

Credit Reports

This fact sheet is for information only. You should get professional advice about your personal situation from a financial counsellor or a lawyer.

Main Ideas

- Credit providers (like finance, telco and utility companies) use information on your credit report when deciding to give you credit (a loan or service).
- Only people you give permission to can see your credit report (you usually do this when you apply for credit).
- You can get your credit report for free every 3 months.
- This fact sheet relates to consumer (personal) credit reports only. Commercial or business credit is treated differently.

In this fact sheet:

[Getting your credit report](#)

- Maintaining a 'good' credit report

[Information on your credit report](#)

- Loans information
- Repayment History Information (RHI)
- Financial hardship information
- Default listing

[How information on your credit report is used](#)

- Credit scores

[Correcting information on your credit report](#)

Getting your credit report

You can get a free copy of your personal credit report and score once every 3 months or when you are refused credit, or when a correction has been made. Your credit report is held by credit reporting agencies, and you can get a free copy from each agency. Each agency may hold slightly different information.

The 3 largest credit reporting agencies are:

- [Equifax: check the website mycreditfile.com.au.](http://mycreditfile.com.au)
- [Illion: check the website illion.com.au.](http://illion.com.au)
- [Experian: check the website experian.com.au.](http://experian.com.au)

When you apply for a credit report, or a loan where a credit check is done, your current contact details will be updated. Previous creditors are likely to be told about these updates and may start contacting you again.

You should receive the report within 10 working days of your request, but it will often be quicker. You may get your credit report faster by paying, but don't pay unless you need the report urgently.

It is a good idea to get your credit report before you start applying for loans and before you sign a contract to purchase property. A problem with your credit report could stop you getting a loan and prevent you from completing the purchase, and that could cost you a lot of money. If you do find a problem on your credit report it can take many months to sort out.

Your credit report should include a credit score. You should be given information about how your credit score was calculated, and which information impacts your credit score the most.

Maintaining a 'good' credit report

- Don't borrow more than you need, and don't have limits on credit cards higher than you need.
- Make payments on time.
- When shopping around for credit, don't make lots of applications. Each application could be recorded on your credit report for 5 years and too many applications in a short period can lead to rejections.
- If you are in financial hardship, make a hardship arrangement with your lender. After 1 year the financial hardship indicator will fall off your credit report and your repayment history will look up to date. If you don't make a hardship arrangement and miss a payment, that stays on your repayment history for 2 years.

Information on your credit report

The report contains information about your dealings with credit providers. Credit providers include any business where you defer payment for more than 7 days. Examples are banks,

finance companies, buy now pay later services, telecommunication companies and utilities.

Your credit report gives a good idea of the debts you have, but it does not include everything. Some debts may not be listed because the credit provider does not use credit reports. Sometimes a credit listing may disappear, but the underlying debt is still active.

Credit providers list information with a credit reporting agency. They must ask for your permission to do this, but consent forms are almost always contained in credit application forms. You will usually not get credit if you do not give permission.

To be able to list information and access your credit report the credit provider must be in a registered External Dispute Resolution (EDR) scheme. This means there is a free and independent complaints service you can go to if there is a problem.

[table id=5 /]

Loans information

Your credit report may contain:

- Type of loan account.
- Account open and close dates.
- Credit limit (NOT outstanding debt).
- Terms and conditions: for example, loan term, type of security, interest only, or principal and interest.
- Repayment history information.
- Financial hardship information (from 1 July 2022).

Large banks must record all 6 types of information.

Smaller lenders, like payday lenders, may record less information. All credit providers may provide more comprehensive information about your loans, as long as they have notified you.

Telecommunication or energy providers do not record this information. They only list defaults.

Repayment History Information (RHI)

Repayment History Information records whether you have repaid credit on time. It can only be collected on credit regulated under the National Consumer Credit Protection Act 2009 (the 'National Credit Act'). It is not recorded for utilities and other debts.

