



**EQUIFAX®**

# How to Read a Consumer Credit Report

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# How to Read A Consumer Credit Report

You don't need to be a financial expert to get value from a consumer credit report or understand what it says about the credit risks associated with a potential customer.

Here's an overview of the information you'll find in an Equifax Apply report and how it helps lenders and brokers reduce risk in decision-making when a customer applies for credit for personal purposes like a mortgage or credit card.

## What's included in your report?

Credit reports differ in their levels of contribution. You will see both negative and positive Comprehensive Credit Reporting (CCR) data in your Equifax Apply report if you're an Access Seeker<sup>1</sup> or a credit provider holding a credit licence and sharing payment information on your customers<sup>2</sup>.

You will see only negative data on your Equifax Apply report if you are a credit provider who does not contribute comprehensive data.

### CCR data includes:

- ✓ 24 months' repayment history information (RHI)
- ✓ Account types
- ✓ Names of credit providers
- ✓ Account open dates and closed dates
- ✓ Available credit limit by account
- ✓ 12 months hardship information (FHI)

### Negative data includes:

- ✓ Credit enquiries
- ✓ Overdue payments
- ✓ Defaults (> 60 days overdue)
- ✓ Insolvency and court actions
- ✓ Other serious credit infringements

**Why switch from negative to CCR data? Here are 5 compelling reasons.**

<sup>1</sup> As Access Seekers are working on behalf of individuals, they are entitled to see all data held on the credit report. This includes any positive reporting or Consumer Credit Liability Information (CCLI).

<sup>2</sup> You participate in CCR by contributing CCLI under the Principles of Reciprocity & Data Exchange (PRDE)

# A New Generation Of Credit Scoring

Included in your report is a credit score using our next-generation scorecard model, [One Score](#). A two-time winner for innovation at the Australian Business Awards, One Score is more predictive across all portfolios, allowing you to reduce default rates or raise approval rates without taking on more risk.

This powerful multi-data risk score supplements traditional credit history, enquiry and available CCR data with alternative data (e.g., geodemographic & Buy Now Pay Later) to provide a more complete and consistent picture of consumer credit risk.



With the use of patented NeuroDecision™ Technology (NDT), the methodology underlying One Score is unique to Equifax.



A score that is explainable and actionable to educate consumers and inform business decisions across the credit lifecycle.



One Score is Equifax's most predictive and reliable score to date.



One Score leverages an unrivalled repository of extensive CCR data and broad alternative data sources.



Allow lenders to improve application approval rates and/or better manage the risk of future bad debt.



Winner of Product Innovation and New Product Innovation at the Australian Business Awards.

**Equifax and Mastercard  
team up to introduce  
new Open Score bank  
transaction score.**

# The key contributing factors<sup>3</sup> that influence our credit scores:



<sup>3</sup>These are some of the contributing factors from a huge number of variables that make up the credit score in an Equifax Apply report. Please note that Equifax produces a wealth of business credit reports, each with a unique credit score model.

# Components of Your Equifax Credit Report

As the example for this guide, we have used an Equifax Apply report for Access Seekers and credit providers participating in CCR data sharing.

