Do you need a perfect credit score to start investing in UK property?

Blog

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There are countless aspiring property investors in the UK who are yet to start their investment careers. But a bad credit history has forced them to put their dreams on the backburner, believing they cannot succeed without having a perfect credit score. This is not always the case. If you're an investor who has yet to begin investing in property, this blog will provide information on how to get started even if you think your financial history could impact your future.

Before we start, it should be noted that as with any investment, your capital is at risk and you should seek advice concerning suitability from your investment adviser. Returns may vary and you should not invest more than you can afford to lose. This information does not constitute advice or a personal

recommendation.

What affects an individual's credit rating?

It is worth bearing in mind that usually financial issues in the last 12 months are typically taken into consideration when determining your credit score. Unless there were serious financial implications before this, investors can likely proceed with investment plans.

Common reasons that lead to a poor credit score include:

- Late credit card or personal loan repayments
- Credit defaults
- CCJs (County Court Judgements)
- Poorly managed store cards and secured loans
- Bankruptcy and IVAs (Individual Voluntary Arrangements)
- Large outstanding debts
- Having no credit history

How to improve a credit score

Investors can use a number of credit referencing agencies online to get a clear picture of their credit score for free. Agencies will typically also release a report with tips detailing how to improve the score, regardless of whether it is good or bad. However, some of the most crucial elements to keep an eye on include:

- Keep personal details up to date
- Cancel credit facilities which aren't in use
- Address credit history errors (agencies do not always get it right)
- Investigate unrecognised financial items
- Request a 'notice of correction' where appropriate
- If you have multiple credit cards and loans that you repay on time
- Repay accounts in arrears
- Stay up to date with payments

- Ensure all registered addresses are the same
- Consolidate credit cards where suitable

Have you been turned down by a bank?

Investors who have tried to invest in products available from banks to build their property portfolios can often feel disheartened. Major financial institutes have gatekeepers in place to turn those away with less than perfect credit scores. This is where alternative investment platforms, such as TAB, can step in to allow budding investors to begin their property investment journey. Whilst a bank may judge a potential investor's credit score as concerning, alternative investment companies can work with investors to create their own unique route to a property portfolio.

Investors without a credit score

Never borrowing money, never having an overdraft, and never having a credit card can be detrimental to property investors. Companies are often reluctant to let individuals with no financial history invest in properties as there is no proof they can maintain a financial commitment going forward. This can be remedied by:

- Registering to vote
- Having a UK bank account
- Taking out a credit card and make small transactions and pay debt off in full every month

Finding the best property investment opportunity with a subpar credit history

Teaming up with an experienced property investment company, such as TAB, is a good place to start your investment journey. TAB is dedicated to making property investment accessible for all and this includes individuals who do not have a perfect credit score. There are a variety of different ways in which TAB can help you become involved in UK property:

TAB Lending

Through TAB Lending, you can invest in property-backed bridging loans and earn up to 9.00% per annum. Invest in loans that suit your investment goals with as little as £1,000. There are no hidden charges, you can build your own diverse property portfolio, manage it yourself online and receive monthly interest payments.

Why not call TAB today on 0208 057 9070 to get started? Don't let your credit score affect your property endeavours.

As with any investment your capital is at risk and you should seek advice concerning suitability from your investment adviser.

Capital is at risk. Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

You are advised to obtain appropriate tax or investment advice where necessary. Understand more about the key risks here.

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T: 0208 057 9070
E: help@tabhq.com
W: tabhq.com