Your Credit File Explained
What Lenders See About You

A Plain-English Guide to Your Credit Score, Report and Home Loan Chances

What lenders look up, what hurts your score, and how to clean up your file before you apply

By the team at Loan Experts · 2026 Edition

Contents

Every lender pulls your credit file as part of assessing a home loan application — but most borrowers have never actually looked at their own. This guide explains exactly what's on your file, how your score is calculated, what damages it most, and the practical steps you can take to clean it up before you apply.

Three Things Most Borrowers Get Wrong

Multiple Enquiries

Applying with several lenders at once can lower your score more than people expect.

Unused Credit Limits

A large unused credit card limit can reduce borrowing capacity even at $0 balance.

Free Annual Checks

You can check your own file for free without it counting as a credit enquiry.

No. 1

What's Actually in Your Credit File

A record of your credit history, not just a single number

Your credit file is held by credit reporting bodies and contains a detailed history of your credit activity: every loan and credit card account you've held, your repayment history on each one, any defaults or court judgments, and a record of every time a lender has checked your file as part of an application.

It also includes basic identifying information — your name, date of birth and addresses you've lived at — used to match your file correctly. Since 2018, most lenders report detailed monthly repayment history, not just whether an account is open or closed, which means missed or late payments are far more visible than they once were.

- Credit accounts: loans, credit cards, mortgages, and their current limits and balances
- Repayment history for each account, typically the last 24 months
- Credit enquiries — every application a lender has made on your file
- Defaults, court judgments and bankruptcy information, where applicable

EXPERT TIP

You're entitled to one free copy of your credit file per year from each reporting body — checking it yourself never affects your score.

No. 2

How Your Credit Score Is Calculated

A number that summarises your file, not the whole picture lenders use

Your credit score is a number, typically between 0 and 1,000 or 1,200 depending on the reporting body, calculated from the information in your file. It weighs factors including your repayment history, the number and type of credit accounts you hold, how much available credit you're using, and how recently you've applied for new credit.

It's worth knowing that lenders don't rely on this score alone — most run their own internal credit assessment using your file data directly, which can produce a different outcome to what a generic score band might suggest. A good score improves your odds but doesn't guarantee approval, and a lower score doesn't automatically mean decline.

Excellent (800+) 800+

Very Good (700-799) 700-799

Good (600-699) 600-699

Fair (500-599) 500-599

Below Average (<500) <500

EXPERT TIP

Score bands differ slightly between reporting bodies — focus less on the exact number and more on the trend over time and what's driving it.

No. 3

Credit Enquiries — Why Shopping Around Can Hurt You

Every formal application leaves a visible mark on your file

Every time you formally apply for credit — a credit card, personal loan, buy-now-pay-later account or home loan — the lender records a credit enquiry on your file, visible to other lenders for years afterward. A single enquiry rarely matters much, but several enquiries in a short period can suggest financial stress to a lender, even if you were simply comparing offers.

This is different from a broker comparing rates on your behalf using soft information, or you checking your own file, neither of which creates a formal enquiry. The distinction matters: applying directly with five lenders to compare rates can do more damage to your file than working with one broker who shortlists the right lender first.

- Formal applications create a visible enquiry, lasting up to 5 years on file
- Multiple enquiries in a short window can lower your score and concern lenders
- Checking your own file or rate comparisons through a broker don't count as enquiries
- A broker pre-assessing your situation avoids unnecessary multiple applications

EXPERT TIP

If you're planning to apply for a home loan in the next 6-12 months, hold off opening new credit cards or taking out a car loan in the meantime — it adds enquiries right when lenders are scrutinising your file closely.

No. 4

Repayment History — The Biggest Factor of All

Late and missed payments carry the most weight

Repayment history is generally the single biggest factor in both your credit score and a lender's own assessment. Since comprehensive credit reporting became standard, lenders can see whether each payment on every account was made on time, and how many days late if not — not just whether the account was eventually paid.

A single payment that's a few days late due to a one-off issue is unlikely to cause lasting damage, especially if it's an isolated event years in the past. A pattern of late or missed payments, particularly recent ones, is far more concerning to a lender than an older default that's since been resolved.

- Repayments are typically reported monthly across the last 24 months
- Recent late payments weigh more heavily than older, isolated incidents
- Even small accounts (phone plans, utilities) can appear and affect your file
- Setting up direct debits for minimum payments protects against accidental misses

EXPERT TIP

If you know a payment will be late, contact the lender before the due date — some will note a hardship arrangement that's far less damaging than an unexplained missed payment.

No. 5

Defaults, Judgments and How Long They Stay

Understanding what gets listed and for how long

A default is typically listed once a debt is at least 60 days overdue and above a minimum threshold, and the creditor has made reasonable attempts to contact you about it. Court judgments are listed when a creditor takes formal legal action to recover a debt. Both can significantly affect a lender's willingness to approve a new home loan while they remain on file.

Defaults generally remain on file for five years from the date they're listed, regardless of whether you later pay the debt — though a paid default looks considerably better to a lender than an unpaid one. Serious credit infringements and bankruptcies can remain visible for longer, so it's worth understanding exactly what's on your file rather than assuming an old issue has already disappeared.

