

About your application and credit scoring

What happens when I apply?

Whenever we receive an application for a bank account, business account, mortgage, credit card, an unsecured personal loan or credit facilities, whether from a personal customer or business customer, we consider each application carefully.

The two main questions we have to ask ourselves are:

- Does it make sense for the individual(s) concerned to take on the financial commitment – do we have any information that suggests they will be unable to do this?
- Is the risk acceptable?

Should the answer to either of these be 'no', we have to decline the application which will be disappointing for both us and our customer(s).

How do we decide whether or not to accept an application?

When you apply, we'll conduct a credit search. Our decision will be based on the details you provide, together with information we receive about you from the credit reference agency.

Information you give us, for example your age, occupation, income, details about your business and so on, are all taken into consideration. We also take into account details obtained from the credit reference agency such as how well you've managed previous and existing accounts with other organisations.

We do not discriminate on grounds of sex, race, colour, religion or disability. We do not refuse credit simply because of the place or area that you live in either.

Your application is compared to groups of similar customers who applied to us in the past, making it a fair and objective process. Using this method, we make reliable decisions which are more consistent than relying upon personal impressions alone.

The three main Credit Reference Agencies we use are Experian, Equifax and CallCredit.

What is a credit reference agency?

Credit reference agencies (CRAs) collect and maintain information on consumers' and businesses' credit behaviour, on behalf of organisations in the UK.

The agencies hold details about almost every adult in the UK, which includes facts concerning the customer's financial background. This information helps lenders to verify the identity of the customer and provides details of their past and present financial commitments and/or credit relationships.

What kinds of information do they provide?

The two kinds of information provided are:

Public information (including):

- Voters' Roll (Electoral Register).
- County Court Judgments and Scottish Decrees.
- Bankruptcies, Individual Voluntary Arrangements, Administration Orders and Debt Relief Orders.

Private information (including):

- Details of existing credit or loan agreements.
- Records of any closed or settled credit agreements within the past six years.
- Details of any current or previous arrears – including arrangements to repay outstanding amounts.
- Details of any default, write-off or property repossession within the past six years.
- Records of any searches made by other loan/credit providers.

- Information regarding your credit affordability based on your income and outstanding financial commitments.

Credit Reference Agencies will keep your information for six years after all relationships have ended.

Like most financial organisations, we supply data to, and receive data from, specific credit reference agencies for the purposes of assessing applications and credit account maintenance activities.

Could information from the credit reference agency be the only reason for declining my application?

The information received from the credit reference agency is only one part of the decision-making process. Sometimes, there may be no detrimental information held about you at the agency but we still may not be able to accept an application simply because it does not meet all of our business criteria at the time.

Is the information from a credit reference agency always negative?

Not at all. Credit reference agencies only supply factual information. They do not state any opinion regarding a customer's creditworthiness and they do not make the decision as to whether or not to accept an application. That is our responsibility. Agencies do not know which applications are successful or declined either, so they cannot tell why an applicant may have been refused credit. Credit reference agencies do not hold, as is commonly believed, a blacklist of people or properties – instead, the information held usually helps people get credit.

Obviously, our decision will be affected if information received from a credit reference agency shows that you are in arrears on a credit or loan agreement or that you want to borrow too much in relation to your income. Similarly, we take evidence of County Court Judgments or other credit defaults very seriously.

We always try to be a responsible lender but we won't automatically decline an application just because there may have been some problems in maintaining past commitments.

Information that shows you have existing credit agreements and that you are managing your commitments well will enable us to look at your application favourably.

What information do we supply?

We provide personal information on you and your place of residence, your income and how you manage your account on a monthly basis.

What we supply is in accordance with data protection legislation and the Data Protection Statement you are given when you apply or when you sign the formal agreement to be bound by the terms and conditions of the account. We'll register a default at the agency only after formal demand for payment has been made and where at least 28 days' notice of intention to disclose such information has been given.

If, unfortunately, it were necessary for us to take possession of your property due to a breach of the terms and conditions of a mortgage or secured loan, we would also disclose this fact to a credit reference agency. Your name would be placed on the UK Finance Possessions Register and, as a result, be passed on to other lenders.

The UK credit industry has established an agreement for the purpose of regulating the sharing of credit account performance and related data on individuals. This agreement is called 'The Principles of Reciprocity'. We comply with this agreement concerning the supply and use of data.

Records shared with credit reference agencies will remain on file for six years after they are closed, whether settled by you or defaulted. This information may affect your ability to obtain credit.

Details about the performance of your accounts, good or bad, that we supply to a credit reference agency may be used by other lenders for credit assessment of you and other people with whom you are financially associated.

Santander also supplies current account turnover information to the agencies to help in the assessment of affordability and over-indebtedness. Information held may occasionally be used for debtor tracing and fraud prevention.

Is the information I provide used in any other way?

Before we can open an account for you, in order to prevent or detect fraud, we'll check and share the information provided in your application or at any stage with fraud prevention agencies, and may make searches at credit reference agencies who will supply us with information, including information from the electoral register, to verify your identity. Scoring methods may be used to verify your identity. A record of this process will be kept that may be used to help other companies to also verify your identity. If you give us false or inaccurate information and fraud is identified, details will be sent to fraud prevention agencies. Law enforcement agencies may access and use this information.

We and other organisations may search and use the records held by credit reference and fraud prevention agencies to prevent and investigate crime, fraud and money laundering and for example:

- to check details on applications for credit and credit related or other facilities;
- to verify your identity if you or your financial associate applies for other facilities;
- to undertake statistical analysis and system testing;
- to manage credit and credit related accounts or facilities;
- to recover debt and to trace your whereabouts;
- to check details on proposals and claims for all types of insurance;
- to check details of job applicants and employees; and
- to check and verify your stated income.