★ **Report Summary: Credit Score + Segment Overview**

★ **Identity Details**

★ **Credit Enquiries**

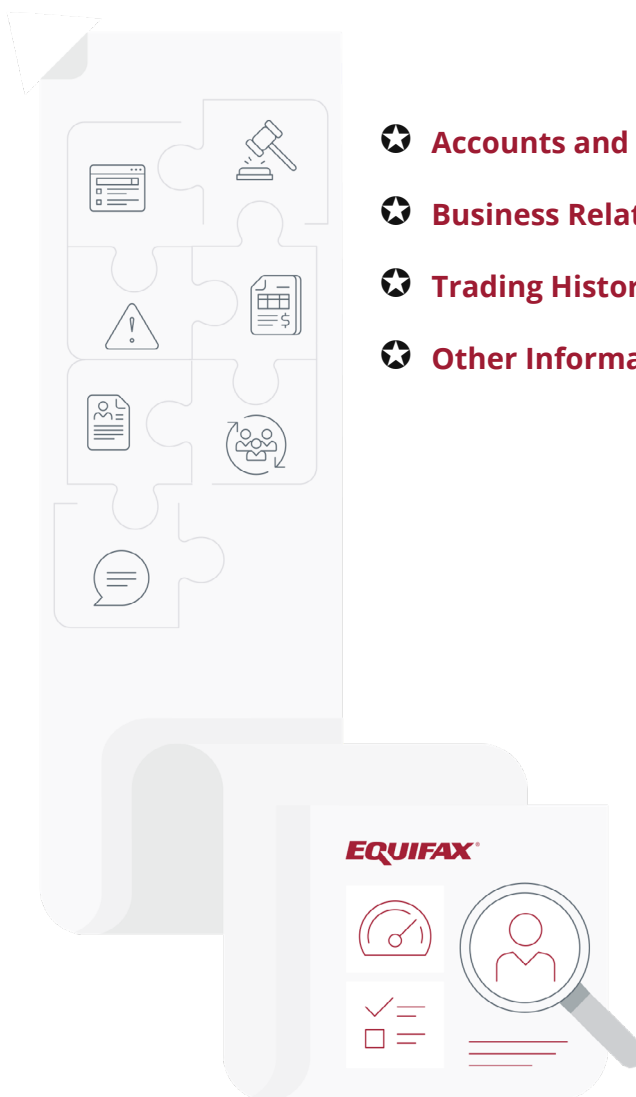
★ **Insolvency and Court Actions**

★ **Accounts and Repayments<sup>4</sup>**

★ **Business Relationships**

★ **Trading History<sup>5</sup>**

★ **Other Information**



Equifax compiles data on more than

**19.4**

million credit-active individuals

**3.4**

million active companies and businesses

**1.06**

million sole traders throughout Australia.

<sup>4</sup> In the Equifax Apply Negative report, this section is called Accounts and Defaults

<sup>5</sup> Optional extra at no additional cost



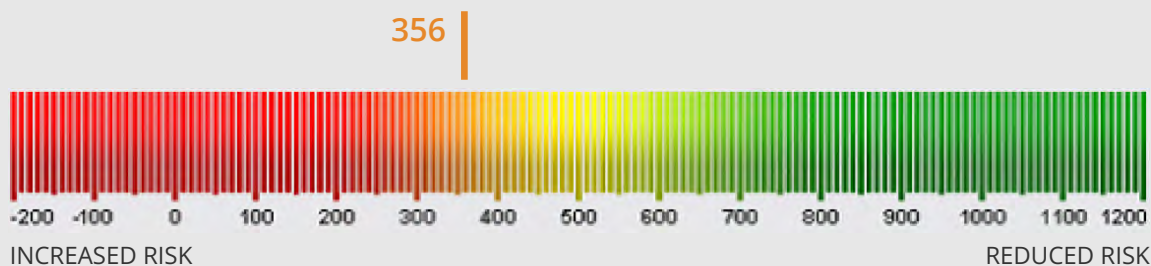
# 1 Report Summary

## A. Credit Score

The credit score is a summary and reflection of all the information in the credit report.

It also shows the probability that a consumer will have an adverse event within the next 12 months, including becoming 90 days or more overdue.

### Comprehensive Score



**25% chance of adverse (incl. repayment 90+ days overdue) recorded at Equifax in the next 12 months**

Score (Negative data only): **730**

VedaScore 1.1: **595**

Ranging anywhere from -200 to 1,200, the higher the score, the lower the risk. Green is good, red is bad, and yellow-orange is in between. Here's an example:



**Equifax Score is 850**

The probability that Mary will miss payments or default on her loan is less than 1%. That is "GOOD".



