

Lenders use your credit score (or credit rating) to decide whether to give you credit or lend you money based on their assessment as to what type of risk you pose.

Your credit score is based on personal and financial information about you that's kept in your credit report.

If you've thought to apply online to see how much you can borrow for a car, a home or any other financial product, this enquiry will most probably appear on your credit report. If you're a late payer for your bills, your loans or haven't paid a mobile phone bill years ago when you were 18 years old, this too appears on this report as a black mark.

Your credit report can haunt your financial life and your abilities for a very long time and most banks have a policy that if you've made more than 3 enquiries in the last 6 months, they will automatically decline your loan application.

In other words, if you've applied to 3 different banks for a loan to see who can give you a better rate or better terms, this will cause your applications to fail. This is one of the many reasons you should never go directly to a bank but go to a broker like Chocolate Money for all your lending enquiries.

Making a mistake with your credit report in this environment can really stifle your hopes, dreams and aspirations regarding home ownership or money for your business so always use the services of an experienced finance brokerage.

If you would like a copy of your credit report for free, you can access it from any of these companies:

- [Experian](#) 1300 783 684
- [illion](#) 132 333
- [Equifax](#) 138 332

If you would like to discuss your finances and lending options, contact Chocolate Money on 1300 137 539.