

DOMESTIC ABUSE & CREDIT REPORTING

GUIDING YOUR CLIENT THROUGH CREDIT REPAIR AND THE IMPACT OF FINANCIAL ABUSE

Domestic abuse can cause serious financial harm to victims and victim-survivors, including negatively impacting their credit reporting information.

Financial abuse can take many forms and affects almost one-fifth of Australians, with younger generations most at risk.

Our statistics indicate that 18% of Australians have experienced financial abuse from a partner, family member, or someone close in the past 12 months, including:

- **7% - Being pressured by the perpetrator to lend them money, be a guarantor, or invest for them**
- **6% - Having their money, bank account, or credit used without permission**
- **6% - Being forced or pressured to sign financial documents or take on debts**
- **6% - Being threatened about money, credit or financial decisions**
- **5% - Being made by the perpetrator to hand over their income, assets or financial control**
- **4% - Stopped from accessing their own money or bank accounts**



Reference: YouGov/CreditSmart research May 2025

HOW ABUSE CAN IMPACT A VICTIM AND VICTIM-SURVIVOR

Perpetrators may take out credit in their name or force them into debt.

Where abuse has caused them to miss credit repayments, missed payments or defaults may appear on their credit report.

This can impact their credit and repayment history, thereby potentially affecting future access to housing, credit, or essential services.

Arca is working with our Members to help industry better support their customers impacted by domestic abuse when it comes to credit and credit reporting.

WHAT YOU CAN DO TO HELP IN ADDRESSING SPECIFIC CREDIT ISSUES

Make sure your client knows what's in their credit report.

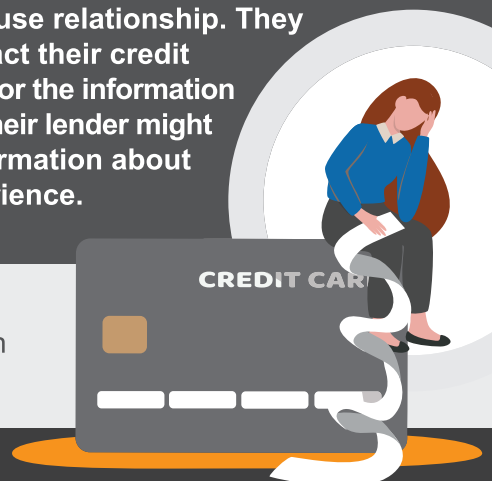
In Australia, everyone has the right to one free credit report every three months from each of the 3 main credit reporting bodies, Equifax, Experian and illion.

Each credit reporting body offers different options and tools for keeping track of a person's credit position.

Seeking Help Later:

Your client can ask for information on their credit reported to be changed or corrected, even after they leave the abuse relationship. They will need to contact their credit provider and ask for the information to be changed – their lender might ask for more information about their abuse experience.

The following actions can be taken by clients directly or by you, as a financial counsellor, however noting that every case needs to be considered on its own individual circumstances:



Credit taken in the Victim or Victim-Survivor's Name but applied for the Perpetrator's Benefit:



Advise your client that they can:

- o Request removal of liability for the debts used solely for the perpetrator's benefit.
- o Request to have the credit information reported in relation to the amount of credit applied to the perpetrator's benefit be amended or removed from their credit report.
- o The first step is typically to contact their credit provider or their domestic abuse team to raise a dispute.

Default Information Reported from Abuse:



Support your client to:

- o If a client has been unable to meet credit repayments because of the impact of domestic abuse and as a result had default or other types of information reported against them, they can request to have this information corrected or removed from their credit report.

Financial Hardship Assistance:



You can help clients:

- o Request hardship assistance on sole or joint loans from their credit provider, including requesting that the hardship arrangement be backdated.
- o Financial hardship can often be provided to victims and victim-survivors without the involvement of the perpetrator.
- o Request suppression of information including the reporting of repayment information or hardship information from their credit report. During a suppression period, this may result in no repayment history information (RHI) or Financial Hardship Information (FHI) appearing on their credit report.

CAUTION - CREDIT REPAIR AGENTS:

- Discuss with clients alternative options to using credit repair agents (also known as debt management firms).
- Support is available for free so your client should know they don't have to use paid credit repair firms.
- Credit repair agents may lack the knowledge or skills necessary to appropriately assist victims and victim-survivors with their specific needs and requirements.
- Credit repair agents may also fail to connect clients with crucial domestic abuse support services, limiting their access to a wider range of free assistance.

IF ISSUES REMAIN UNRESOLVED, GUIDE YOUR CLIENT TO:

Lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA is a free and independent body that helps consumers resolve disputes with financial firms – www.afca.org.au.

WHERE TO GET MORE INFORMATION?

Arca's consumer education website, www.CreditSmart.org.au, provides unbiased and factual information you can trust. Explore the [Consultant Resources](#) section for information, guides and downloadable fact sheets.

SUPPORTING VICTIM AND VICTIM SURVIVORS – GOOD PRACTICE PRINCIPLES

Arca and our Members, are working with government and industry stakeholders to help drive greater consistency in industry practice. To do so, we are developing domestic abuse principles which once finalised aim to:

- **Put safety first:** The view that safety of victim and victim-survivors should be a top priority for credit providers and credit reporting bodies when engaging with individuals impacted by domestic abuse.
- **Design safer systems:** That credit providers and credit reporting bodies should design systems, processes and procedures with a focus on the safety of victims and victim-survivors.
- **Protect confidentiality:** Emphasise the importance of confidentiality of victims / victim-survivors information.
- **Remove barriers to help:** Support the removal of barriers to victims and victim-survivors seeking assistance from credit providers and credit reporting bodies when it comes to credit and credit reporting matters.