**Equifax Score is 185**

The probability that John will miss payments or default on her loan is more than 50%. That is "BAD".

**Under the score, we provide a % chance of adverse. This percentage shows how quickly, within the next 12 months, the consumer will likely fall into arrears.**

**You can request up to three scores on your report:**

1. Comprehensive score - based on One Score, including CCR data. Available to Access Seekers and credit providers who hold a credit licence and share payment information on their customers.
2. Negative score - based on One Score, excluding CCR data.
3. VedaScore 1.1 - our legacy model, calculated using older scoring models and methodologies.

**Score key contributing factors****Frequent Applications for Credit**

The nature and frequency of applications for credit may be an indicator of higher credit risk.

**Existing Mortgages or Applications**

Having Residential Mortgage accounts and/or enquiries is an indicator of stability and responsible use of credit.

**Strong Credit History**

Having no arrears or defaults demonstrates better credit risk.

**Instability of Residence or Employment**

Recent residential or employment changes may indicate higher credit risk.

**Our credit scores are calculated at a point in time and will change each time new information is added to the credit report. Our comprehensive and negative scores use machine learning technology to draw upon a broad range of recent and longer-term information about a consumer.**

**Score Key Contributing Factors**

These explain the score by highlighting both positive and negative influences.

The number of ticks and crosses demonstrates the strength of impact. For example, a default or court action can significantly reduce the score, as indicated by three red crosses. Conversely, a different adverse event with just one box crossed signifies a lower impact. To delve deeper into a Key Contributing Factor, refer to the relevant section in your report.

**Negative impact****Positive impact**



## B. Overview of each segment

Under the title Headlines, you will see a snapshot of the information contained in the report.

### Headlines

Adverse on file	No	Worst RHI status last 24m	5
Credit enquiries	2	Financial Hardship Information (FHI) Insolvencies & Actions	Yes
Accounts	2	Business relationships	0
Defaults	0	Disq. directorships	0
Total limit	\$32,500		

A summary of each section of the report follows this.

### Credit enquiries & defaults

No. of enquiries: 13 No. of defaults: 0

Data	Consumer	
Time since last enquiry	0 month	
	Number	Total
Enquiries in the last 3 months	2	\$605,000
Enquiries in the last 5 years	13	\$1,259,258
Defaults	0	-

### Personal insolvencies & court actions

No. of actions: 0

Data	No. of actions
Personal insolvency	0
Default judgement	0
Other court actions	0



## 2 Identity Details

This is where the identity information about the consumer is listed, enabling you to check you are dealing with the correct individual. Full Identity Reporting (FIR)<sup>6</sup> is used in this report to give you the complete picture by collating details of the primary and other identities.

Identity details				
Identity		Identities: 2		
ID source	Names	First reported date	Last reported date	Last credit enquiry
Primary				
P	Bonnie PETERSON	26 Oct 2009	26 Sep 2016	16 Feb 2017
Cross references				
X1	Bonnie SMITH	13 Nov 2007		23 Sep 2015

### ID Source

The primary identity is labelled ID Source P (for Primary).

- ★ Cross references are labelled with an X. This shows the consumer has more than one file on the Bureau database. For example, when a consumer marries and changes their surname, a credit provider re-entering this information might create a duplicate file. We cross-reference and de-duplicate these files and return them within a single report.
- ★ X1, X2, and X3 refer to how many files the identity has been cross-referenced with, depending on how many occasions there have been changes to the individual's identity. View these via the Identity Tab.

### First reported date

When the data was first reported to Equifax.

### Last reported date

When the data was last reported to Equifax.

### Possible matches

Sometimes, your applicant may have multiple files that haven't been cross-referenced. In this instance, we return the identity details of this second file as a possible match.

