed or applications are refused.
Buying on credit can add extra protection to the things you purchase.	It might be a gambling trigger or enabler.
If managed properly, it can be used for budgeting purposes.	It could put your additional assets at risk, e.g. mortgage.

Notices of Correction

You can use a 'Notice of Correction' to note any information you want lenders to consider when deciding on lending money to you. For example, if you have missed payments due to ill health or job loss or if financial problems were caused by someone else.

If you think you may be at risk of taking out credit to gamble, you can use the 'Notice of Correction' to tell any potential creditor that you do not want them to offer you further credit. When using the 'Notice of Correction', any credit applications are considered by a human and not an automated decision-making algorithm, making it harder to obtain immediate credit.

Although lenders are legally obliged to read a Notice of Correction if it is on your file, they do not have to take it into account when making their decision.

Please note – If you are considering a Notice of Correction, it's not just lenders who can see it. Prospective employers may read your credit report, along with landlords, letting agencies, utility companies, phone companies and government agencies (for example, when assessing child support).

Find out more about Notices of Correction from [Experian](#), [Equifax](#) or [TransUnion](#).

Notices of Financial Disassociation

A Financial Association happens whenever you "apply" for joint credit with someone. When you apply for credit the lender can check that person's credit data as well as your own.

You can break this link to someone by contacting each credit reference agency and completing a 'financial disassociation'. You can do this as long as you have no open joint accounts with the other person (excluding a mortgage).



We've got you.

We understand that money problems can feel overwhelming.

Whether you are looking for support for yourself, a friend or a family member, GamCare can help.

When you're ready to talk, we're ready to listen.

Call us free on **0808 8020 133** or chat to an adviser at www.gamcare.org.uk