

## More people than ever checking credit records

The global credit squeeze isn't bad news for everyone; it has boosted business for credit reference agencies as more people realise the importance of having an up-to-date credit record, according to a leading financial comparison website.

A spokesman from Moneysupermarket pointed out that consumers are also getting far more knowledgeable about the effects that applying for credit has on their personal credit record. The more applications for credit that are submitted, the more likely an applicant is to be turned down as lenders see multiple applications as a sign of desperation.

As a result those chasing better credit card deals are no longer using a scattergun approach towards applying for a number of cards at the same time, as they realise the disastrous effect that has on their credit score. Instead, they are becoming more selective about which card to apply for, making their chance of success much higher.

Financial comparison websites are also benefiting from this increase in consumer awareness. They are being used more widely as people compare rates and deals available from a number of credit card companies. Rather than having to visit a number of different websites to track down the best deal, comparison websites offer the best deals on one page, with links to the relevant credit card issuer should a visitor wish to apply. If an applicant clicks on that link and is subsequently issued with a credit card the financial comparison site will earn a commission on that sale.

But, it's not just people wanting to [compare credit cards](#) that are savvy to the need to ensure that their credit record is accurate, those looking for a new mortgage or an unsecured loan are also wising up to the fact. Even those applying for contract mobile phones will also be subject to a credit check and so it really is best if their record is up-to-date and accurate.

With much tighter lending restrictions in place many people who are not being turned down are instead being offered credit at a much higher interest rate than in previous years. That's because despite two Bank of England base rate cuts in recent months credit card interest rates have not been reduced as issuers seek to improve profitability.

So, in addition to ensuring that their records are up-to-date those seeking credit at the best rates are also being advised to close any credit card accounts they don't use, as open accounts will affect the rate at which credit will be offered to them.

### About the Author

Matthew Pressman is a freelance writer and frequent flyer. When not travelling, he enjoys golf and fishing.

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