Possible match	Possible match: 0
Not present on file	

<sup>6</sup> The full extent of identification information returned is within the compliant bounds imposed by the Privacy Act 1988

### No file found

An error message is displayed if no file is found for your applicant. When this occurs, check the following:

- Is there a typo in the identity details you inputted?
- Were all possible identity details inputted?
- Has the applicant moved states recently?
- Is the applicant known by another name?
- Has the applicant recently come to Australia?
- Has the applicant applied for credit in the past 5-7 years?

The more identity information you can provide about your applicant, the more able we are to retrieve and match the subject of enquiry.

Superior match rates – strong match returned 97% of the time

**Superior linking, matching and correlation capabilities can make all the difference in identifying risk. Our broad range of data points and intellectual property in complex matching and retrieval algorithms help to identify lost opportunities from dropped or hidden data.**



## 3 Credit Enquiries

Credit enquiries made by your applicant, both consumer and commercial, will appear here. You'll find out the date they applied for credit, where they applied (enquirer), the ID source and what type of credit (account type).

The Date and Enquirer fields show how frequently your applicant has applied for credit from different lenders. If there are multiple hard enquiries within a brief period, it may suggest financial stress because they are 'shopping-around' for credit. While this can slightly decrease the score, the impact is minimal. What you'll want to focus on are the specific credit providers and types of accounts they've applied for.

Consumer enquiries				Total number: 13   Total value: \$1,259,258		
Date	Enquirer	ID source	Account type	Amount	Role	Reference no.
03 Feb 2022	DP3TEST	P	Credit Card	\$5,000	Principal (sole)	
03 Feb 2022	THINK TANK	P	Real Property Mortgage	\$600,000	Principal (sole)	
30 May 2021	PREMIER BANK	P	Real Property Mortgage	\$195,000	Principal (sole)	REF123
29 May 2021	TELSTRA	P	Telecommunications Services	\$1,500	Principal (sole)	
27 May 2021	AMERICAN EXPRESS	P	Credit Card	\$35,300	Principal (sole)	
26 May 2021	ANZ COLLECTIONS	P	Credit Card	\$13,000	Principal (sole)	
20 May 2021	REGIONAL AUST BANK LIMITED	P	Personal Loan (fixed term)	\$6,395	Principal (sole)	1488945583546
18 May 2021	PEPPER AUSTRALIA*	P	Auto Loan	\$34,963	Principal (sole)	AU-1006269
25 Apr 2020	ITIG TCPIP 003 ACTIVE BRANCH	P	Credit Card	\$5,000	Principal (sole)	
25 Oct 2019	VXML 003 ACTIVE	P	Telecommunications Services	\$100	Principal (sole)	VX CONCOM04
21 Jun 2019	CITIBANK	P	Credit Card	\$5,000	Principal (sole)	CC084523
05 Jun 2019	WA CREDIT UNIONS P/L	P	Real Property Mortgage	\$358,000	Principal (joint)	MORTW8956
09 Jul 2018	SNAPTEL	P	Telecommunications Services	\$0	Principal (sole)	PAYGO8945

### Amount

Discloses how much credit the applicant is applying for. If the credit provider hasn't recorded this information (there is no obligation to), the amount will be \$0. This omission will impact the 'Total Value' figure listed on the top line.

### Role

Principal refers to the applicant as the primary individual obtaining the loan, either alone (sole) or with a partner (joint). A Guarantor is listed if the applicant is getting the assistance of another individual to obtain the loan.

### Reference no

Useful when searching for previous enquiries. If the Reference No or the Role fields appear blank, this means the applicant or lender did not fill them out.

### Hard enquiries vs. soft enquiries

Hard enquiries, made by credit providers when assessing credit applications and funding loans, will impact an individual's credit score as they leave a visible footprint on their credit report. In contrast, soft inquiries, conducted by brokers acting on behalf of an applicant while accessing their credit file, with consent, do not leave a footprint and do not affect the credit score.

