

Credit Report 'Can Help With Getting Loans And Managing Finances'

Thousands of Britons are to look to borrow money in an attempt to supplement their spending in the first few weeks of the new year, it has been suggested.

January 24, 2008 (FPRC) -- Pointing to research by the Motley Fool, Callcredit reports that an estimated 500,000 people will take out personal loans in the first month of 2008 to help with money management. It was suggested that the majority of workers will come under financial strain due to a combination of having to face up to heavy spending over the festive period and waiting around five weeks for their first paycheck which is due to arrive tomorrow (January 25th).

Owen Roberts, head of Callcredit Consumer, said: "Credit reports are important in all our lives but a lot of myths have built up over time. Your credit report is an essential tool in managing your finances - the better you understand it the more in control you will be."

Additionally, the company put forward that getting a copy of their financial history could be advisable for prospective borrowers before they apply for a loan. It was suggested that this could be particularly helpful as the country's debt difficulties deepen and the tightening credit crunch impacts upon the availability of cheap loans and other competitively-priced financial products. Despite some people believing that checking their credit report may be nerve-wracking, complex or expensive to do, the company stated that it is part of a "healthy financial lifestyle".

Callcredit suggested that regularly reviewing their financial history can be a crucial stepping stone in getting to grips with their money management and securing cost-effective monetary offers. It was pointed out that a credit report is one of the tools which loan lenders use to determine whether or not to grant requests to borrow money from consumers and what rate of interest they charge.

The firm went on to dispel a number of myths surrounding consumers checking their credit report. Dismissing the falsehood that using a price comparison website will have an impact upon a person's financial rating, Callcredit pointed out that as these sites do not inspect such records visiting them will not affect whether or not people will be able to get a loan. It went on to state that one's financial history is only looked into by a loan lender once an application to borrow has been made.

In addition, the company stated unless they are financially connected, perhaps through a mortgage, joint account or loan, a relative with a poor credit score will not impact upon an applicant's capacity to borrow. It was also claimed that the idea that a property can be blacklisted as having a bad credit history is untrue. The firm stated that lenders only carry out credit checks on people, not specific addresses.

For those worried about managing their finances over the rest of 2008, applying for a cheap UK loan could prove to be of assistance. Earlier this month, Moneyfacts reported that taking out a loan for the purposes of consolidating debts might be an "ideal solution" for people concerned about their capacity to manage various demands on their spending. The firm claimed that by having to make a fixed monthly repayment getting a cheap personal loan could give those people who are "less disciplined" with their money an incentive to repay their debts "within a given time".

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