If you pay on time, you will get a 0 (zero months behind) or a tick mark (??).

If you are behind in your repayments, you will get a number from 1 to 7 showing how many months you are behind in your repayments.

If you are more than 7 months behind, you will get an X.

There is a 14-day grace period from the payment due date before any late payment (including part payment) is recorded on your credit report. The lateness of the payment is updated every 29 days.

The lender will not tell you when a missed payment is listed on your Repayment History Information. You will only know about this when you check your credit report.

Financial Hardship Information

Changes to how financial hardship information is reported started on 1 July 2022.

If you negotiate a hardship arrangement with your lender, they will report your repayment history information as 0 or ?? as long as you keep to the arrangement. It will not change any missed payments listed in the past.

A Financial Hardship Indicator (FHI) will appear on your credit report and remain there for 1 year.

- If your hardship arrangement is temporary (like a short term reduction in your normal payments) your credit report will show a Financial Hardship Indicator 'A' for each month you are in the arrangement.
- If your hardship arrangement is permanent (like adding your arrears to the end of the loan) your credit report will show a Financial Hardship Indicator 'V' for in the month when the arrangement began.

The reason you are in hardship is not recorded on your credit report. Financial hardship information is not used when calculating your credit score.

Lenders cannot cancel your current credit cards because you have gone into hardship with another bank. They will only see you are in a financial hardship arrangement if they have a valid reason to access your report. If you apply for a new loan or credit card, the lender may ask questions to understand whether you are still experiencing hardship and if you can afford more credit.

Ask your lender what will happen to your credit report when you make an arrangement. Also get a copy of your credit report a couple of months later to check your Repayment History Information has been recorded consistently with your arrangement. If not, complain to the lender.

If you can't keep to your repayment arrangement, negotiate a different arrangement with your lender before you fall behind. Ask how this new arrangement will show on your credit report.

If you are experiencing family violence, and are concerned about hardship indicators appearing on the perpetrator's credit report (because you are asking for hardship on a joint debt), please ring our Credit & Debt Legal Advice Line on 1800 844 949 for legal advice as there may be options available to you. [Also read through our Financial Abuse and Family Violence fact sheet.](#)

When the hardship arrangement ends

When your hardship arrangement is finished your Repayment History Information will go back to being reported against your normal monthly payments. Financial hardship information stays on your credit report for 1 year.

If you have arrears (money that you owe) after the arrangement ends, your Repayment History Information may still show missed or late payments even if you are paying extra to catch up. Talk to your lender and make a new hardship arrangement.

You may be able to negotiate with your lender for arrears to be added onto the end of your loan (capitalised) and for the loan term to be extended. This allows you to return to normal repayments at the end of your hardship period, however it will also increase your total loan repayment over the term. You will have a (V) on your credit report in the month the change occurs and your Repayment History Information will be reported as up to date.

Default listing

A default is a missed payment that has not been corrected.

A default can be listed on your credit report if:

- 60 days have passed since the default.
- A notice has been sent to you telling you the payment is overdue. This is a section 6Q notice under the Privacy Act. It is often, but not always, merged with a section 88 default notice under the National Credit Code.
- A second notice has been sent to tell you that you will be default listed. This is a s21D(3) notice under the Privacy Act
- 14 days have passed from the second notice and you haven't fixed the default. The default can be listed within 3 months of the second notice.

There are steps you can take to avoid a listing (even if you can't pay the overdue amount). Generally, a default cannot be listed if:

- You have made a request for a financial hardship arrangement (and it is the first request in the last 4 months).
- You are under a financial hardship arrangement and you have kept to that agreement (but see above about Repayment History Information listings).

- It is less than 14 days since a request for a hardship arrangement has been refused in writing (and it is the first request in the last 4 months).
- You have a complaint being considered by an external dispute resolution scheme: [read our Financial Complaints to AFCA fact sheet](#). AFCA can consider a financial hardship complaint (for example when the lender isn't agreeing to a fair repayment arrangement to let you pay off the debt).