**Credit enquiries remain on file for up to five years.**



## 4 Insolvency and Court Actions

If your applicant has entered into an insolvency or had any court actions, writs or summons against them, this is where it will be listed. This section includes publicly listed information from ASIC, ASFA and the courts.

• <b>Personal insolvencies</b>	Total number: 0
Not Present on file	
• <b>Default judgements</b>	Total number: 0
Not Present on file	
• <b>Other court actions</b>	Total number: 0
Not Present on file	

### Personal insolvencies

Remains on file for seven years from the date of listing.

### Default judgements

Refers to decisions made in favour of the creditor/plaintiff that the debtor/defendant owes the claimed monies.

### Other court actions

Refers to writs, summons, claims or statement of claims ordering a party to appear in court or to carry out some other actions. For individuals, this will only be displayed where the writ/summons is associated with a commercial credit contract.



## 5 Account and Repayments<sup>7</sup>

Reviewing your applicant's account data and repayment history helps illustrate how quickly they typically repay bills. You will also see hardship arrangements and defaults listed here.

Access Seekers and credit providers participating in CCR data sharing will have the following CCR account data included:

- ★ account type
- ★ start and cease dates
- ★ number of open accounts
- ★ account status
- ★ latest limit
- ★ length of term
- ★ loan repayment method
- ★ ID source (see section 2)
- ★ relationship (see 'role' in section 3)

Personal loans

Accounts: 1

Defaults: 0

Worst repayment status: 5

Accounts with FHI: 0

VSA 003 NEGATIVE BRANCH L (273013071821)

Open date

Status

Latest limit

07 Apr 2019

Open

\$25,000

Repayment history & financial hardship information

2020

2021

2022

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

Jun

Jul

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Other details

ID source

Association

Account type

Relationship

Term

Loan payment method

Latest start date

Latest cease date

P

07 Apr 2019

Personal Loan (revolving) (Unsecured)

Principal (1 of 1)

Ongoing or unspecified (Revolving)

Principal and Interest in full

<sup>7</sup> In the Equifax Apply Negative report, this section is called "Accounts and Defaults"



### Repayment History (RHI)

Shows the progress of the payment schedule every month for up to two years - refer to the Australian Credit Reporting Data Standards codes below. Your applicant's repayment history can show when a negative credit event has impacted them and they have self-cured.

0 = Current and up to date

1 = Up to 29 days overdue (after grace period<sup>8</sup>)

2 = 30-59 days overdue

3 = 60-89 days overdue

4 = 90-119 days overdue

5 = 120-149 days overdue

6 = 150-179 days overdue

X = 180+days overdue

C = Closed account

A = The account was open but not applicable to the subject of this report

R = Repayment data not reported for this period

P = Pending as repayment data not yet available

T = Transferred account to another credit provider

**Note:** the definitions of 0 and 1 change to the below in the event of the applicant receiving a period of temporary relief or deferral of a Financial Hardship Arrangement. ARCDS V3.0 defines these codes.

Code	Description
0 (zero)	No amounts due under the temporary relief or deferral FHA remain unpaid for the RHI-FHI period (regardless of whether payments due under the terms of the credit contract remain unpaid. No grace period applies.)
1	An amount due under the temporary relief or deferral FHA remains unpaid for the RHI-FHI period.

<sup>8</sup> Grace period refers to time between when an account first goes into arrears and when it was actually paid - which is 14 days under the Privacy Act (Credit Reporting) code 2014.

### Financial Hardship Information (FHI)

Indicates where the account is currently in a Financial Hardship Arrangement with the credit provider for this account. The Australian Credit Reporting Data Standards, ARCA, specify the codes.

Code	Description
A	Temporary relief or deferral financial hardship arrangement
V	Variation financial hardship arrangement.

FHI information is retained for 12 months and cannot be used in credit scores. It can only be disclosed where the consumer is seeking access to new credit.

### Defaults

Consumer defaults must be over \$150 outstanding, the account must have exceeded 60 days overdue (and any grace period) and S6Q and S21D collections notices sent.

