

Protect Your Credit Rating

We all know that our good name is very important, and so is our credit reputation.

If we run into problems with our bills or get sued for an unpaid account, we can expect to find that our credit rating is affected negatively. More surprising is when we think that we have always paid our bills on time, yet discover a “bad mark” against our credit. Yes, this happens, and unfortunately we often don't discover the problem until we apply for a loan or mortgage and get turned down.....because of our credit rating.

At the CAW Legal Services Plan, we have assisted clients who have applied for mortgage financing, only to discover that a credit rating company has a negative notation against their name. Occasionally, the negative information is out of date, or even completely wrong. It can be very stressful when this happens at the last minute. It can prevent mortgage funding, which may create insurmountable house-purchase problems.

There are two credit-rating companies in Canada that track our credit history, both good and bad - Equifax and TransUnion. They receive detailed reports from credit card companies and other creditors (e.g. landlord, bank, car loan company). The reports will state what credit cards/loans you hold, whether your payments are on time, and, if not, how much they are (or were) overdue.

Anytime you apply for a loan, mortgage or credit card, a credit check will be done to see if you are deemed “credit worthy” for that credit/loan product.

If a creditor provides inaccurate information to a credit rating agency, the creditor and/or the credit rating agency may be liable to you (in damages) if the error is not corrected quickly once discovered. The lawyers at the CAW Legal Services Plan can help you get your credit reputation corrected and perhaps obtain some financial compensation if you have suffered a loss.

But it is better to prevent these problems. Check your own credit history from time to time, to ensure that it doesn't have any errors that could bite you at the wrong time! It is free to do this check. To find out how, phone or go on the website of Equifax (1-800-465-7166; www.equifax.ca) and TransUnion (1-800-663-9980; www.transunion.ca).

You can also call the lawyers at the CAW Legal Services Plan. We may be able to help!

... Submitted by Kathleen Howes,
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