

# CREDIT REPORT SUMMARY

## A GUIDE TO UNDERSTANDING THE INFORMATION IN YOUR CREDIT REPORT

**NOTE:** THIS IS A SUMMARY OF WHAT CAN BE SHOWN IN YOUR CREDIT REPORT. EACH CREDIT REPORTING BODY MAY DISPLAY THIS INFORMATION IN A DIFFERENT FORMAT.

### WHAT IS IN YOUR CREDIT REPORT?

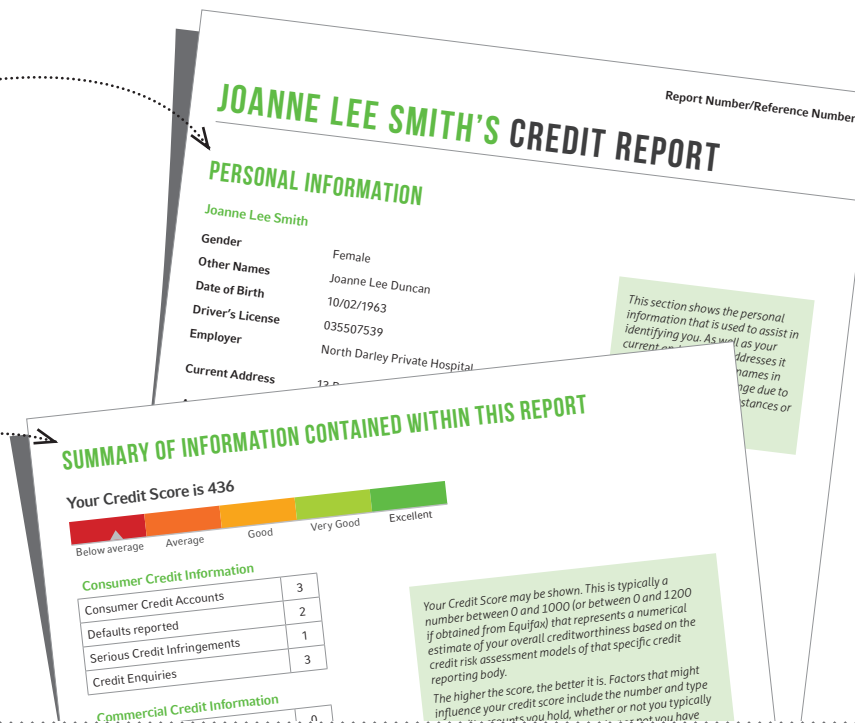
Your credit report is a record of your credit history. It includes information to identify you as well as information about your credit history, including loans you've both applied for and taken out.

You can access your credit report free of charge every three months (previously every 12 months).

#### 1 PERSONAL INFORMATION

This section shows the personal information that is used to assist in identifying you:

- Name
- Gender
- Date of birth
- Driver's licence
- Employer
- Current Address/address history



#### 2 CREDIT RATING

It is compulsory for credit reporting bodies to provide a credit rating in the credit report which is an indication of the 'band' that the credit score sits in (e.g. 'below average', 'average', 'good' etc).

#### 3 CONSUMER CREDIT LIABILITY INFORMATION

The consumer credit liability information section may show details about the credit accounts that you have open, or had open in the last 2 years, including:

- the type of credit account
- the credit limit
- the credit provider
- dates the accounts were opened and closed



# 4

## REPAYMENT HISTORY INFORMATION



Your credit report may also have information about your payment history for your credit cards and other loans (e.g. personal loans and home loans) – that is, whether you’ve made your minimum payments on time. This is very important information as it tells the new credit provider how you’ve treated those debts, which gives them an indication of how you’re likely to treat the new debt.

Your payment history is recorded on a month-by-month basis. Other lenders will see a 24-month history of your payments (after 24 months, the information is removed from your credit report).

Only banks, credit unions and other types of finance companies can report or access repayment history information. Phone, gas and electricity providers are not able to report or access this information. This means that your credit report will not show whether you’ve paid your phone or utility bills on a month-by-month basis.

A ‘grace period’ of 14 days (applied to the first overdue payment) is allowed. During this time, a credit provider will not report a late payment to a credit reporting body. If the amount owing is paid during the grace period, there will be no record on your credit report that you made a late payment. However, once the grace period has passed, if you have not made the full payment of the amount owing, the credit provider may report this as a late payment to the credit reporting bodies.

### EXAMPLE 1

Acc ID	2018						2017						2016											
	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
123	0	1	0	0	0	2	1	1	0	0	0	0	0	0	0	0	0	0	0	2	1	0	0	0
918										x	6	5	4	3	2	1	0	0	0	0	0	0	0	0

### REPAYMENT HISTORY DEFINITIONS

- 0 Current up to and including the grace period\*
- 1 15-29 days overdue (i.e. after the expiry of the 14-day grace period)
- 2 30-59 days past due
- 3 60-89 days past due
- 4 90-119 days past due
- 5 120-149 days past due
- 6 150-179 days past due
- x 180+ days past due

A ‘**grace period**’ of 14 days (applied to your first overdue payment) is allowed. During this time, a credit provider will not report a late payment to a credit reporting body. If the amount owing is paid during the grace period, there will be no record on your credit profile that you made a late payment.

