

» Credit and the Credit Reference Agencies – what you need to know

Here's a quick snapshot of how credit works.

What's a credit history?

It's a record of your financial commitments and how you've managed them. The Credit Reference Agencies like Experian, Callcredit and Equifax hold a record on how you have managed your finances in the past and share it with other lenders to help them decide whether to lend to you or not.

We have to update the Credit Reference Agencies every month to let them know how you're managing your account, and this will go onto your credit history and a credit rating will be generated from this. So if you miss or make reduced payments than what's required with us or anyone else, this will be reflected in your credit history and can stay on your file for up to six years. If you become bankrupt, insolvent or if you're on a repayment plan this will also be recorded.

It can be checked when you apply for things like...



A good credit rating

can help you get better deals from lenders and creates a good impression for prospective employers.

The credit do's

- Always make your payments on time
- Try and keep a good amount of available credit on your account
- Get on the electoral roll and keep your address updated
- Pay off your debts as soon as you can
- Settle any outstanding County Court Judgments or credit agreement defaults
- Always check your credit score to make sure it's correct – a full credit report can be obtained from the Credit Reference Agencies (normally for a fee); however, a credit score facility is available for free for all Barclaycard customers on [barclaycard.co.uk/experian-credit-score](https://www.barclaycard.co.uk/experian-credit-score)



A bad credit rating

can mean you could be charged higher interest rates and premiums, or you could be turned down for credit or jobs completely.

The credit don'ts

- Don't make too many credit applications in a short amount of time
- Don't go over your credit limit
- Don't miss payments or default on your account
- Don't use your credit card to withdraw money from cash machines
- Don't keep unused accounts open
- Don't use your overdraft too much



These are the main 'do's' and 'don'ts' that will help you, but every credit provider makes their own decision based on their own criteria list. Get more information on credit at [barclaycard.co.uk](https://www.barclaycard.co.uk)