

Credit reports

Details about your borrowing history, or “credit history”, are recorded on a credit report. We look at what’s in a credit report, how to get one, and how to keep a good credit rating.



Changes to the Credit Reporting Privacy Code 2004 come into force throughout 2019, to keep the system fair.

A credit report contains information about you and how well you manage your financial obligations. Banks, finance companies and others may look at your report when assessing applications for credit. Credit reports may include information that is both positive and negative – whether you repaid loans and debts on time and in full, or whether you were often late or in default. They generally include a credit rating, which is an estimate of your likelihood to meet future financial commitments based on your track record to date. Higher credit ratings may help with a credit application but it isn't a guarantee of acceptance. Conversely, a poor report can make it harder to borrow money, get insurance and sometimes even get a job.

Credit providers must make reasonable inquiries into whether it's likely you can afford to borrow money. They may not always get a credit report and can use other sources of information when looking at whether you can afford to borrow.

Getting a credit report

Three agencies maintain and provide credit reports:

- **Equifax**
- **Experian**

● Centrix

You can contact any of these agencies for a credit report about you. Requests are free, although a fee may apply if you want a report urgently. The agencies have 10 working days to give you the information. Each agency may give you a slightly different result because some collect information from a wider range of sources than others. Credit information about you may come from power and telecommunication companies, major retailers, banks, credit unions and debt collection agencies. Other sources of information include electoral rolls, records of hardship applications made to government agencies, court records relating to unpaid debts, and payday loan applications.

Contents of credit reports

A credit report will detail your payment history for credit cards, personal and home loans, car finance, hire purchases and any other regular credit payments you have had. If you are late paying a bill, it may show on your credit report. It may also show whether you've paid all your bills on time if the agency providing credit information about you shares positive as well as negative information.

If you've received hardship assistance from your financial provider, this may be detailed on your credit report as well, at least for the length of time your provider agreed to provide assistance.

Credit defaults before 1 October 2019 that are above \$100 can be shown on credit records. From 1 October 2019 the minimum credit default amount that can be reported is \$125. Information stays on your credit report for four years. If your report has a credit worthiness score, it will be somewhere between zero and 1,000. Most scores are between 300 and 850. Anything above 500 is a good score.

A credit report does not include student loan balances, criminal records and information from Work and Income New Zealand. It also doesn't include defaults or missed payments more than five years old. It may show whether you've applied for credit, but it won't show if you've been successful or not.

How credit reports are used

Your credit report may influence whether a lender accepts your application, and on what terms, such as a regular interest rate or a slightly higher rate because of your credit score. If your application is declined, or you don't like the terms offered, there is nothing stopping you from trying elsewhere. The fact one lender declined your application does not mean you won't be able to obtain credit elsewhere.

A bad credit rating or multiple credit requests does not mean your application for a loan will never be accepted. Different lenders will have different lending criteria. Keep in mind that your credit history makes up only one part of your application. A lender will also consider information in your application form, such as your income, expenses and assets, and how much you wish to borrow and for what purpose. Whether you have any current or past relationship with the lender will also be a consideration.

See our quick guide about [lending decisions](#) for more information about how banks assess credit applications.

Checking for accuracy

You should check your credit report from time to time – and more frequently if you were ever behind with any

repayments you were supposed to make. Ensure all details are correct, especially any unfavourable information. Let the agency know if you think there are mistakes, so it can consider if it needs to correct the information. If your credit record shows you owed your bank money and you dispute that, you may be able to bring your complaint to us if you can't resolve things with your bank. We will ask you to provide us with a copy of your disputed credit report.

We can require a bank to correct or remove incorrect information on your credit file.

Top tips

There are some simple steps you can take to ensure you get – and hold on to – a good credit rating:

- Pay on time. Setting up direct debits can help pay things like credit cards, hire purchases and utility bills.
- Consider keeping your finances separate from flatmates, and if a relationship ends, make sure to separate any accounts, contracts, and any other financial arrangements.
- Check your credit report for accuracy if you are declined for credit. If there are any errors, get them fixed before making another application.
- Rebuild a bad credit history by paying off any debts, like credit card balances, in full.
- Avoid payday loans and quick finance applications, if possible. They may raise red flags to lenders.
- Cancel credit you don't use.

