

# SEARCH ME - Equifax explains about credit 'searches'

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London, September 2015 – Equifax, the online credit information provider, is helping consumers understand more about the 'searches' visible on their credit reports. This follows recent research\* which revealed that 1 in 3 Brits only check their credit reports when they are applying for credit rather than monitoring regularly.

## Searches – The Facts

### What is a search?

When a company looks at the information a Credit Reference Agency (CRA) holds about an individual, it performs what is known as a search. Companies use information from CRA's for various reasons, for example, to verify an individual's identity when taking out a new mobile phone contract or to assess an application for credit. An individual can also apply for a copy of their own credit report, which would also be recorded as a search.

Most searches are displayed on an individual's credit report so that they can see who has accessed their information, what type of search they carried out and when the search took place. Searches remain on a person's credit report for up to two years.

### What type of searches do lenders carry out?

Typically, lenders will review an individual's credit history when they apply for credit to help them decide whether the individual is likely to repay the debt. This is known as a 'credit application' search.

If a consumer wants to look at different credit options before making an application, then a prospective lender may carry out a 'credit quotation' search. This enables the lender to give an indication of whether they would be willing to lend, should the individual wish to apply.

### Can a lender see other searches on a credit report?

Credit application searches are visible to other lenders, however they won't be able to see the company details. Lenders will use this to make an assessment about whether the individual is displaying any indicators of overindebtedness or financial difficulty. Quotation searches are not visible to other lenders.

### Can a lender tell if an application for credit has been declined?

A lender will never know the outcome of other searches on someone's credit file - whether credit has been offered.

### Do the number of searches on a credit report matter?

A high number of credit application searches recorded on an individual's credit report in a short space of time is likely to give a prospective lender cause for concern. This is because it may indicate that an individual is applying for more credit than they can manage, or that their details are being used

fraudulently.

Does 'shopping around' for credit count as a 'search' on a credit report?

When 'shopping around' and comparing various credit offers, it's important that consumers don't actually apply for credit until they've decided on the best deal for them. If a consumer makes a number of applications then this is likely to result in a number of searches on their credit report.

A lender may be able to provide an individual with an indication of whether they would be willing to lend, and on what terms, by carrying out a credit quotation search.

Does a lender need a consumer's consent to carry out a search?

A lender can only carry out a credit application or credit quotation search with an individual's consent.

"We want to separate fact from fiction, so that people have a good understanding of what's on their credit report and how it can impact their ability to obtain the credit deals they want" explained Laura Barrett, Equifax Consumer Affairs.

"Understanding about searches is important and consumers shopping around for credit should remember to ask prospective lenders for a quotation, rather than making multiple applications. This will help put them in the best possible position if they do decide to apply for new credit.

"Anyone planning on applying for new credit may also find it helpful to obtain a copy of their credit report before making applications. That way they can see what information is available to lenders."

The Equifax Credit Report is accessible for 30 days free simply by logging onto <http://www.equifax.co.uk/Products/credit/credit-report.html>. If customers do not cancel before the end of the 30 Day Free Trial, the service will continue at £9.95 per month, giving them unlimited online access to their credit information and weekly alerts on any changes to their credit file. It also includes an online dispute facility to help them correct any errors on their credit file simply and quickly.

\*Equifax Credit Score Survey – 3,000 consumers surveyed through Atomik Research June 2015

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develop new multi-source data solutions, and its leading-edge proprietary technology enable it to create and deliver unparalleled customized insights that enrich both the performance of businesses and the lives of consumers.

Headquartered in Atlanta, Equifax operates or has investments in 19 countries and is a member of Standard & Poor's (S&P) 500® Index. Its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. In 2013, Equifax was named a Bloomberg BusinessWeek Top 50 company, was #3 in Fortune's Most Admired list in its category, and was named to InfoWeek 500 as well as the FinTech 100. For more information, please visit [www.equifax.com](http://www.equifax.com).

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