

# **How to Improve Your Credit Score**

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## Greetings,

Do you know what your Credit Score is? Your credit score is based on your financial credit report held by organisations such as [Experian](#) and [Equifax](#) which provides you an indication of how lenders may view you. There are also newer organisations such as [Noodle](#) and [Clear Score](#) that provide your Credit Score and Report for FREE!

The higher your credit score the more of a chance of being accepted for credit at the best rates. This means that with a high credit score you receive better deals on credit card, lower rates on loans and less interest you pay on mortgage which means you save money!

Have you ever heard someone say “my credit is not good” or “I’ve got bad credit”? This usually happens when someone has not been responsible with the credit provided to them by lenders in the past.

### [Here are 7 Steps to Improve your Credit Score](#)

#### **Proof of your address**

Before you are approved credit lenders will check your name and address to prove that you live where you say you. Being on the electoral roll will help the process, you can do this even if you still live with your parents, or sharing student accommodation. It makes it easier for banks

and financial institutions of confirm your identity.

### **Start to build a history**

Having accounts such as a bank account with an overdraft facility is a form of credit and managing it well should help improve your Credit Report as it will show that you are able to keep within its spending limits.

### **Responsible credit**

Typically lenders like see borrowing history, having smaller forms of credit such as mobile phone contract, store card, credit cards provides a record of history. If these are managed it can add to your credit score as it shows responsibility that bills are pay on time each month

### **Space out credit applications**

Aim to only apply for one application for credit in a three month period. Applying for lots of credit may suggest that you are reliant on credit to supplement your income. Remember lenders are able to see the activity on Credit Report when assessing your application and multiple applications in a short space of time is not a positive sign.

### **Good amount of available credit**

Your 'available credit' is the difference your outstanding balance and your credit limit. If you have low available credit, or a large number of your accounts are using above 50% of your available credit, banks and financial institutions may think you're struggling to manage your finances.

### **Avoid missing payments**

All missed payments in the last 6 years will have a negative effect your Credit Report. As late payments become older they reduce the negative effect you're your Credit Report.

### **Try to avoid CCK's or IVA's**

County Court Judgements (CCJ) and Individual Voluntary Arrangements (IVA) will have a negative impact on your Credit Report Score for six years from the date the entry was recorded. These records should not appear on your credit report after six years as long as they have been settled/discharged.

I hope you enjoyed this article and find it of use, please share with someone who may also benefit from reading this post especially young people who are entering into the adult world.

Have a wonderful day.

Love & Blessings, Paula x