The credit provider that lists a payment default entry on a consumer's credit file is obligated to update the entry when the outstanding amount is paid in full. Even upon payment, the default entry is not removed from the credit site, only updated to paid and the credit score restored. A record of the default remains on file for five years from the original date of listing.

Consumer Accounts

Personal loans

Defaults: 1

CITIBANK (DF3458)

Original credit provider: ITIG TCPIP 003 ACTIVE BRANCH

Payment defaults

Default status	Default association		Original		Latest	
	Start date	Cease date	Date	Amount	Date	Amount
Outstanding			26 Nov 2012	\$900	26 Nov 2012	\$900

Other details

ID source	Association		Account type	Relationship	Term	Loan payment method
	Start date	Cease date				
P			Personal Loan (fixed term)	Principal		

**Improved data availability through CCR assists responsible lending by facilitating a more thorough appraisal of your applicant's ability to repay. While income and expenses can help identify indebtedness, the addition of liabilities and performance history gives a more accurate and rounded picture of a consumer's financial situation.**

## 6 Business Relationships

Here you'll learn about your applicant's connections with any business entities. Warning signs from their past can be revealed when joining the dots between their proprietorships and directorships - current, previous and disqualified. Our credit reports incorporate proprietorship data, including sole traders and partnerships.

Business relationships	
• <b>Business names</b>	Total number: 1
<b>CITIBANK</b>	
Data	Detail
Australian Business Number	88004325080
Business Registration Number	
Registration State	
Registration Date	15 Apr 2014
File Number	204022965
• ASIC extract date & time <sup>1</sup>	
• Last ASIC update & time <sup>2</sup>	
ID source	P
<small>1. Details were sourced from ASIC's Business Names Record on the given date &amp; time.  2. Updates to the Business Name, Business Registration Number &amp; Business Registration State sourced from ASIC on the given date &amp; time.</small>	
• <b>Current directorships</b>	Total number: 1
<b>BALLINA GOLF CLUB LTD</b>	
Data	Detail
Company Status	Organisation is under strike-off action
Australian Company Number	00504441
Australian Business Number	
Appointment date	12 Sep 1989
File Number	201193040
• ASIC extract date & time <sup>1</sup>	19 Oct 2012
• Last ASIC update & time <sup>2</sup>	
ID source	X1
<small>1. Details were sourced from ASIC's Business Names Record on the given date &amp; time.  2. Updates to the Business Name, Business Registration Number &amp; Business Registration State sourced from ASIC on the given date &amp; time.</small>	
• <b>Previous directorships</b>	Total number: 0
Not present on file	
• <b>Disqualified directorships</b>	Total number: 0
Not present on file	

### Business names

Identifies the proprietorships associated with your applicant. Remains on file until Equifax is notified of ownership conclusion.

### Current directorships

Determines the applicant's current directorships, as listed by ASIC. Remains on file until Equifax is notified of directorship cessation.

### Previous directorships

Shows companies where your applicant was previously a director, retained on file for 10 years from notification. Also includes disclosure of 'Phoenix activity', where a director has a history of closing and opening new businesses to avoid paying debt.

### Disqualified directorships

Indicates your applicant has been disqualified as a director and is not permitted to hold any directorship role for the period of disqualification. Remains on file for the disqualification term plus five years.

### ASIC extract data & time/ ASIC update & time

Shows the currency of the data. ASIC data is more frequently updated, refreshed and enriched when a third-party data provider has a large number of customers. Equifax provides over 100M ASIC reports to customers every year, enabling us to draw on a rich data set of ASIC company and director search information.



