



Taking the credit

Imagine a world where 007 isn't as cool as you'd think. Or a land where 999 doesn't set the alarm bells ringing. Welcome to the world of credit references. A world where your score is between 000 and 700, or even 1000 - and the higher it is the better.

From credit card applications to car loans, our credit file can have a big impact on our every day lives. But what do you know about yours and what can you do if it's holding you back? We asked the Financial Ombudsman Service – the free service that sorts out money problems – for some tips on what to look out for.

Check it out! - To tackle your credit score you need to find out what it is from one of the main agencies, Experian, Callcredit or Equifax. You can get hold of your file for a nominal fee (around £2). Or, for a monthly fee, you can get regular updates on changes to your 'credit worthiness and score'. Most of the credit reference agencies offer a free trial but make sure you know when the trial ends. Giving your credit file the once over gives you the chance to spot any mistakes that need correcting.

Direct Debits - The most common way to get a black mark on your credit file is to miss a payment – whether it's on your credit card or your mobile phone bill. Those missed payments stay on your record for years. Always make sure you have enough money in your account to cover any payments due. If you think you'll struggle to make a payment, speak to the business straight away.

Old Credit Cards - If you've got old credit cards that you never use, tell the lender you want to close the account and cut the card up so the number is unreadable. Not only is this therapeutic, it keeps your credit file clear of old accounts.

Other People's Problems - If your partner has had a few credit hiccups along the way, it could have an impact on your ability to get credit. If you want to separate another person's credit score from your own, ask the credit reference agency to add a "notice of disassociation". This will mean their financial flaws shouldn't have an impact on you.

How To Correct Things - Even things like not being on the electoral roll to being can have an impact on your credit file. If you do have a problem, for example you missed a payment because you were made redundant, you can add a "notice of correction" to your credit report to explain things. Anyone searching your report will see the note and take account of it when you apply for credit. Look out for accounts being registered to the wrong address or anything that looks unfamiliar. If there's a problem, write to the lender involved and ask it to correct the mistake. If it won't, get in touch with the ombudsman who will try to help you get it sorted.

If you do spot something out of the ordinary on your credit file and you're not able to sort it out with the credit reference agency or lender, the Financial Ombudsman Service may be able to help. Just call on **0300 123 9 123** or have a look at www.financial-ombudsman.org.uk