

Buy now, pay later borrowing and your credit report



Frequently Asked Questions

TransUnion will start including details of buy now, pay later borrowing on credit reports from summer 2022. This information will provide a more complete picture of a borrower's financial position, supporting consumers and helping lenders to make sure payments are affordable and sustainable. **Here's what you need to know:**

Why is buy now, pay later information being added to credit reports?

TransUnion is including buy now, pay later data in credit reports to support consumers in managing their finances and to ensure payment behaviour on buy now, pay later agreements is visible.

When will this information appear on my credit report?

TransUnion will be incorporating buy now, pay later data into traditional credit reports starting in summer 2022.

How will this affect my credit score?

There will be no immediate effect on TransUnion credit scores. However, as the data becomes more widely used, we will be updating our credit scoring as appropriate.

Why are things changing?

People need as much choice as possible when it comes to finding finance that's right for their needs, and on terms they can afford. Including buy now, pay later data in credit reports will support consumers and help lenders make informed credit decisions.

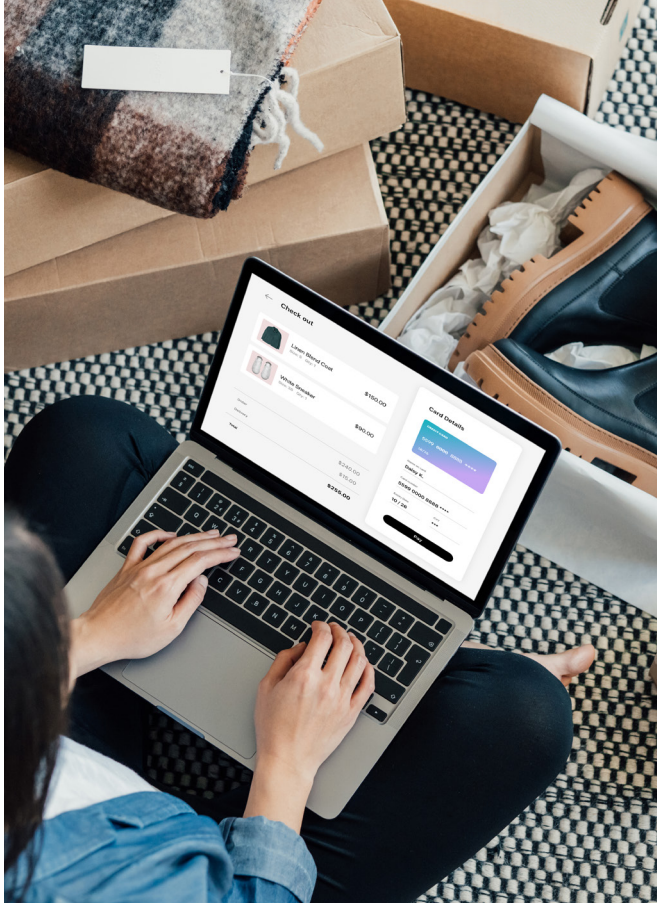
Will buy now, pay later purchases made in the past be visible on credit reports?

Providers will let customers know their data is being shared with TransUnion before it appears on their credit report and can confirm the dates it will apply from.

Will I need to provide more information when using buy now, pay later finance?

This will depend on the buy now, pay later provider, and they can let you know.





Will these changes affect how many buy now, pay later agreements I can take out?

That will be up to the buy now, pay later provider.

Will a credit search be carried out every time a buy now, pay later purchase is made?

This will depend on the provider and whether another search has recently been carried out. The product you're applying for will also determine the search type.

Will buy now, pay later information be available on other credit reports and scores?

Different credit reference agencies may have different approaches and timescales in terms of how they plan to incorporate buy now, pay later data. It will be up to individual finance providers to decide how they use buy now, pay later information in lending decisions.

When will providers start sharing these details with TransUnion?

Providers can share this information with TransUnion as soon as they are ready. Many well-known buy now, pay later companies are already working with us, ready for the data to appear on our credit reports this summer.

Will a good payment history with buy now, pay later be recognised in credit scores?

Payment behaviour will be visible to lenders, so it could be taken into account in lending decisions but won't have an immediate effect on credit scores.

If I miss a buy now, pay later payment, will it affect my credit score?

Credit scores won't be impacted initially but missing payments would be visible to lenders and could affect your ability to borrow, so it's really important to keep up repayments as agreed.

Will hard credit checks now be recorded when I am taking out buy now, pay later finance?

Buy now, pay later finance checks will be recorded on your TransUnion credit report, and will be visible to other lenders. However, these checks will be shown to lenders in a different way to traditional hard searches, typically used for things like mortgages, credit cards and loans, or soft searches, often used for quotations and eligibility checks before credit is provided.

It will be up to individual finance providers to decide how they use these new checks in lending decisions.

Do buy now, pay later providers have to report this information?

Not at present, although the Financial Conduct Authority (FCA) is likely to introduce new rules for buy now, pay later providers in the near future. However, providers have been encouraged to start sharing this information as soon as possible to support financial inclusion and wider access to credit.

To find out more visit
www.transunion.co.uk

