



**BERG
FINANCIAL SERVICES**

NEWSLETTER

Your Credit Rating and How to Beat Bank Fees?

When you apply to a Bank and / or Financial Institution for a loan, the first step that the Lender will take is to examine your credit rating / history to assess whether you have a good record of repaying your debts.

These days with the easy availability of mobile phones, phone companies also check your credit rating before they will enter into a mobile phone contract with you.

This is done through Veda Advantage, a national database of judgments, applications, defaults and bankruptcies. Every time this happens a notation is recorded against your individual listing. So, even the fact that you have simply applied for credit is recorded - for up to 5 years.

This means that if you “shop around” yourself and apply with several institutions who all conduct checks, it can cloud your record. This may make you look like a bad risk even though you have done nothing wrong. A bad credit rating can cost you with your future financial dealings; you could be refused a loan or be charged a higher Interest Rate.

Berg Financial Services take a more professional approach; we can narrow down your lending options by having a broad knowledge of Banks / Financial Institutions individual policies before lodging any application. That way the relevant Lender conducts only one check and your record does not become crowded.

How can BFS increase your Chances of Success

Too often applicants with a sound proposal and the means to pay for it are refused finance simply because their application was not put together appropriately.

Whether you need finance for a new boat or car, a home or for a business opportunity, BFS have the experience, knowledge and know how to assist you with your request or submission. We deal with Lenders every day, we understand their jargon and we are aware of the rules and regulations concerning your borrowing alternatives.

With our input your application is presented in a way that meets the requirements of Lenders. All paperwork will be complete and your chances of success will be greatly increased. The benefit of our thorough approach is the likelihood of your having to re-apply is greatly reduced, thus protecting your credit rating for the future.

Know your Credit Rating & Clear up Disputed Records

Individuals can obtain a copy of their personal credit file by contacting Veda Advantage.

You have the option of requesting a printout for free which usually takes around 10 working days or you can pay a fee to receive your file more hastily. To do this contact Veda Advantage at www.mycreditfile.com.au

If you believe that a Bank / Phone Company or Other has unfairly listed an overdue account on your personal credit file, you should contact them and ask for an explanation.

If it turns out that there was an error made you need to request that the incorrect information be rectified as soon as possible. If the enquiry shows however, that you are responsible for the debt, you need to arrange to clear the arrears immediately. Depending on the institution involved this may need to be done as a lump sum or a payment plan can be negotiated.

An application for credit will not be considered by any mainstream Lender until your credit file is clear or a documented reasonable explanation has been received.

Improve your Credit Rating

The only way to turn your credit rating around is to do the right thing. You need to meet all loan / credit card repayments on time, pay all utility bills by the due date and if you are unable to do so contact the credit provider to negotiate a payment arrangement.

It is important to stay in contact with your creditors (people who you owe money to), otherwise they do not know that you are struggling and may list you with Veda Advantage as a bad risk.

If you find it difficult to get to the Bank on time or you continually forget about repayment dates, organise to have your payments made automatically from your transaction account. This can be done over-the-counter, by phone or via internet banking.

How to Beat Bank Fees

Depending on how you conduct your day to day banking, it's easy to end up paying hundreds of dollars each year in Bank Fees. Each Financial Institution has its own fees system with its own rules and regulations to go with it.

To minimise the fees you are being charged you first need to have an understanding of what and why you are being charged. Ask your Bank / Financial Institution for an explanation on your account fee structure. A brochure or printout should be made available which will list all fees associated with your account type and any other accounts that the bank offers. This information may also be sourced from the banks website.

Investigate fee exemptions or discount packages. Most Banks offer these, it may mean that you need to keep your account balance above certain amounts or if you have other accounts (term deposit / credit card / home loan etc...) a discount package may be obtainable. Most banks will charge a fee if you use another institutions ATM.

Know how many free transactions you are entitled to each month and learn what type of transactions they need to be, phone banking / internet banking / over-the-counter. It pays to know how your account operates.

Banks are using increasingly complicated fee structures, but the general message is to utilise electronic banking as much as possible and keep an eye on your balance.

Did you know?

Australia's \$1- and \$2- Coins

Australia's One Dollar Coin is almost 25 years old.

The One Dollar Coin was introduced in Australia in 1984 to replace the One Dollar Note. It is frequently used for commemorative designs, and as with the Two Dollar Coin has interrupted milling around the edge to assist visually impaired people.

The Two Dollar Coin was introduced in 1988. The One and Two Dollar Coins are made of Aluminium Bronze (92 per cent copper, six per cent aluminium, and two per cent nickel).



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