

# A guide to credit scoring

## Credit Scoring

Credit scoring is used by many lenders to assist them in making credit decisions. It is a proven statistical technique which allows the lender to predict the likelihood of credit being satisfactorily repaid and is widely recognised as one of the most consistent, accurate and fair forms of credit risk assessment.

Your credit score is calculated using the following types of information:

- Information that you provide during the application process
- Credit reference information e.g. whether you have kept your payments on your credit accounts up to date or whether you have been or are in arrears
- Any existing or past account performance with us e.g. previous loans.

Each relevant piece of information helps to assess the likelihood of repayment being made.

## What are the benefits of using Credit Scoring?

You can be assured that all applications will be assessed using a process that:

- is consistent, accurate and fair
- is objective and ensures no prejudices
- safeguards consumers' interests.

## When is Credit Scoring used?

It is used to assess applications for certain credit products, to open accounts where credit is required and to assist account management. This is explained during the application process. It is important therefore, that you complete the application fully, as any omissions may affect our decision.

## Credit Reference Agencies/Central Credit Register

The Credit Reference Agency operating in the Republic of Ireland is the Irish Credit Bureau (ICB)\* which is owned and financed by its members.

The Central Credit Register (CCR) is a mandatory register of personal and credit information operated by the Central Bank of Ireland under the Credit Report Act 2013. Records held on the CCR and by ICB\* can be used to assist lenders in assessing credit applications.

\*As of the 30th of September 2021 we will no longer report to or make enquiries with the Irish Credit Bureau (ICB).

## What information is provided from a Credit Reference Agency/Central Credit Register?

Credit Reference Agencies/Central Credit Register keep records about people's credit history to help financial organisations assess credit applications.

These records may include:

- registered court judgments
- register of electors
- bankruptcies and insolvencies
- credit agreements in arrears
- previous credit searches by other organisations.

## Can you tell me how my Credit Score is arrived at?

The credit scoring system allocates points for each piece of relevant information and these are added up to produce a score. Provided your score reaches a certain level,

your application for credit will generally be agreed. In order to protect the integrity of the scoring systems, the way your credit score is calculated must always remain confidential.

### **What if my application is refused?**

If your application is refused, you will be given a brief explanation of why you were refused.

You may also have the right of access to your personal records held on our files. This can be obtained by written request to your branch and on payment of a fee.

### **Could I have been declined just because of the area in which I live?**

No, such practices are illegal.

### **Why may my application be declined?**

In general your application can be declined for two reasons.

1. A scoring decision, where your overall score was not sufficient to reach our acceptance passmark.
2. Specific lending policies e.g. as a responsible lender it is not our policy to offer credit to applicants who might find it difficult to meet the repayments.

It is stressed that if your application is declined it may not be due to information supplied by the Credit Reference Agency or Central Credit Register but rather due to other details obtained during the application process.

### **I have other credit accounts with Ulster Bank, why have you refused my request this time?**

Your individual circumstances change over time. The assessment takes into account any current information that is available.

It may, therefore, be inappropriate to offer you additional credit on this occasion.

### **Can I appeal against your decision?**

Yes. Although no assurances can be given that the original decision will be overturned. You should support your appeal by providing any additional relevant information that was not taken into account at the time of our original decision. Full details of our appeals procedure can be obtained from your local branch.

### **Can I re-apply?**

Your circumstances can change over any given period. The consideration of a new application from you in due course would be welcome. However, if your circumstances have not changed since your last application, it is unlikely that the decision will change. An application will not be refused just because a previous application was declined.

### **Will the fact that you have declined me mean that other lenders will automatically decline me?**

No. Each lender's experience and scoring system is different. The Credit Reference Agency or Central Credit Register used will record the fact that a search was carried out against you and advise any other lender you apply to, who uses their services, of this fact.

### **How can I find out what information a Credit Reference Agency/ Central Credit Register have about me?**

If you would like a copy of your information held by the Central Credit Register, credit reference and fraud prevention agencies we use, or if you want further details of how your information will be used by the Central Credit Register and Credit Reference Agencies please visit their websites or contact them using the details below. You can request your own credit report at any time from the Central Credit Register. They may charge a fee.

The Central Credit Register

**Web Address:** <http://www.centralcreditregister.ie>  
**Email:** [myrequest@centralcreditregister.ie](mailto:myrequest@centralcreditregister.ie)  
**Phone:** +353 (0)1 224 5500

The Irish Credit Bureau\*

**Post:** ICB House, Newstead, Clonskeagh Road, Dublin 14, D14PX09  
**Web Address:** <https://www.icb.ie>  
**Phone:** +353 01 2600388

Please note that as ICB/CCR have a responsibility under Data Protection Legislation to keep your records secure, they cannot discuss any aspect of your credit report with you over the phone until after you have received your credit report and can quote the unique reference number from the report.

If you feel the details in your credit report are inaccurate you may request to have the information corrected. You must start by contacting the Lender and request that they make the necessary changes to your record. If the information is accurate, the Lender is not obliged to change it. ICB/CCR can only make changes to your credit record upon receiving an agreement from the Lender.

## **Your rights under Central Credit Register:**

### **Insert an explanatory statement on your credit report**

You have a right to place an explanatory statement of 200 words or less, relating to any of your information held on the Central Credit Register, and this will be included on your credit report.

### **Apply to have your information amended**

You have a right to make an application to your lender and the Central Bank to amend information held on the Central Credit Register about you, if you believe it is inaccurate, incomplete or not up to date.

### **Report and be informed of suspected impersonation**

You have the right to give notice to a lender or the Central Bank if you reasonably believe you have been, are being, or may be about to be impersonated by any person.

### **Obtain your credit report**

You have the right to request your credit report at any time, free of charge (subject to fair usage).

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