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CRANKY CONSUMER

Getting Your Credit History Doesn't Have to Be a Headache

By BRAD REAGAN

For being so boring, credit reports sure are big sellers.

Americans will buy six million of them this year, almost double last year's sales. Small wonder because the reports are play an increasingly big role in our financial lives -- and studies suggest that up to a quarter of all reports contain errors.

No longer are the reports used just for deciding things like interest rates on a loan. Today, some employers check them to screen job applicants, while insurance companies use credit scores in designing policies -- a practice so controversial it has spurred 27 states so far to consider banning the practice.

As a result, dozens of companies are hawking various types of reports. We decided to order five different versions of our own report to see how easy they are to decipher. Three came from the major credit bureaus -- Experian, Equifax and TransUnion -- that compile information about your credit history from merchants and lenders. Others came from companies that repackage data from those three bureaus.

Because the industry is regulated, many elements are consistent. All the reports, for instance, tell who previously requested copies -- so you can know who has been checking up on you.

But there are numerous subtle -- and significant -- differences in how the reports are sold and presented. One of the rudest surprises: One company that offers free reports, ConsumerInfo, automatically enrolls you in a \$79.95-a-year "credit monitoring" program. The only way to opt out and avoid the big fee is to call the company up and cancel.

We were also startled to learn that the process of buying a credit report is no longer as easy as picking up the phone. Only two major providers -- Equifax and Experian -- offer the option of ordering a report over the phone; the rest required us to order online. Not that we're opposed to e-commerce, but sending our Social Security number out into the ether gave us pause. Most privacy experts say it's safe to send just about anything through an encrypted Web site, but it would have been reassuring to have more traditional options available (all of the sites we used were encrypted).

We ordered all the reports by snail-mail; only one -- Fair, Isaac & Co. -- offers solely online delivery.

Still, it was one of the best reports. Fair Isaac includes a complete credit profile based on information from Equifax -- but more importantly, it also has Fair Isaac's influential FICO score. In fact, it's the only place to get your FICO score, which is used nationwide by lenders to judge creditworthiness. With your score you can pretty much calculate what interest rate a bank

should be willing to give you on a loan.

One downside is that Fair Isaac isn't a credit bureau itself, so it isn't responsible for any mistakes in the report. The company provides phone numbers for contacting the bureaus, but the extra step is a slight nuisance.

Fortunately for us, there was only one derogatory item -- a 60-day overdue payment from 1998 (a graduate-school year, sigh). Interestingly, however, the negative information was reported only by Equifax and Experian -- it didn't show up on the TransUnion report. We learned a good lesson: Just because one bureau reports one thing, doesn't mean the others will show the same.

That's why we liked a three-in-one report from TrueLink (truecredit.com¹) which includes data from all three bureaus. You'll pay more for the convenience (\$34.95), but it can be worth it to see the information from the three bureaus presented side-by-side.

We also called each company to ask a basic question about one of the accounts we discovered on our reports: an old credit card from years ago that we thought had been canceled. We were put on hold by True Link for 15 minutes, and by Experian for 11 minutes, but most companies answered in a reasonable amount of time.

A TrueLink official said the company is switching to a new phone system that will improve response time. Experian said our experience was unusual, and typical wait times are about 3½ minutes per call.

It took 66 minutes to get a response from Fair Isaac -- but it isn't an entirely fair comparison: The company accepts only e-mail questions. Spokesman Craig Watts says the company will arrange phone calls for complex questions, but that most customers say they prefer e-mail. "If that became important to our customers, we would consider adding that," he says.

| COMPANY | PRICE | READABILITY | HUMAN TOUCH | WORST FEATURE | COMMENT |
|--|--|--|--|---|---|
| Fair, Isaac & Co. (myfico.com ²) | \$12.95 for an Equifax credit report and your personal FICO score (a number used by lenders to judge your creditworthiness). | Clearer explanation of how the report affects your credit profile. Also includes a description of the FICO score and what it means for your borrowing ability. | Accepts only e-mail queries. They responded to our question in 66 minutes -- but basically said we need to contact the credit bureaus directly to fix mistakes or ask questions. | Available only online; the company won't even mail a hard copy. A spokesman says most customers prefer it that way. | A Must. Access to the FICO score is worth the price, though it would be nicer to have more personalized customer support. |
| Trans Union (http://www.transunion.com ³) | \$9 | Well-organized. Also provides a FICO-like credit score -- but it's not widely used in the industry. Offers the best explanation of who in the past has requested copies of your report, and why. | Phone rep was curt, and also misidentified one of the companies that had previously requested a copy of our report. (A spokesman says it was just a slipup.) | The only provider that didn't omit our Social Security number for security reasons. (The company says it's reconsidering the policy.) | The credit score is a helpful feature, even though it's an in-house rating and not the more common FICO score used by most lenders. |
| Experian Information Solutions /(866) 200-6020 or | \$9 | Above average. Informative brochure tells | Below average. Kept on hold 11 | Booklet is poorly designed: Info | Satisfactory, but we wish they could |

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|---|---|---|--|--|--|
| experian.com ⁴ | | how data are compiled and how long it remains in the file. (Watch out: Late payments stay there seven years.) | minutes, then told to call directory assistance to get the number of our credit-card company if we want to close the account. | from one account sometimes looks like it's part of another account. | have provided more help in tracking down the credit-card company we were trying to contact. |
| ConsumerInfo.com (a unit of Experian) | Free -- but you're automatically enrolled in a \$79.95-a-year credit-monitoring service if you don't cancel within 30 days. | Nice graphics make it one of the easier reports to digest quickly. | Report said to call customer service -- but didn't include the number. (It's 888-888-8553.) The courteous rep helped us cancel the extra service without a hassle. | Doesn't list all the companies that have requested a credit history. | A cheap way to get a basic credit report -- but could be costly if you don't cancel the credit-monitoring service. |
| Equifax /(800) 685-1111 or equifax.com ⁵ | \$9 | Perplexing at first glance -- a jumble of numbers and abbreviations -- but the enclosed key was helpful in deciphering. | The automated phone system cut us off as we were ordering our report. Later, though, we stayed on hold less than two minutes and the rep was most helpful. | Graphics could use work. Other providers use colorful symbols that help you read their charts at a glance. | Confusing presentation. But had most responsive customer-service staff of the bunch |

URL for this article:

<http://online.wsj.com/article/0,,SB1028578750723396520.djm,00.html>

Hyperlinks in this Article:

- (1) <http://truecredit.com/>
- (2) <http://myfico.com/>
- (3) <http://www.transunion.com/>
- (4) <http://experian.com/>
- (5) <http://equifax.com/>

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