

What is Experian Credit Score

An Experian credit score is a three-digit figure ranging from 300-850. Experian, one of the four credit bureaus operating in India, assigns this credit score. An Experian credit score is an indicator of your loan repayment capability and overall creditworthiness. Essentially, it helps lenders decide whether you are eligible for a credit card or a loan. The higher your Experian score, the better are your chances of getting credit. Read on to know more about Experian scores.

What is an Experian Credit Information Report?

An Experian credit information report (CIR) is a detailed summary of a borrower's credit behaviour and history. It is also a record of your active credit card and loan accounts and your repayment history. Additionally, it is home to the records of all the enquiries made by financial institutions where you applied for credit. These bits of information also help the credit bureau determine your Experian credit score.

How to Check Your Experian Credit Score Online

You can easily get your Experian Credit Report or Experian Credit Score from the official portal of Experian itself for a nominal fee of ₹399 (inclusive of taxes). All you must do is fill up an online form and authenticate yourself by answering a few questions concerning your credit portfolio. Once your identity has been successfully authenticated, you will promptly be shown your Experian Credit Information Report and credit score in real time. A copy of the same will also be sent to you on the registered email address.

Steps to check Experian Score and Report Online for Free:

- Step 1: Visit the official Experian website and login to the user portal.
- Step 2: Enter your Personal details like full name, email address, mobile number, date of birth, gender, PAN number and address.
- Step 3: Verify Your Identity using OTP and click on the button 'Get report'.

Experian Score Ranges

Experian credit score of individuals ranges between number 300 to 850. 850 being the maximum score. Check the below table to understand financial institution interprets your Experian score:

Experian Credit Score Range	Meaning
300 - 579	Poor
580 - 669	Fair
670 - 739	Good
740 - 799	Very Good
800 - 850	Exceptional

How Does Experian Calculates Your Credit Scores

Experian calculates credit scores with the help of the FICO credit scoring model. It basically means that it takes certain aspects of your credit information into account and assigns each one of those variables a weightage. The elements that Experian takes into account and the weightage that is assigned to them are as follows:

Factors	Weightage (Expressed in % terms)
Credit Mix (ratio of secured loans and unsecured loans)	10%
Credit History (loans and credit cards availed by you in the past)	15%
New Credit (loans and credit cards that you have availed in the recent past)	10%
Payment History	35%
Amount Owed	30%

What Does Experian Credit Report Consist of?

The Experian credit report is a report showcasing your over credit history, including your credit score. The report consists the following details:

- Your personal information, as provided by you.
- A summary of your credit account. This forms the most crucial element of your report, as it compares your entire credit history.
- The report also consists of information regarding your current balance amount, settled loan amounts and secured and unsettled amounts.
- You will also find all hard and soft credit enquiries against your report that you had made over the years.
- The report includes all non-credit enquiries you made in the past 7, 30, 90 and 180 days.
- Experian also provides a summary of your credit score in this report.
- The report also mentions details pertaining to your credit accounts, such as loans and credit cards.

Why is Experian Score Important

Your Experian credit score basically is an indicator of your loan repayment capability and is, in fact, the first thing that lenders check when you submit a credit card/loan application. Hence, if you want to stand a chance of getting a loan or a credit card from a financial institution at attractive repayment terms or borrowing rates, you must ensure that your Experian credit score is in a range that lenders consider ideal (between 750-850). If your Experian credit score is lower than that, you may get a loan or credit card at unfavorable repayment terms. If your credit score is even lower (below 650), chances are that your credit card/loan application will get rejected.

How to Improve Your Experian Credit Score

You can improve your Experian credit score in the following ways:

- **Repay Your Loan/Credit Card Bills on Time:** One surefire way to improve your Experian credit score over time is by making timely loan/credit card bill payments. If you can, consider partially or fully prepaying your loans and outstanding credit card dues as well.
- **Maintain a Low Credit Utilization Ratio:** Financial institutions recommend that you should not use up more than 30-40% of the credit available to you at any given time, as it is recorded in your credit reports. If you are utilizing more than 40% of your available credit, chances are that you may come across as a credit-hungry individual and the lender may even reject your application.

- **Do Not Close Old Credit Cards:** It is recommended that you never close your old credit cards as they essentially tell a story of your credit behavior over several years. If you have been repaying your credit card dues on time over several years, it can impact your Experian credit score positively.
- **Maintain a Healthy Credit Portfolio:** You must always aim to maintain a healthy mix of secured and unsecured loans. A dominance of unsecured forms of credit in your credit portfolio can bring your Experian credit score down.
- **Get New Credit Cards:** If you get a new credit card, the available credit to you automatically increases to the extent of the limit of your new credit card. This new addition to your available credit will automatically bring your credit utilization ratio down, which will eventually improve your overall credit score.

Benefits of Obtaining Your Experian Credit Information Report

If you obtain your Experian credit information report, you will find out exactly where you stand in terms of loan eligibility. Also, since Experian credit reports are detailed records of your credit behavior, you will be easily able to report any inconsistencies, discrepancies, or potentially fraudulent transactions or instances of identity theft. If left unchecked, these anomalies can bring your Experian credit score down, making it difficult for you to get a loan or credit card in the future. If you do spot such anomalies, you must report the same to Experian so that you can prevent them from causing a downfall in your creditworthiness.

Factors That Affect Your Experian Credit Score

Some of the factors that affect your Experian credit score are as follows:

- **Your Repayment History:** The frequency with which you repay your outstanding credit obligations affects your credit score greatly. You will have a healthy credit score and it will remain healthy if you make timely payments. Late or missed loan/credit card payments, on the other hand, can cause a downfall in your credit score.
- **Your Credit Utilization Ratio:** If you have a healthy credit utilization ratio (about 40% or less), you will have a healthy credit score. If you go past the 40% mark, your Experian credit score can fall as a consequence.
- **Your Credit Mix:** The credit mix ratio of unsecured to secured debts in your borrowing portfolio also determines your credit score. If unsecured credit makes up for a major portion of your credit portfolio, you may want to consider balancing it out with secured forms of credit.

- **Number of Hard Enquiries:** If you apply for multiple loans or credit cards in a short span of time, this could spell disaster for your Experian score. Whenever you apply for credit, lenders make a hard inquiry on your credit score, which is later recorded in your credit information report. Too many hard enquiries in a short period can give the lender an impression of credit-hungry behavior; hence, you must not apply for loans and credit cards too often as it will make the lenders make multiple hard enquiries against you in a short timeframe, thus negatively affecting your credit score.

Other Services Provided by Experian

Some of the services Experian offers are:

- Experian facilitates access to loans and other financial services as well as fraud prevention.
- Experian facilitates insurance eligibility checks and claims.
- Experian also alerts its customers if there is any kind of change in their credit score/report.
- Experian also helps protect your identity while you are shopping online.

Your score is excellent

