

FACT OR FICTION?

Busting 6 credit score myths

There are plenty of myths out there about credit scores, from what's included in them to how they're calculated. With this info, you can stick to the facts and skip the fiction.

Myth 1

It's hard to tell what goes into a credit score.

You might have heard many different explanations of what goes into your credit score. These are the real eight factors and their weighted percentages, which add up to your score:



- Credit enquiries and applications, past five years (40%)
- Repayment history (38%)
- Adverse events (7%)
- Personal information (6%)
- Information on credit accounts (4%)
- Commercial credit information (3%)
- Address information (1%)
- Length of credit history (1%)



Checking your score lowers it.

You don't have to worry about lowering your credit score by checking it. The process, called a soft enquiry, won't drop your score.

Myth 2



Myth 3

I can build credit with a debit card.

Repayment history is one of the biggest factors in a credit score, but debit cards are simply a way to spend money you already have. You can, however, build your score with a credit card and prompt payments each month.



A credit report and a credit score are the same thing.

A credit report gives you the details that go into your score, but often not the number itself. Reviewing both helps you paint a complete picture of your finances.

Myth 4



Myth 5

I should apply to lots of credit providers to find the best deal

A hard enquiry, the type made when you apply for credit, can lower your score when used too often. Limit the number of applications you send in to avoid hurting your score.



Getting my credit score costs money

GetCreditScore is safe, reliable and, most importantly, free.

Myth 6



Ready to start taking charge of your credit score? Sign up for GetCreditScore to stay informed and better manage your score.