

Credit Repair For Yourself

Contributed by Martin Sumner
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Having a bad credit rating can be a serious problem affecting people's lives in all kinds of ways. Quite apart from making it more difficult to obtain credit, a poor credit rating will mean that the costs of the credit you manage to be approved for will be much higher, meaning you'll have less money to spend on the more enjoyable parts of life.

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There's no doubt that most people with credit problems would happily clean up their credit ratings if they could, and there are indeed thousands of websites claiming that it's easy to repair your credit. Some of these claims are at best dubious, while others are even downright illegal.

Unfortunately, there's no 'magic bullet' you can use to repair an impaired credit rating, at least while staying within the law. That doesn't mean, however, that you're stuck with poor credit and that there's nothing you can do. There are a few simple strategies you can use to begin to improve the situation.

Firstly, you need to get hold of your credit record. The big credit reference agencies share data among themselves, so it doesn't really matter which one of them you request a copy of your file from - they'll all contain much the same information.

Once you've obtained a copy of your file, look through it and examine every entry. Is there anything on there that looks wrong? It's not impossible for your file to have information on it that's out of date, or simply incorrect. It's your legal right to challenge any incorrect details on your file, and have them corrected if necessary.

Make sure that any unpaid debts listed actually apply to you and not someone else - a previous occupant of your address, for example. Also make sure that any defaults you've since cleared are listed as being satisfied. While this won't remove the default from your file completely, it will lessen the impact on your rating.

The next step is to look if you have any outstanding debts which you could clear without too much trouble. Often, a debt will go unpaid during times of financial troubles, which could be paid off later on when your money situation improves. Clearing these small debts will also greatly improve your creditworthiness.

Once you've cleaned up your credit file as much as possible, and removed as much negative information as you can, it's time to start focussing on the positive - you need to get some 'good' entries on your credit file to counteract any 'bad' entries that remain.

The best way to do this is to apply for some kind of financial service that you'll be approved for, such as a credit card aimed at people with poor credit scores, or even one of the secured or prepay cards which offer close to 100% acceptance, also making sure that the company issuing the card reports back to the credit reference agencies.

As you use the card responsibly in the future, keeping up your repayments, then this will be entered onto your credit file. Over time, you'll find that your credit rating will begin to improve, allowing you to move on to more mainstream, cheaper, credit options.

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<http://www.bad-credit-solutions.co.uk/>