However, once the grace period has passed, if you have not made full payment of the amount owing, the credit provider may report this as a late payment to the credit reporting bodies.

### HOW TO READ EXAMPLE 1

#### Account 123

In this example, Joanne usually paid her Mortgage (account 123) on time, but missed a payment in October 2016 and in November 2016, making her payment up to 59 days past due. However she made all necessary repayments and brought the account payments up to date in December 2016.

In November 2017, Joanne missed her mortgage repayment, she then made the November payment in December 2017, but missed the December 2017 and January 2018 payments, making her payment up to 59 days past due. However she made all necessary repayments and brought the account payments up to date in February 2018.

Joanne also missed her mortgage payment in May 2018, but made the necessary payments in June 2018 to bring the account up to date.

#### Account 918

In this example, Joanne’s personal loan payments (account 918) were current and up to date until she missed a payment in March 2017, Joanne then missed the next 5 payments causing the account payments to fall more than 180 days past due (as noted by the x in September 2017). A default was noted on Joanne’s account from May 2017 (see next section). After falling 6 months into arrears, the account was closed by the credit provider and no further repayment history is reported for this loan.

# 5

## CONSUMER DEFAULTS

- The Consumer Defaults section provides you with more information about any defaults on consumer credit that a credit provider has listed about you.
- A default is a formal notification from your credit provider to a credit reporting body that you are 60 days or more overdue in making a payment on a debt where the outstanding amount due is at least \$150.
- Before listing a default, the credit provider will have written to you at least twice to say that they may list a default if you do not make a payment.
- A default stays in your credit report for 5 years. If you subsequently pay off the default, your credit report will be updated to show this – but the default will stay in the report for the 5 years.



# 6

## CONSUMER SERIOUS CREDIT INFRINGEMENTS

A serious credit infringement is a serious indicator of bad conduct by a debtor. It can indicate that the credit provider considers the debtor has acted fraudulently, such as lying about their financial situation when applying for the loan. Serious credit infringements stay on the credit report for 7 years.

It can also mean that the credit provider believes that the debtor has intentionally failed to comply with their credit obligations, such as moving address and failing to tell the credit provider. In this case, the credit provider has to have tried to contact the debtor for more than six months without success, including taking certain steps to establish contact with the debtor. This type of serious credit infringement can only be reported if the credit provider has first reported a default – however, it will be removed if the debtor subsequently pays the debt (although the default will remain for 5 years).



# 7

## CONSUMER CREDIT ENQUIRIES

- The Consumer Credit Enquiries section will contain information about the applications for credit you've made, including the date of the application, the type of credit and the amount you applied for.
- It does not show whether the application was successful or not.
- Consumer Credit Enquiry information remains on your credit report for five years from the date of the application.
- Whether a credit report records a particular loan application will depend on whether the credit provider got a copy of your report from the credit reporting body when you applied.



## 8 OTHER TYPES OF ENQUIRIES

- In addition to the credit provider, some other businesses that are involved in the credit application can access your credit report, such as businesses that offer lender's mortgage insurance (which is insurance that protects the interests of the credit provider if you are borrowing money to buy a home without a big enough deposit).
- Your credit report will record these enquiries. These records are retained on your credit report for 5 years from the date of the enquiry.



## 9 COMMERCIAL CREDIT INFORMATION

An overview of the credit accounts, defaults, infringements, enquiries of any commercial credit accounts you (or a company of which you are a director) currently hold, or have held with a credit provider.



## 10 PUBLIC RECORD INFORMATION

The Public Record Information section shows information relating to your credit activity that comes from publicly available sources, including:

- Personal insolvency information, like bankruptcies and debt agreements.
- Credit-related Court judgements about you.
- Information about company directorships you've held.



## 11 ACCESS INFORMATION

To ensure your privacy, when you get a copy of your credit report, it will list everyone who has accessed (i.e. looked at) your credit report. The law sets out who and for what purposes your credit report can be accessed. This includes:

- You (i.e. when you get your free credit report each year from credit reporting bodies).
- People and businesses that are acting on your behalf, like a mortgage broker or financial counsellor.
- Subscription websites that provide you with your free credit score, like [creditsavvy.com.au](http://creditsavvy.com.au), [creditsimple.com.au](http://creditsimple.com.au) and [getcreditscore.com.au](http://getcreditscore.com.au).
- Credit providers and their agents for permissible purposes – in addition to getting your credit report when you apply for a loan, a credit provider may access it for a few, strictly limited purposes such as helping them to collect overdue payments.

Your credit report may have one or more sections listing who has 'accessed' the report. This information is shown to you but **is not shared with a credit provider and won't impact your loan applications.**



GET A COPY OF YOUR CREDIT REPORT EVERY 3 MONTHS, FROM EACH OF THE CREDIT REPORTING BODIES – IT'S FREE! FIND OUT MORE ON [WWW.CREDITSMART.ORG.AU](http://WWW.CREDITSMART.ORG.AU)