

## Credit Rating Research Exec Summary Nat Rep

### Knowledge of Credit Rating

- 97% of adults have heard of credit scoring
- 81% of adults understand that the purpose of a credit report is 'For lenders to judge whether I am likely to pay credit off on time'.
  - 46% of people select the option 'To find out how much I earn and whether I can afford the repayment'
  - 13% of adults think the purpose of a credit score is 'to check whether I have a criminal record'
- The main reasons that people think their credit history would be likely to be searched are:
  - When applying for credit (91%)
  - When applying for a mobile phone contract (57%)
  - When applying for rental accommodation (54%)
- 59% of adults claim to know what factors affect their credit score
- But 49% of adults don't know how to improve their credit rating

### Getting a Credit Report

- 33% of people have obtained a credit report in the last five years
  - This increases to 42% in London and drops to 19% in Wales
- 58% of those who obtained a credit report got it via a free trial
  - 9% say they paid more than £10 for a credit report
  - 74% do not know that you can obtain a Statutory Credit Report for £2
- 63% of people who have not got a credit report in the last 5 years say they don't need one
  - 13% of those who haven't got a credit report in the last 5 years say they don't know how to do it
- 59% of people who have obtained a credit report in the last 5 years got it from Experian



- In other words, 19% of the UK adult population has contacted Experian for a credit check in the last 5 years
- 67% of people who checked their credit report in the last 5 years said they were curious to find out what the it said
- 21% of people who have taken out a credit report in the last 5 years said they have checked their report and found errors
- 17% of UK adults say their credit score has caused them financial problems

## Credit

- 24% of UK adults have applied for credit in the last 12 months
- The main reasons included:
  - To take advantage of an interest free deal (28%)
  - Buying a car (19%)
  - To cover an unexpected cost (19%)
- 22% of adults have been rejected for credit at some point. These people then:
  - Used an authorised overdraft (15%)
  - Borrowed from family or friends (19%)
  - Used another credit card - with higher interest (13%)
  - And 31% did not buy the item
- 13% of adults have missed or been late paying bills in the last 12 months
  - 25% of those who have missed or been late with a payment said it was because of a larger than expected regular bill
  - 27% had an unexpected expense
  - 27% forgot
- 62% of adults don't know how long a late payment shows up on a credit record
- 6% of adults have received a CCJ due to bad payment history

