

## 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

The main Credit Reference Agency in Ireland is the Irish Credit Bureau (ICB). The ICB maintain records on an individual to assist lenders to assess credit applications.

## What information is provided from a Credit Reference Agency?

Credit Reference Agencies 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 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 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 has about me?

To get a copy of your credit report from a Credit Reference Agency, you must complete an application form. Please contact ICB on (01) 260 0388 for an application form to be posted to you or you can download the form from [www.icb.ie](http://www.icb.ie). This form should be completed, signed and returned to ICB along with a fee of €6.00 which can be a postal order or bank draft. The address is: Irish Credit Bureau, ICB House, Newstead, Clonskeagh Rd, Dublin 14. Application forms may also be completed online at [www.icb.ie](http://www.icb.ie).

Please note that as ICB 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. Processing time takes approximately 3-4 working days excluding postage to and from ICB and starts from the time ICB receives your completed application form. Once you receive your credit report you may contact ICB to discuss it further if you wish.

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 can only make changes to your credit record upon written instruction from the Lender.