**Tip! Be sure to tick the Commercial Information checkbox when requesting a report in IQ Connect.**

**Credit reports which contain information about an individual and their business finances in a single report can give you the complete picture you need to make an informed risk assessment.**

## 7 Trading History

Trading History is an option you can select when requesting a report. If your applicant has been or is a director of a business, this section will list all the companies they are or have been associated with. You will also see if there are any adverse like bankruptcies, insolvencies, defaults or court actions, providing a more comprehensive profile of your applicant.

BOB THE BUILDER

Australian Business Number	65000105233
Business Registration Number	BN145210
Registration State	NSW
Registration Date	04 Feb 2014
File Number	203714226
ASIC extract date & time <sup>1</sup>	21 Sep 2017 - 17:18
Last ASIC update & time <sup>2</sup>	
ID source	P

1. Details were sourced from ASIC’s Business Names Record on the given date & time.

2. Updates to the Business Name, Business Registration Number & Business Registration State sourced from ASIC on the given date & time.

Summary			
Enquiries	4	Proprietors	2
Payment Defaults	3	Court Writs	1
Mercantile	1	Court Actions	1

### Benefits of understanding the trading history of an applicant

- **Comprehensive financial picture:** Provides a more complete picture to help you assess your applicant's financial responsibilities not only as a consumer but also as a business proprietor or director.
- **Risk assessment:** A history of business-related financial issues could raise concerns.
- **Debt service capacity:** Business financial obligations can impact your applicant's personal debt service capacity.
- **Fraud prevention:** Helps you detect any attempts to conceal business-related financial issues.

## 8

## Other Information

Notes and messages are sometimes added to specific sections of the report. Here's an explanation of what they mean.


### File Notes

These are notes that have been added to the file by your applicant. Often, the note relates to a request for amendment to public records or commercial data.

### Special case score

These alert you to the following situations:

- There is not enough information on the report to generate a credit score
- Information present on the file will greatly impact the score, such as an arrangement under the Bankruptcy Act (1966)
- The identity is deceased.

Scores	
Comprehensive Score	
<b>Exclusion - Part X Personal Insolvency Agreement</b>	
 Unable to provide a score as our records indicate that this individual is or has been in a personal insolvency agreement.	
<b>Score (Negative data only):</b> Exclusion	<b>VedaScore 1.1:</b> Exclusion

### Bans

Where a credit report has a ban placed on it, we will return an error message like this:

Information
The individual has placed a ban on their credit report and as a result no information can be returned. This is an initial request and the ban will end on 22 Sep 2020.
Service Request ID: 200901-AN0KS-0041P





## 6 Ways You Can Improve your Equifax Consumer Credit Score

The specific steps that can improve your credit score will vary according to your unique circumstances, but here are some ways that can help almost anyone boost their credit score over time:

1

### **Pay on time**

Payment history makes up a significant portion of your credit score, so pay your debts on time and in full whenever possible. Set up automatic payments and alerts to remind yourself of due dates for home loan repayments, credit cards and utility bills.

2

### **Pay off debt**

When you pay off debt, you demonstrate your ability to manage your financial obligations responsibly. This positive payment history can contribute to a better credit score over time. Defaults damage your credit score, so ensure any debt over \$150 does not go unpaid past 60 days.

3

### **Limit the frequency of new accounts**

Applying for multiple new credit accounts within a short period can raise concerns about your financial stability. Do your homework and decide on a provider before you submit a credit application.

4

### **Seek help early**

Defaulting on loans or having accounts sent to collections can severely damage your credit score. Reach out to credit providers to discuss hardship options.

5

### **Build your credit history**

The length of your credit history matters. Maintaining several accounts in good standing order can help demonstrate your long-term creditworthiness.

6

### **Keep track of your credit record**

Check your credit report periodically to ensure there are no inaccuracies or signs of identity theft and fraud. Sign up to [Equifax Credit & Identity Protect](#) to receive alerts about changes to your report and correct any inaccuracies promptly.



**If you have any questions about our consumer credit reports,  
please contact your Equifax Account Manager.**

**[equifax.com.au/business](https://equifax.com.au/business)**