



HOW TO USE A NOTICE OF CORRECTION

A Notice of Correction is a short, simple, statement that you can add to your credit record for free to explain either a county court judgement (CCJ) or a debt.

You may want to add a Notice of Correction if there are special circumstances linked to a mark on your credit file that you'd like to explain to a lender when applying to borrow money.

WHY MIGHT I USE A NOTICE OF CORRECTION?

If you have missed payments due to unemployment, dealing with addiction or illness, or have been affected by economic or domestic abuse, then you may have marks on your credit file that aren't your fault. This may also be the case if you have a mental health condition, or mental capacity limitation.

You may also use a Notice of Correction if you have been a victim of fraud. The notice allows you to add a password onto your account to block any further attempts of fraud. It means the lender has a legal obligation to manually look at your file, rather than a credit request going through an automated process.

A Notice of Correction will inform the organisation that you'd like to borrow money from of your situation, which may affect the outcome of the lending decision.

It can explain why a debt is showing up and why it is not reflective of your approach to repayments.

HOW CAN I ADD A NOTICE OF CORRECTION?

To add a Notice of Correction to your credit file, you:

- Contact all three credit reference agencies in the UK and say you'd like to add the notice. They are **Experian**, **Equifax** and **TransUnion**.
- Write your notice and tell them what it should say (example below).

By adding the notice to all three credit reference agencies, your lender is sure to see it. Each lender uses a different credit reference agency to give them data, so you'll avoid your notice being missed.

WHAT SHOULD THE NOTICE SAY?

The Notice of Correction should be short, factual, to the point and has to be under 200 words.

If you can, include dates and times, and be as factual as possible when writing the notice; just keep the explanation simple and don't add anything that isn't directly relevant to the situation.

For example, if the reason you failed to make a repayment was due to not receiving bills in a timely fashion, you should include this – with the relevant dates – to support your circumstances.

Here's what an example of a Notice of Correction might look like:

In XXXX I lost my job and due to illness, and I was unable to fulfil all my commitments. I am now successfully repaying all debts and will soon have fully repaid them. I had never previously experienced a default.

WILL THE NOTICE OF CORRECTION HELP ME GET A LOAN?

It won't guarantee that your application is accepted, but it may help your chances.

Although having a Notice of Correction won't improve your credit score, it will make the bank or financial institution aware of the reason why you might have a low credit score.

It will, however, slow down the application for credit, as it has to be manually checked rather than a computer making the decision.

Have a look at our section on [credit score and debt](#) for more information on what affects your credit score.

GET FREE DEBT HELP

If you're struggling with repayments, then get in touch with one of our expert advisers today.

Or visit www.payplan.com/financial-wellbeing for resources on managing your money, and looking after your wellbeing.