

A _ Z

CREDIT SCORING

A guide to how it works



LLOYDS BANK

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I need to know more about credit scoring

How it affects my application

Credit scoring helps us respond to you quickly and impartially when you apply for a mortgage, unsecured personal loan, current account or credit card.

We carefully assess each piece of information and use statistical analysis to provide an overall score – this is your credit rating. The level of this score decides whether your application falls into a low or high-risk category. This tells us your credit risk and whether or not we can responsibly accept your application.

An established industry wide process is used to make a fair decision on whether or not we can agree to your application.

I'd like to know what you use to calculate my credit score

We typically use three sources of information to build your credit profile:

- **Your application**
Details submitted by you.
- **Credit reference agency**
Information from a national credit reference agency.
- **Account management**
How you've managed any loans, credit, or accounts you have with the Lloyds Banking Group.

We can usually give you an answer on the day we receive your application; however, sometimes the process can take longer.

Credit scoring is based on the experience we've built up with thousands of borrowers over many years. Our credit scoring methods are regularly tested to make sure they're unbiased and meet our regulatory commitments.

We can't be specific about how we calculate your score; however, your credit score is personal to you and can alter as your circumstances change. So, even if your application is turned down, we may be able to give you a positive decision the next time.

How Lloyds Bank works with the credit reference agencies

A credit reference agency is a specialist company that gathers and stores financial and public information about almost every adult in the UK. It doesn't create or maintain blacklists, and doesn't make a decision on an application.

In common with other banks, we share account performance information with the credit reference agencies. Information is collected from several sources.



Where credit reference agencies get their information



From public records

The electoral register helps confirm your identity and address.

Court records, such as a County Court Judgement (CCJ) or bankruptcy, may show previous financial problems that should be taken into account.



From other lenders

This could include details of previous applications you have made to borrow and whether you have always made repayments on time.

Knowing this can show whether you have outstanding loans and how well you're managing your finances.

Even if your record shows that you have – or once had – financial difficulties, we won't automatically turn your application down.

Checking your personal record

We use three major credit reference agencies:

Experian Limited

Customer Support Centre, Nottingham

PO BOX 8000, NG80 7WF

Telephone: **0344 481 0800**

www.experian.co.uk

Email: **consumer.helpservice@uk.experian.com**

TransUnion

1 Park Lane, Leeds LS3 1EP

Telephone: **0330 024 7574** or **0330 024 7579**

www.transunion.co.uk

Email: **consumer@transunion.co.uk**

Equifax Limited

Customer Service Centre, PO Box 10036,

Leicester, LE3 4FS

Telephone: **0800 014 2955** or **0333 321 4043**

www.equifax.co.uk

As a bank all our information is sent to all three agencies.

You can get details of the information they hold about you by visiting the websites above or by sending each of them a written request.

When the company replies, they will explain what it all means. If you see that they are holding particular information about you that is wrong, you should forward the correct information straightaway. They can advise you on the best way to get it changed.

If your application is unsuccessful

We'll always give you the reason why if we find we can't accept your application. Our decision is based on the information we have about you at that time, including:

- Your credit score.
- Information held by a credit reference agency.
- Our policy on lending.

Why a loan is sometimes refused

If we have turned down your application, it doesn't necessarily mean that we've received negative information about how you manage your finances. It may just mean that, based upon past experience, people in similar circumstances to you were more likely to have problems repaying the credit.

Different banks, building societies and other lenders will approve a credit score at different levels. So while one company might turn down an application, another might say yes.

How to appeal

If we turn down your application, you can appeal. However, without new information we're unlikely to change our decision. For example, evidence that the details we have used are incorrect or incomplete, or further information about savings or other accounts with another bank or building society.

Mortgage appeals

Mortgage Underwriting Team
Lloyds Banking Group
Barnwood 1
Barnett Way
Gloucester
GL4 3RL

Other lending appeals

Personal Lending Decisions
Three City Park
The Droveaway
Hove
East Sussex
BN3 7AU

Information to include

Use the addresses opposite to write to us and please include the following information:

- The sort code of the bank or building society branch where you have your account, or details of the branch where you applied to open your account.
- Your account number.
- For lending products, please also include details of the amount, length of time and purpose of the borrowing.

Please make sure that all account holders sign the letter.

Important information

Our promise is to do our best to resolve any problems you have. If you wish to complain visit your local branch or call **0800 072 3572** or **01733 462 267**. (Textphone **0800 056 7614** or **01733 347500** if you have a hearing impairment.) For more information visit **lloydsbank.com/contactus**

Buy to let mortgages are not regulated by the Financial Conduct Authority or the Prudential Regulation Authority. Eligible deposits with us are protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service.

We adhere to The Standards of Lending Practice which are monitored and enforced by the LSB:
www.lendingstandardsboard.org.uk

Contact us about your application



Go to lloydsbank.com



Call us on 0345 300 0000
7am–11pm, 7 days a week



Visit your local branch

If you'd like this in another format such as large print, Braille or audio CD please contact us.

If you have a hearing or speech impairment you can contact us using the Relay UK Service (available 24 hours a day, 7 days a week) or via Textphone on 0345 300 2281 (lines are open 24 hours a day, 7 days a week). If you're Deaf and a BSL user, you can use the SignVideo service available at lloydsbank.com/accessibility/signvideo.asp

Important information

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service. Not all telephone banking services are available 24 hours a day, 7 days a week. Please speak to an adviser for more information.

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