

Credit reports – a consumer guide

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A credit report is a record of a consumer's credit history, such as information about credit applications (known as enquiries), open and closed credit accounts, payment defaults, and court judgments about unpaid debts.

Credit reports also include a credit score. This is a number between 0 and 1,000 that indicates how likely a consumer is to pay their bills and debts on time. The higher the score, the better the consumer's credit rating is.

Credit reports are produced by credit reporters. They collect information about consumers from businesses such as banks, lenders, electricity and gas providers, phone and internet providers, and debt collectors.

If a consumer does not have a good credit history, it may impact on their ability to borrow money or to get goods and services on credit. It may also have other impacts on a consumer – for example, a landlord may want to check a consumer's credit history before offering a tenancy on a rental property.

We encourage consumers to check their credit report each year to make sure it is accurate.

How does a consumer get their credit report?

A consumer gets their credit report from the credit reporters. Each credit reporter has information on their website about this process.

A consumer may want to get their credit report from all three credit reporters. The information each credit reporter has for a consumer may be different. Each credit reporter has different processes, and some businesses share information with only one or two credit reporters (not all three credit reporters).

Credit reports are free, but consumers may need to pay a fee if they want their credit report urgently.

Who are the credit reporters?

There are three credit reporters in New Zealand. They are:

- > [Centrix](#)
- > [Equifax](#)
- > [illion](#).

What complaints can FSCL help with?

We can investigate complaints about information a financial service provider has given a credit reporter.

Most complaints about credit reports we receive are about lenders or debt collectors that have bought debts from lenders, such as complaints where a consumer wants a disputed loan default removed from their credit report.

We also receive complaints about other types of financial service providers, such as complaints about a financial adviser reporting unpaid fees to a credit reporter, but these types of complaints are less common.

Our guide about [debt collection](#) explains when we can help with a complaint about a debt collector.

What complaints can FSCL not help with?

We cannot investigate complaints about credit reporters. They are not financial service providers, and they are not members of our service.

If a consumer has a complaint about a credit reporter, we will refer them to the credit reporter or the [Privacy Commissioner](#).

The credit reporters have processes for consumers to dispute information on their credit report.

The Privacy Commissioner can investigate complaints about privacy, including complaints about breaches of the Credit Reporting Code 2020. The Code has rules that the credit reporters must follow about information they collect, hold, use, and disclose to third parties.

Can FSCL get a consumer's credit report?

We cannot get a consumer's credit report from a credit reporter.

When we investigate a complaint about a credit report, we usually ask the consumer to give us a full copy of their credit report.

Will the credit report be changed?

We can require the financial service provider to change the information they have reported to a credit reporter – for example, to remove a loan default or to remove all information about the debt. The credit reporter should then update the information on the consumer's credit report.

We will only require a financial service provider to do this if we are satisfied there are reasonable grounds for the credit report to be changed – for example, because:

- > the provider gave the credit reporter incorrect information
- > we agree with the consumer's reasons for disputing the debt
- > a lender did not clearly communicate with the consumer about their loan.

We do not expect a financial service provider to change the information they reported about a debt if they did not do anything wrong and the information they gave the credit reporter was accurate.

What can a consumer do if their complaint is not resolved?

If a consumer is not satisfied with the outcome of their complaint about their financial service provider, the consumer can discuss their concerns about their credit report with the credit reporter.

Consumers may want to ask the credit reporter to attach a statement on the credit report – for example, to record that the consumer disputes information on their credit report or to explain the reason for a default (such as job loss or illness).

A statement does not change the information on the consumer's credit report, but it may help someone, such as a prospective landlord or lender, understand the reasons for a consumer's negative credit history.

Case notes

The following are examples of cases about credit reports we have considered. Each case turns on its facts. More case notes are on [our website](#).

[Update my credit record](#)

Nicholas complained about a default on his credit report. He had not received letters about the debt because they were sent to his old address.

The debt collector said the letters were sent to the address on file. They offered to have the debt recorded as being paid, instead of a default, if Nicholas agreed to a repayment plan.

We concluded that the offer was reasonable. There were no grounds to completely remove the default listing. Letters about the debt were sent to Nicholas' last known address. He had not updated his address details with the lender that sold the debt to the debt collector.

[That's not my debt](#)

Henare was a victim of identity theft – someone fraudulently used his identity to take out a loan in his name.

To dispute the debt, the debt collector told Henare that he needed to give them a Police report about the fraud. However, the debt collector did not give Henare enough information about the debt to be able to report the fraud to the Police.

We contacted the debt collector and they agreed to give more information about the debt. Henare was then able to report the fraud to the Police.

The debt collector waived the debt, and the default was removed from Henare's credit report. The debt collector also agreed to pay Henare compensation for the inconvenience their delays had caused. It took him months to get the information he needed, and this only happened when FSCL contacted the debt collector.

More information about credit reports

[Consumer Protection](#) have information for consumers about credit reports. This includes information about:

- > what makes a credit score go up and down
- > how consumers get their credit report
- > complaining to a credit reporter and the Privacy Commissioner.

The [Privacy Commissioner](#) have a summary of consumer rights under the Credit Reporting Privacy Code 2020. The Code is also on their website.

[Sorted](#) have information about credit reports, including information about why having a good credit history is important and how to keep a clean credit record.

[Govt.nz](#) also have information about credit reports, including information for victims of scams and identity theft.