If you pay a default after it is correctly listed, you can ask for the listing to be updated to 'paid'. The default listing will stay on your credit report even after you have paid it.

How information on your credit report is used

Many credit providers use credit reports to decide whether to give you a loan or a service. They should tell you if a loan has been refused because of your credit report.

Your credit report can only be seen by credit providers, potential credit providers, mortgage insurers and the credit reporting agency. Credit providers must have your permission to see your report. Usually you sign a consent form for this when you apply for credit.

If a real estate agent asks to see your credit report, get advice from a free community tenancy law service.

To be able to list and access your credit file the entity must be in a registered external dispute resolution (EDR) scheme. This means there is a free and independent complaints service you can go to if there is a problem.

Credit scores

Lenders sometimes use your credit score (or credit rating) to decide whether to give you credit or lend you money.

A scale (excellent, very good, good, average and below average) helps a lender work out how risky it is to lend to you. A higher score could mean getting a better deal and saving money. A lower score may prevent you getting a loan or credit.

The reporting agencies calculate a credit score differently, so you won't have one official score. Lenders may also have their own internal methods of scoring customers.

Your credit score is calculated from what's in your credit report, but cannot include financial hardship information. It will likely include things like:

- the amount of money you've borrowed
- the number of credit applications you've made
- whether you pay on time.

Your credit score will change over time. Things that impact your credit score include applying for more debt, defaulting on your account, or skipping payments.

Correcting information on your credit report

Information on your credit report can only be changed if it is wrong or misleading. Beware of companies that promise to 'fix' your credit report for a fee. There are free services that can investigate complaints – see list of external dispute resolution schemes below.

If the information in your credit report is wrong or misleading, you can complain. Call or write to the credit provider. Give reasons why the listing is misleading or wrong. The credit provider has 30 days to respond.

Some reasons may be:

- You do not owe the debt listed.
For example, someone stole your ID and got the loan. Write down details of what happened and report it to the police. Send a copy of the police report to the credit provider.
- The loan was not overdue for 60 days or you did not get the required notices.
For example, you missed one payment on your loan and caught up, so you were never 60 days in default. Send copies of your account statements as evidence.
- The amount of the debt listed is incorrect.
But keep in mind debts can grow with interest and fees.
- The debt is very old and statute barred. [Read our fact sheet about Recovery of Old Debts \(NSW only\)](#).
- The same overdue account has been default listed twice.
- You are listed as a 'clearout', but you were easily contactable and are now in contact with the credit provider.
For example, you separated from your partner in a joint loan and forgot to notify the lender of your new address. If your mobile or email didn't change you could argue that it was unreasonable to list you as a 'clearout'.
- Your Repayment History Information shows several missed payments, but you have been paying on time every month.
- You entered a hardship arrangement with your lender, but your Repayment History Information is showing that you have been paying late.
- You were forced or pressured into the loan, for instance in matters involving family violence or economic abuse. This situation can be complex – please ring our Credit & Debt Legal Advice Line on 1800 844 949 for legal advice. [Also read through our Financial Abuse and Family Violence fact sheet](#).

If the credit provider does not respond in 30 days or refuses to correct an error, raise a dispute in an external dispute resolution scheme. Insist on a written reply to your dispute.

The dispute resolution schemes are:

- For financial services such as loans, credit cards, rental contracts for goods [Australian Financial Complaints Authority \(AFCA\)](#). Ph: 1800 931 678
- Telecommunications [Telecommunications Industry Ombudsman \(TIO\)](#) Ph: 1800 062 058
- For Energy and Water, contact the organisation in your state

[table id=6 /]

Alternatively, [complain to the Australian Information Commission](#) via their website or phone 1300 363 992. Get advice if you are not sure where to complain to.

Time limits apply to making a complaint to each of the schemes. For example, you have 12

months from the date you became aware of the inaccurate listing to complain to the Australian Information Commissioner.

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