- Defaults typically stay listed for 5 years from the listing date, paid or not
- Paying an outstanding default still helps your case with most lenders
- Court judgments and serious infringements can remain visible for longer periods
- Specialist and non-bank lenders sometimes still lend with a default on file

EXPERT TIP

If you find an error or an unfamiliar default on your file, you can lodge a dispute directly with the credit reporting body — incorrect listings are more common than most people expect.

No. 6

Credit Utilisation — Why Limits Matter as Much as Balances

Unused credit cards can quietly reduce how much you can borrow

Credit utilisation refers to how much of your available credit you're using relative to your limits. A credit card with a $20,000 limit, even sitting at a $0 balance, is treated by most lenders as a liability you could draw on at any time — reducing your assessed borrowing capacity for a home loan, sometimes by tens of thousands of dollars.

This catches many borrowers off guard, since an unused card feels harmless day-to-day. Lenders generally apply a notional minimum repayment against the full limit of every open credit facility when calculating your serviceability, regardless of your actual balance, which is why reducing limits or closing unused cards before applying is a common and effective strategy.

$5,000 limit –$15k capacity

$10,000 limit –$30k capacity

$20,000 limit –$60k capacity

EXPERT TIP

Before applying, ask your broker to model how much closing or reducing unused credit card limits could add to your borrowing capacity — it's often a quick, meaningful win.

No. 7

How to Check and Clean Up Your File Before You Apply

Practical steps to take before you submit an application

Start by ordering a free copy of your credit file from each major reporting body, ideally two to three months before you plan to apply. Review every account listed for accuracy, check that any past defaults are correctly recorded, and look for anything unfamiliar that might indicate an error or identity issue worth disputing.

From there, focus on the levers you can actually move: bring any overdue accounts current, pay down credit card balances, consider closing or reducing limits on cards you don't use, and avoid applying for any new credit in the lead-up to your home loan application.

STEP 1
Order your free credit file from each bureau

→

STEP 2
Review for errors and dispute if needed

→

STEP 3
Pay down balances, reduce unused limits

→

STEP 4
Apply once your file reflects a clean 3-6 months

EXPERT TIP

Give yourself at least three months between cleaning up your file and applying — recent positive repayment history carries real weight, and rushing the process limits how much it can help.

No. 8

How a Broker Helps With Your Credit File

Reading your file the way a lender will, before they do

A broker reviews your credit file the same way a lender's credit assessor will — spotting issues that could affect approval, sequencing any clean-up work, and shortlisting lenders whose credit policies suit your specific file rather than applying blind.

File Review

Reviews your credit file in detail before you make any application.

Error Disputes

Helps identify and lodge disputes for incorrect listings or unfamiliar accounts.

Limit Strategy

Advises which unused credit limits to reduce or close before applying.

Enquiry Minimisation

Shortlists the right lender first, avoiding multiple unnecessary applications.

Default Navigation

Identifies lenders more likely to consider an application with an old default.

Timing Guidance

Advises how long to wait after clean-up before submitting your application.

Serviceability Modelling

Models how credit changes affect your borrowing capacity before you apply.

Lender Matching

Matches your specific credit profile to the lender most likely to approve.

NEXT STEP

Book a free assessment and we'll review your credit file together, flag anything worth addressing, and time your application for the best possible outcome.

Your Credit File Self-Check

Tick off what applies to you before your first lender conversation

- ☐ I've ordered and reviewed a free copy of my credit file in the last 3 months
- ☐ I've checked every account listed for accuracy and disputed anything unfamiliar
- ☐ I know whether I have any active or historical defaults and their status
- ☐ I've reviewed how many credit enquiries are on my file in the last 12 months
- ☐ I've reduced or closed credit card limits I no longer use
- ☐ I have at least 3-6 months of clean, on-time repayment history to show
- ☐ I've avoided applying for new credit in the lead-up to my home loan application

GET YOUR FREE ASSESSMENT

Ticked fewer than five? A free assessment with Loan Experts will review your credit file in detail and help you build a clean-up plan before you apply.

Quick Reference — How Long Things Stay on Your File

ITEM	TYPICAL TIME ON FILE
Credit enquiries	**Up to 5 years**
Repayment history	**Rolling 24 months**
Defaults (paid or unpaid)	**5 years from listing**
Serious credit infringements	**Up to 7 years**
Bankruptcy	**Up to 5 years (or longer in some cases)**

Ready to Check Where You Stand?

We'll review your credit file together — free, no obligation.

Get Your Free Assessment

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EMAIL
hello@loanexperts.au

WEBSITE
loanexperts.au

OFFICE
Melbourne VIC 3000

This guide is general information only and does not take into account your personal financial situation, objectives or needs. Credit reporting rules, timeframes and score calculations vary between reporting bodies and are subject to change without notice — always confirm current details with the relevant credit reporting body or your broker before relying on them. Loan Experts is an Australian Credit Licence holder.