

Credit Score FAQ's

We have put together some information to try and de-mystify one of the most complex areas within the eligibility criteria for a mortgage - Credit score. Whilst most people understand credit score to reflect how good you have been at maintaining credit commitments, that is not the only thing that a lender will look at when checking your credit for mortgage eligibility. This is also the reason why you might not meet a certain lenders credit scoring criteria but are accepted by another lender for the same mortgage. Here are some questions that we often get asked about credit scoring.

Isn't my credit score seen to be the same by all the lenders & credit providers?

No. Most lenders will have their own credit scoring systems & models. This also why when you access your credit reports from the different credit reference agencies the score that is displayed is different from one agency to another.



I have checked my credit file on Experian, Equifax etc. and my credit score is not very good, can I still get a mortgage?



Yes, it is still possible for you to get a mortgage. The score in a credit file that are accessing provides a good indicator of your credit health, however, the credit risk models used by lenders will often use different variable or factors to arrive at a credit score to determine whether you are creditworthy based on their lending standards.

I'm thinking about getting a mortgage, should I therefore conduct all my day to day expenditure on my credit card so that it boosts my credit score?



Spending on your credit card and paying it off quickly may help you to build up a good credit score but sometimes this may not be the right approach. An example of a situation where this could have a negative affect on your mortgage application is where you have only recently cleared your credit card, but this has not been reflected on your credit file that the lender has access to. When running a Decision in Principle (DIP), we have seen situations where the DIP is returned at lower amount than we would expect because the lender is picking up the credit commitment and adjusting the mortgage amount accordingly.

I moved address some time ago, I haven't gotten around to updating my address with my bank, credit provider or on the electoral roll, will this have implications?



We would strongly advise that before you apply for a mortgage, your address is correctly updated with all financial institutions that you have a relationship with:

- **Synchronisation:** Sometimes a financial account may not appear on your credit file as the address out of sync with the address on the credit file.
- **Verification:** A bank statement is a document that is often used for **Address Verification**, having an address on your bank statement that is different to the address that you provide on the application (where you currently reside) can therefore raise questions by the lender.
- **Credit Check:** The electoral roll is also a database that is often queried when a lender runs an address or credit check, so it is a good idea to update your details on the electoral roll register to reflect where you currently reside.

I have CCJ's, Defaults, missed payments, can I still get a mortgage?

Yes, it is still possible to get a mortgage. We have several lenders on our panel that will be willing to consider applicants with the above credit issues.



How can I improve my credit score?



Whilst this list is not exhaustive, here are some of the things you might or help or you might want to keep in mind:

- Register onto the electoral roll at your address
- Avoid using all your credit limit
- Avoid any late or missed payments
- Avoid opening too many credit accounts in a short space of time
- When applying for a decision in principle some lenders will leave a hard footprint on your credit file & too many hard credit searches on your file in a short time space can also impact your credit score.

My credit score is poor; however, I cannot see why by looking through the accounts in my credit report... What am I missing?

There could be several reasons for this, one common reason that we have seen is that the address on the account that is causing the score to be poor is incorrect. We would recommend that you update your address with all credit providers that you have credit commitments with.



Is my address blacklisted solely due to a previous occupier at the address having had a poor credit history?

-No, your credit record is personal to you not your address.

I live (or have lived) with somebody that has a poor credit history, will I be affected?

You could be affected if you have (or have had) a joint commitment with that individual. Living with somebody on its own should not impact your creditworthiness.

