

# Top Tips: To Improve Your Credit Profile

We are regularly asked by our members how they can improve their credit profile, so here are our top tips on how to improve it for the future.

## 1. Keep up-to-date with your bills

If you pay your bills on time, you will show that you are a reliable borrower and that you will be more likely to keep up with any future loan repayments too. You may also want to make sure utilities are in your name, so lenders can see you pay for these.

## 2. Avoid short term lending or payday loans

These products are provided at very high rates of interest and lenders can see these as an inability to budget effectively. Once you start using these it can be very difficult to stop the spiral, of relying on them every month.

## 3. Don't apply for too many loans at once

Try to avoid applying for a number of different loans at the same time. Making several credit applications with lenders, who use hard searches, within a short space of time can have a negative effect on your credit score.

## 4. Keep within your overdraft limit

Many banks now offer free overdrafts for up to a certain limit. However, if you do have an overdraft, make sure you keep within your agreed limit.

## 5. Cancel unused credit or store cards

Lenders can sometimes take into account the credit limits available to you, as well as your outstanding debts. So when you are finished with a credit or store card, think about cancelling them if they are no longer required.

## 6. Register on the electoral roll

By registering on the electoral roll, it confirms where you live, so potential lenders know you are a real person and have a reliable location for any future contact. We know this may be difficult for some of the markets we serve – and we take this into consideration when you apply for credit with us.

## 7. Stability helps

Lenders also like to know that you have a stability within your life. For example, if you've lived at the same address for a long time or worked for the same employer for several years this helps.

## 8. Use credit cards responsibly

There is a perception that getting a credit card is a bad thing, however, if you use it correctly it can actually boost your credit score. In fact, never having had credit can count against you when applying for a loan. Taking out a credit card gives you the opportunity to prove to lenders that you are a responsible borrower.

## 9. Settle credit where possible

If you do have credit which you've defaulted on in the past, or, credit which is in arrears, even if you are unable to settle these in full, making regular repayments demonstrates your intent to repay these debts and that you are not ignoring them.

## 10. Think carefully about your financial links

Living with somebody who has a poor credit score shouldn't affect your credit rating but having joint financial products with them will – so think carefully about any joint accounts you open.

## 11. Stay up-to-date

It is always good to check your credit profile regularly and to make sure it's up-to-date. Any mistakes on your file could mean that you'll get turned down for a loan. They also include useful hints and tips to improve your credit profile.

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