



Your credit rating

Rights and options

Why is credit rating important?

Credit has become part and parcel of life for many in Ireland. Wherever you look, on television, radio or in the newspapers, adverts urge us to take out loans to buy goods or services. Often people use credit for daily essentials such as buying the groceries or running a car – as a result, not having access to credit can affect our whole way of living.

You will often hear or see in adverts phrases such as 'terms and conditions apply' or 'loans subject to status'. Though it often seems they want to lend as much as possible, in reality banks and financial institutions need to satisfy themselves that potential borrowers will be able to repay the credit offered to them. For this reason, the majority contribute towards an agency, the Irish Credit Bureau.

What does the Irish Credit Bureau do?

The Bureau keeps computerised records regarding credit agreements involving member companies and their customers. Around 40 financial institutions, mainly banks, building societies and finance houses, are registered members of the Bureau.

Do I have a right to credit?

No, nobody has a right to credit, but you do have a right to know what information is held about your credit standing by the Bureau and other agencies, and to have inaccurate information corrected. This leaflet explains how you can go about this and how the credit rating system operates.

What rights do I have with regard to information held about me?

Your right to know what information is held about you and to correct inaccurate information varies depending on whether the information is held on computer or not.

Computer records

All Irish Credit Bureau records are kept on computer. When you enter a credit agreement with a bank, building society or finance company, a condition of such agreements (normally contained in the small print and often on the loan application form) is that you agree that the financial institution may use the data supplied for the purpose of credit checking.



As a result, details of how you comply with the terms of each of your credit agreements are put onto the Bureau's database, which all member institutions can access. From then on, every time you apply for credit from a member, that institution searches the Bureau's records to check on your repayment record for previous credit agreements with other Bureau members. Your file will typically contain details on whether any loans are up to date or in arrears, whether legal action is soon to begin or if an account has been settled.

Where records about you are on a computer, the Data Protection Act 1988 is designed to protect you. It provides you with important rights to ensure that the computerised information is accurate and that institutions use it appropriately.

The Act gives you a general right of access to all information kept about you on computer. Should you wish to see your credit records you should contact the Bureau at the following address:

Irish Credit Bureau,
Newstead, Clonskeagh Road, Dublin 14.
Tel. (01) 260 0388

www.ifha.ie

~~You can get a personal enquiry application form on this website, which you can send to the Bureau with a payment of €6.~~



The Act also gives you the right to have any incorrect information about you amended or deleted as appropriate. If you are unhappy with the Bureau's response, you have the right to refer the matter to the Data Protection Commissioner who has the power to investigate complaints and enforce the Act's provisions.

Paper records

Sometimes an agency other than the Irish Credit Bureau has given information about you to a credit provider or owner of goods, which has resulted in you being refused credit. This information may be kept on paper rather than computer files.

If so, the Consumer Credit Act 1995 entitles you to find out the name of any agency that the credit provider has consulted. You must write to whoever refused you credit within 28 days. Once they get this request, they have 14 days to give you the name and address of any agency they consulted.

Once you receive these details, you have a further 28 days to write to the relevant agency asking for any information that they have about you on file. You should send your request with the correct fee (currently €6.35). The agency must then give you these details within 14 days of receiving the request.

The Consumer Credit Act also gives you the right to ask the agency to amend or remove any incorrect information on your file. The agency must tell you (again within 28 days of receiving the request) whether they have removed or amended the information, or whether they have taken no action. If you are still unhappy, the Act lets you complain to the Irish Financial Services Regulatory Authority (IFSRA) on Lo-call 1890 777 777. The Authority must investigate the matter when you send them the correct fee (currently €12.70). If the IFSRA decides that your information must be amended or removed, the agency is obliged to comply with the direction.

What if my credit situation seems to be out of control?

Don't panic, you are not alone - the downside of the credit boom in Ireland is an increase in the numbers of people experiencing problems repaying the amounts borrowed. Your creditors are likely to be sympathetic to your situation, providing you are open and honest with them about your circumstances.

If you are having difficulty in keeping things under control, it is a good idea to take stock of your situation. Take a piece of paper and on one side write down the money you have coming in each week or month, and on the other make a list of all your weekly or monthly spending and commitments. Try to be honest

with yourself and involve other family members if at all possible. You can get a budget sheet listing a number of common items of expenditure from any MABS office or from our website, www.mabs.ie.

Add everything up and identify areas where you could maybe increase your household income or cut back on spending. Seeing the full situation on paper can help you to identify how much you can realistically afford on your credit commitments. If this is less than you should be paying, sending the companies a copy of your budget is often an effective way of persuading them to accept reduced payments over a longer period.

If you require guidance on how to go about this, please visit our website, www.mabs.ie, or contact us for an appointment to speak to a Money Adviser in confidence.

Disclaimer

Every effort has been made to ensure that the information contained in this leaflet is accurate, but the Department of Social and Family Affairs accepts no legal responsibility for any errors or omissions contained in it. If you have a specific legal query relating to matters raised in this leaflet you should get detailed legal advice.



*For free, confidential advice
and assistance contact:*

The Money Advice and Budgeting Service (MABS)

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of the Money Advice and Budgeting
Service (MABS), a free, confidential
and independent service for people
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problems.**