

What is credit history?

Your credit history shows how financially responsible you've been. It tracks how punctual you've been when paying:

1. Your monthly credit card bill
2. Amounts you owe on bank and student debt
3. Certain bills, like your phone or internet (but not utilities)

It also records when you repeatedly come close to or exceed your credit limit, and when you make multiple applications for credit cards / loans.

Banks will check your credit history when you apply for a credit card and may check it before they sell you overdraft protection.

Good credit history will be helpful when you apply for a loan to buy a car, house (mortgage), or even when looking for a place to rent. If you have good history, your cheques may not be held for as long (you will wait fewer days before you can cash/deposit them).

Credit reporting agencies (like Equifax and TransUnion) maintain our credit histories - they start recording your history once you are the age of majority (18/19). You should be able to see your credit history for free online. You can pay the agencies \$24 to see your credit report, which includes your history and credit score (the higher the three-digit number, the better your credit).

You shouldn't worry about month-to-month changes in your credit score. Instead, focus on making payments when they are due.

Check your credit report/history when you are planning to apply for a large loan to make sure the credit reporting agency records are accurate.

Check your credit history if you suspect fraudulent activity in your accounts or if you learn your bank's user data was hacked / stolen. Unauthorized transactions in your credit history may be mistakes (that you need to discuss with the agency and correct), but may also indicate you've been hacked.