

06 Your credit report and credit score



Knowing your credit history is an important part of managing your debt

Your credit report has information about your past and present personal and financial situation. It contains a record of your bill-paying history, public record information, and prior inquiries by creditors into your credit history. Lenders use your credit report to decide if they should give you credit. It can also affect the rate of interest they give you on the form of credit (such as a loan). Credit reports may be used by landlords, employers and lenders – with your permission.

It is important that you get your free credit report once a year to check for any errors. The information on this page will help you:

- Get free copies of your credit reports
- Understand what's included in your credit reports
- Check your credit report for errors and signs of identity theft
- Dispute any errors you find

These worksheets were inspired by Indigenous financial wellness expert and artist Simon Brascoupé, co-creator of our Managing Your Money booklet.

Learn more about the inception of these resources and our commitment to reconciliation.

Reviewing your credit report

Get a free copy of your credit reports

There are two main credit bureaus in Canada: Equifax and TransUnion. The information they collect may be different, so it is important to check both reports once a year. You can get a free copy of your credit report at:

Equifax: <https://www.consumer.equifax.ca/personal/education/credit-report/how-to-get-a-free-credit-report/>

TransUnion: <https://transunion.ca/product/credit-report>

Why it's important to know your credit score

It is very important to know what is in your credit report. But a credit score is a number that matches your credit history. If you know your history is good, your score will be good. You can get your credit report for free, but it usually costs money to find out your credit score.

Lenders use your credit report and score to see how risky it would be for them to lend you money. While they are very important, credit scores are usually not the only things a lender will look at. They will also consider factors such as income, job or your personal assets.

Checking for errors on your credit report

Errors on your credit reports, or fraud caused by identity theft, can make

borrowing more expensive or prevent you from getting credit. Read your credit report to confirm it only contains information about you. Make sure the information in it is correct. Protect your identity! The types of errors on credit reports include:

Incorrect personal information

Make sure your name, SIN (Social Insurance Number), address, employment and contact information are all up to date.

Incorrect account information

If there is an account on your report you do not recognize, you may be the victim of identity theft.

Sometimes an account that is yours can appear on your report more than once and this can affect your score.

Check to make sure the information listed about the account is correct, including your credit limit, balance owed (as of the date the information was reported) and payment history.

Uninvited inquiries

Make sure you have given permission to view your credit report to anyone listed under your inquiries.

No one should see your credit report unless you say they can.

Too many inquiries may have a bad effect on your score. (Some people's scores won't be affected by a high number of inquiries. It depends on the other information in your credit file).

Complete the credit report review checklist

Information you will need:

Double-check your name (including spelling), SIN number, current address and telephone number.

Are your previous addresses listed correctly?

Is your employment history correct?

Is everything listed in the personal information section correct

Review each item under the credit account (trade account) section. Do these belong to you? Are the accounts listed as open currently open?

Is the status of your accounts accurately described?

Are there accounts where you are listed as an authorized user, co-signer, or joint owner? Is the listing accurate?

Are accounts that you closed listed as "closed by the consumer"?

Correcting errors on your credit report

Review the steps to fix errors on your report:

1. Find the documents to prove there is an error. For instance, if the report says you did not pay a bill, find proof that shows you made the payment.
2. Make a copy of your documented proof.
3. Call the credit bureau and explain the error. Find out what they need from you so that they can do a check on the item in dispute.
4. Fill out the dispute form found on the credit bureau website. Include all the information needed to check into and correct the error. This process can take up to 30 days.
5. The credit bureau will contact the creditor or financial institution to confirm that an error was made.
6. If they agree an error was made, the credit bureau has 30 days to correct the error on your report (90 days in Alberta).
7. If the financial institution does not think there was an error, you can still write a statement explaining your side of the story. The credit bureau will add this to your report.
8. You can also contact the financial institution to register a complaint. By law, all financial institutions in Canada must have a process for resolving complaints from customers.

If you would like to dispute an item that appears on your credit report, the following links describe the steps you can take with each credit bureau:

Equifax: <https://www.consumer.equifax.ca/personal/dispute-credit-report/>

TransUnion: <https://transunion.ca/assistance/credit-report-disputes>

