



Five Ways to Increase your Credit Score

Very few people have a perfect credit score, but that doesn't have to be a barrier to achieving your property dreams.



Yes, it's tough right now, and the credit crunch, cost of living crisis, and turbulent markets are making lenders look more closely at each and every application. But with the right team behind you, almost anything is possible.

A powerful first step is to check what your current credit rating is. Check your credit score with **checkmyfile.com** for free when you sign up for a 30-day Free Trial*. Make a note of your score today, and then follow our simple five step plan to improve this as much as possible.



CHECK YOUR CREDIT SCORE

*After 30 days a fee applies. The trial, or subscription, can be cancelled at any time. When departing from the regulatory site of Win Financial, neither Win Financial or PRIMIS Mortgage Network is responsible for the accuracy of the information contained within the linked site.

FIVE WAYS TO INCREASE YOUR CREDIT SCORE

1. Register on the Electoral Roll

Super-simple but it's surprising how many people still aren't registered on the electoral role where they currently reside. Young adults, students, and those who recently moved house are amongst those most likely not to have, but there are plenty more who've lived in a property for some time and haven't gotten around to it. According to The Electoral Commission, in 2018, those in privately rented accommodation were the least likely to register to vote (only 58% registered) and yet it's a legal requirement and could see you handed a penalty of £1000 for failing to do so.

When you do register, your electoral details are recorded on your credit report and this data makes it easier for lenders to confirm your name and address. Not only does it save time on credit applications, but it's a strong tick in the 'known and trusted' box for lenders. Visit <https://www.gov.uk/register-to-vote> for more information.



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2. Reduce your Unsecured Credit

There are two types of credit. Secured credit is something like a mortgage which has been borrowed against some form of capital (in this case, your home). It's considered less risky because if you default on the loan, the lender has something of value to seize instead.

Unsecured credit is things like credit cards, some personal loans, and payday loans. A large amount of unsecured credit doesn't look great on your credit score as it can be seen as a sign of poor financial management and over-reliance on credit to live (which makes you feel a riskier bet to lenders).

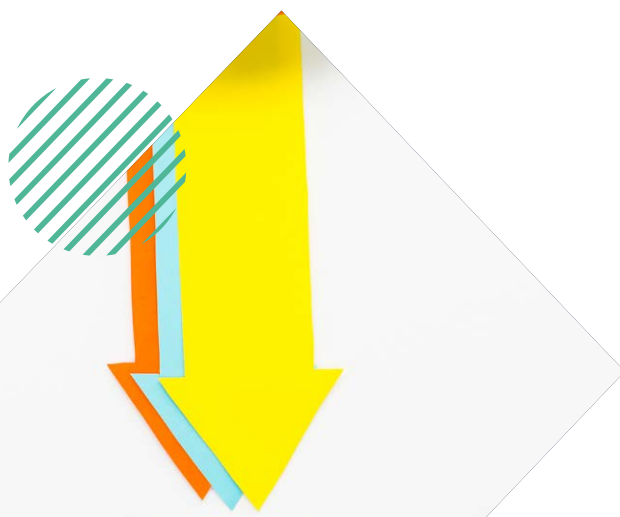
One thing that all lenders will look at is your Credit Utilisation Ratio. This is how much money you have 'spent' out of your total available credit. If you have a credit card with a total credit limit of £5,000 and the total amount owing on that card is £2500, then your Credit Utilisation Ratio would be 50%, for example. Try and get your Utilisation Ratio down to under 25% and you should see a positive bounce in your credit score.



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3. Reduce Your Available Credit

This may seem counter-intuitive if you're trying to reduce your Credit Utilisation Ratio, but having access to too much credit can be a real red flag for lenders. Reducing the credit you use, and the credit you have available, makes you appear a safer option. Cancel cards with a £nil balance, focusing on any that charge you fees first. And always cancel newer cards before those you've had for longer, to make sure you keep any kudos for longer-standing lines of credit.



4. Pay By Direct Debit

Life's busy and it's easy to miss a payment date, but if you do this your credit rating will feel the effects. Missed payments stay on your credit score for six years, and for the first couple of those years in particular, they have a significant negative impact. It doesn't matter how much the missed bill was for, it's considered to show a lack of reliability and that makes many lenders nervous. Setting up a direct debit takes that risk away, and you can set it for the full amount, the minimum payment, or a set amount of your choice.

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5. Build your Credit History

Having no credit history at all is far from a good thing and can prevent you from obtaining credit, as lenders have no way to assess your ability and willingness to repay your debts. If you don't have any credit cards, get one on the lowest interest rate possible, use it for regular outgoings such as your shopping or petrol each month, then pay off any balance in full so you avoid incurring interest. Within just a few months you'll start laying down the foundations of a positive credit history and your lending options will open-up.

Five simple steps, but five powerful – and pretty speedy – ways to breathe life into your credit score. But if these actions don't lift your score much, or you're struggling to secure the mortgage you need to make your perfect move, then do get in touch with a good broker. Unlike the core banks and finance houses, brokers go out to the whole market and they know each lender's preferred criteria.

Yes, you may not meet the criteria of one, but there's often another where that matters less. At WIN Financial we have access to over 70 different lenders, giving you access to thousands of products, including broker-only or exclusive deals. Best of all though, our advisors are approachable, enthusiastic, and above all knowledgeable, with over 40 years' experience in the financial services industry.

A large graphic on the left side of the page. It features a hand holding a colorful pie chart with segments in green, yellow, orange, and red. A large, dark blue key icon is positioned over the chart, with its handle pointing towards the top right and its shaft pointing towards the center of the chart. The background is a dark blue gradient with some teal and white geometric patterns.

Call **03302 234441** or email **info@winfinancial.co.uk** for a no-obligation chat and let us help you breath life into your property dreams.