



Fair Score

LET'S TALK ABOUT

CREDIT 101:

YOUR GUIDE TO
UNDERSTANDING AND
IMPROVING YOUR
FINANCIAL HEALTH

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FAIRSCORE.CO.ZA

A YOUTHFUL CONSUMER GUIDE FROM
FAIR SCORE AFRICA

INTRODUCTION

CREDIT DOESN'T HAVE TO BE CONFUSING!

WHETHER YOU'RE JUST STARTING OUT OR WANT TO TAKE CONTROL OF YOUR FINANCIAL FUTURE, THIS GUIDE WILL EXPLAIN CREDIT, HOW IT WORKS, HOW TO READ YOUR REPORT, AND WAYS TO IMPROVE YOUR SCORE.

BY THE END, YOU'LL UNDERSTAND HOW TO USE CREDIT RESPONSIBLY AND WHY IT MATTERS FOR YOUR FINANCIAL INDEPENDENCE.

Disclaimer:

The information provided in this guide is for educational purposes only and does not constitute financial, legal, or credit advice. Fair Score Africa makes no warranties regarding the accuracy, completeness, or applicability of the information. Consumers are encouraged to verify information with official sources and seek professional advice before making financial decisions. Participation in Fair Score programs does not guarantee specific credit outcomes.



COURSE CONTENT

CHAPTER 1. WHAT IS A CREDIT BUREAU?

- A **credit bureau** is like a report card for adults - it tracks how you manage money, loans, and credit.
- **Why it matters:** Banks, lenders, and even landlords check your credit report before giving you a loan, credit card, or rental.
- **In South Africa:** Major bureaus include TransUnion, Experian, and XDS.
- **Tip:** Check your credit report regularly to catch mistakes or fraud.

CHAPTER 2. HOW TO READ A CREDIT REPORT

A credit report lists:

1. **Personal Information:** Name, ID number, address
2. **Credit Accounts:** Loans, credit cards, store accounts
3. **Payment History:** On-time payments, late payments
4. **Defaults & Judgments:** Missed payments, court actions
5. **Enquiries:** Who checked your credit report

Action tip: If you see errors, you can dispute them with the bureau - it's your right!



CHAPTER 3. PROS AND CONS OF CREDIT

Pros:

- Builds your financial history
- Helps buy big things (home, car, education)
- Can improve your credit score if you pay on time

Cons:

- Late payments hurt your score
- High debt can trap you financially
- Applying for too much credit too often can lower your score

CHAPTER 4. HOW CREDIT SCORES WORK

Your **credit score** is a number showing how likely you are to repay borrowed money.

Weighted factors in South Africa:

- Payment history — 35%
- Credit utilization — 30%
- Length of credit history — 15%
- Types of credit — 10%
- New credit applications — 10%

Tip: A higher score = better access to loans and lower interest rates.

CHAPTER 5. GOOD CREDIT ETIQUETTE

- Pay bills and loans **on time, every time**
- Keep credit card balances **low**
- Don't apply for **too much credit at once**
- **Check your credit report** regularly
- Avoid unnecessary debt - only borrow what you can repay

CHAPTER 6. HOW TO IMPROVE YOUR CREDIT SCORE

1. **Pay off debts strategically:** Focus on small debts or high-interest first
2. **Keep old accounts open:** Shows a longer credit history
3. **Limit new applications:** Each credit check can reduce your score
4. **Use alternative credit reporting:** Fair Score Africa can help you build a positive record even if you have little to no bank history

CHAPTER 7. FINANCIAL TIPS FOR SOUTH AFRICA'S EXCLUDED MARKET

- Understand **alternative credit options** if you don't have a bank account
- Keep records of all payments (rent, services, subscriptions)
- Use services like **Fair Score Africa** to create a financial identity
- Avoid **debt review** unless absolutely necessary - being on debt review can **stop you from building your credit for 5 years**

CHAPTER 8. TAKING CONTROL WITH FAIR SCORE

- **Score Recovery Program:** Get help to repair your score while staying compliant
- **Alternative credit scoring:** Shows lenders your responsible behavior beyond traditional data
- **Why it matters:** Builds trust with lenders and opens access to more opportunities
- **Call-to-action:** Check your score, use Fair Score tools, and take control of your financial future today!

CONCLUSION

Credit reports are not just documents - they are **financial passports** that determine access to credit, housing, employment, and more. By learning how to interpret and manage them, consumers gain control over their financial futures.

Fair Score Africa is committed to equipping individuals with knowledge and tools that promote financial inclusion, fairness, and transparency.

NEXT STEPS

- Review your own credit profile assessment.
- Learn how to dispute inaccuracies.
- Stay proactive in managing your financial health.