



I owed \$5,000 on a credit card but then left the country for two years without paying it back. Now, I'm back and I've been told I am black listed for a new credit card. What does that mean and how can I get off this black list?

As you did not pay your credit card debt on time, you have been “blacklisted” on your credit report which lenders use in assessing whether to provide you with more credit or not.

Your credit report contains information about your credit history over the previous seven years, including:

- personal details;
- credit applications details;
- credit defaults;
- credit defaults that have been paid;
- serious credit infringements or 'clearout' listings - this is when the credit provider has unsuccessfully tried to contact you in writing and has reported you as a missing debtor; and
- information on the public record such as judgment debts or bankruptcy orders.

You can obtain a copy of your own credit report through credit reporting agencies such as Veda Advantage and Dun & Bradstreet for a small fee. Checking that your details on the report are correct is advisable as it is quite common for these credit reports to have the wrong information on it due to incorrect spellings and fraud.

To clean up your credit report, I recommend that you pay the outstanding amount and contact the credit card company so that they can notify the credit reporting agency that the debt has been paid. Unfortunately your credit card default will stay on your credit report for a period of five years, even if you subsequently repay it.

Although you have been rejected by one credit card provider this does not necessarily mean that other providers won't approve your application either. Your credit report is just one factor a provider may take into account when assessing your application for more credit. Other factors may include your employment, your income, your savings and any existing liabilities.

Whilst you cannot rewrite your credit history you can try to create a brighter credit future if you use credit wisely.