

Credit Reporting Info Sheet 5 : Correcting your credit report

You have the right to seek correction of credit information

Inaccurate information could affect your ability to get credit. You can ask credit reporters to correct your information, and they'll work with credit providers and others to assist you, so contact them and get it sorted before you seek credit

Your credit report contains sensitive information about you, your current credit obligations and how you have managed credit in the past. This information can make or break an application for credit. Sometimes it may be seen by prospective employers or landlords. It may be in your interest to check your own report and ask to have any errors corrected.

If you seek credit, most credit providers will check your credit report with one of the national credit reporters. If the report contains prejudicial information – like defaults, judgments or records of missed repayments – then credit may be declined.

Credit reporters are required by law to be very careful to ensure that the credit information they hold about people is accurate and up-to-date. Even where credit reporters have good systems to maintain accurate records, errors can nonetheless occur in the millions of records they hold and update. Some of the reasons for inaccuracies may include:

- Mixing up information about you and someone else.
- A credit provider wrongly listing a debt that you dispute.
- Delayed updating of records of facts that have changed.
- Human error such as data entry mistakes.
- Fraud by someone impersonating you.

Accordingly, it's worth checking your credit report – you may be in the best position to spot an error. You have a right to get errors fixed.

It's worth remembering, though, that some information will remain on your credit report even if you've since taken action to address a problem. For example, defaults will remain on your credit report for a period after you've paid them off in part or full, although they should be updated to show the reduced amount owing or be shown as paid off. Records of missed repayments will remain for two years. The law specifies maximum periods for which various types of information may continue to be reported.

The best way to find out if your report contains inaccuracies is to regularly ask the credit reporters for a copy of it.⁽¹⁾ You can then check through the information and make sure it's right.

If you do find an error, you should promptly contact the credit reporter to point it out and ask for it to be corrected. The credit reporter will usually check the information you provide with the source (the bank or the power company for example). During this process, the credit reporter will either suppress the disputed information or flag your report to show what information is disputed and that it is being checked for accuracy.

The credit reporter should make a decision on your request for correction within 20 working days (if a longer time is needed to check the information the credit reporter should notify you of an extended time and explain why). The credit reporter will either correct the disputed information or, if that's not appropriate, tell you why it is not willing to make the requested change. You can ask the credit reporter to attach a statement to the information, to show that you dispute it. You also have the right to complain to the Privacy Commissioner if you're not happy with a credit reporter's failure or refusal to act on a correction request.