We may also search and use our internal records for these purposes.

We and other organisations may search and use from other countries the information recorded at fraud prevention agencies. Further information on the credit reference agencies and fraud prevention agencies we use is available by telephoning **0800 328 3280**.

If you open an account with us, your information will be kept after your account is closed. Your information may be shared with, and used by, the group of companies to which we belong (the Santander Group), our associated companies, service providers or agents for administration purposes and to:

- Provide and run the account or service you have applied for and develop and improve our products and services.
- Identify and advise you by post, telephone or electronic media (including email and SMS) of products or services which our group of companies and our associated companies think may interest you. (For credit products this may involve releasing your details to a credit reference agency).
- Release your name, address and telephone number to market research organisations for the purpose of confidential market research surveys carried out by post or telephone on our behalf.

If you do not want to receive any such information or have your details disclosed to a market research company and you have not told us previously then please write to:

 Santander UK plc
Freepost MK1482, Milton Keynes
MK9 1LZ (no stamp required)

Please note that if you ask us not to contact you about any of our products or services, you may not hear about a new product which may offer you a better rate or something which may save you money.

We may disclose details relating to your mortgage account to a credit rating agency to enable it to issue a credit rating on our behalf.

What are my rights of access to any information held about me?

You have the right under data protection legislation to see certain records we hold about you. This is known as a subject access request and a booklet called Using My Personal Data which explains your rights is available from any branch.

However, subject access requests are not designed to deal with general queries that you may have about your account.

If, for example, you want to find out some specific information about your account, you should contact us. We aim to provide you with the information you require without you having to make a subject access request.

Details of how you can obtain a copy of the information held about you by a credit reference agency are given overleaf.

If my application is declined, are other lenders likely to do the same?

Not necessarily. Other companies may apply different criteria to applications and use different methods of credit risk assessment. In some instances, they may place a different emphasis on the same information. This should not discourage you from applying elsewhere.

The fact that we've asked a credit reference agency for information about you will be recorded by that agency. Other credit providers may learn of this if they use the same agency and take it into consideration when assessing an application from you. It is unlikely that a single enquiry would cause problems.

Can I check the information a credit reference agency has about me?

Yes. Under data protection legislation you may request details held about you by the credit reference agency. Simply send them a written request, stating all names that you have been known by (include full forename and other initials), your date of birth and the address(es) that you have lived at within the last six years. The Credit Reference Agency may charge you a fee for providing this information.

We mainly use Experian Ltd, but we may also use Equifax plc and CallCredit. You can contact each agency directly at:

	Experian LTD Customer Support Centre PO Box 8000, Nottingham, NG80 7WF
	0800 013 8888
	www.experian.co.uk

	Equifax LTD Customer Service Centre PO Box 10036 Leicester LE3 4FS
	0800 014 2955
	www.equifax.co.uk

	CallCredit Consumer Services Team PO Box 491, Leeds LS3 1WZ
	0330 024 7574
	www.callcredit.co.uk

With a copy of your credit file you will be sent a booklet which explains how to interpret the information held and what your rights are. You can, for example, challenge the accuracy of any details shown. If you believe that what you see is not correct then you can contact the organisation that supplied the information and tell them what you believe is wrong and why.

If, after investigation, it is agreed that the information is not accurate, then it will be changed.

Even if there is accurate information held which affects your ability to obtain loans or credit, you have the right to put a 'notice of correction' on your credit file. This is your opportunity to make a statement, if you wish, to explain your version of events. Once this 'notice' has been placed, every lender who looks at your file must read the 'notice' before making any lending decision about you. Naturally, it's up to the lender to make its own decision, but at least they would have taken your statement into account.

Can I appeal against your decision?

Yes, if you think we've made a mistake, or you have further information to support your case.

Mortgages

Please contact your Mortgage Adviser to arrange for it to be reviewed.

You'll be required to provide a detailed budget planner and three full months' bank statements.

If your application was made through a financial adviser who recommended us to you, please contact them initially and they'll arrange for your case to be reviewed.

Bank accounts (including overdrafts), credit cards and personal loan

You may appeal in writing to:

✉ Application Review Department
Credit Operations, Carlton Park,
Narborough LE19 0AL

We can't guarantee to reverse a decision, but we will always be happy to reconsider your application if you believe you have been wrongly declined.

Business Banking

You may appeal in writing to:

✉ The Appeals Officer
Santander Business Banking
Bridle Road, Bootle, Merseyside L30 4GB

We will always be happy to reconsider an application.

Note about credit repair companies

Please be careful when dealing with companies which claim they can 'clean up' your credit history. You'll find the advertisements in newspapers and magazines and even on the TV or the radio. You can sort out your credit file yourself or with expert help.

You can get free advice about County Court Judgments, bankruptcy, defaulted accounts or other arrears. It's also free to find out how to sort out your debts and how to apply for credit even if your past is not perfect. You can also find out about the contents of your credit file free of charge.

For more information or advice, contact:

- Citizens' Advice Bureau (look in your local telephone directory for details of the nearest CAB branch) or view www.nacab.org.uk

For help with debt or credit problems, contact:

- Consumer Credit Counselling Service
0800 138 1111 or view www.cccs.co.uk
- National Debtline: 0808 808 4000 or www.nationaldebtline.org

For free, independent advice, you may like to talk to one of the organisations below:

- StepChange Debt Charity, 0800 138 1111 stepchange.org
- Payplan 0800 280 2816 or 0207 760 8980 payplan.com
- Citizens Advice Bureau, citizensadvice.org.uk
- Money Advice Service, moneyadviceservice.org.uk
- For the ICO book on 'credit explained', call 0303 123 1113. If you're calling from outside the UK, you may not be able to use our 03 number, so please call +44 1625 545 700.

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