

Consumer Credit Report Monitoring Study

Abstract

As financial literacy improves among UK consumers, an increasing number are monitoring their credit reports. This trend highlights the growing awareness of the importance of maintaining a good credit score for securing credit products or recovering from delinquency. TransUnion has a substantial base of consumers who monitor their scores through various channels. To gain deeper insights into these consumers, TransUnion conducted a comprehensive study comparing their behaviour to that of the general UK population.

The study utilized a combination of credit and consumer data to analyse various aspects of consumer behaviour, including credit stages, behaviours, and motivations for monitoring credit reports. The initial phase involved profiling analysis to understand the demographic and behavioural characteristics of these consumers. This was followed by the application of k-means clustering, a statistical method used to identify distinct consumer segments that are more likely to monitor their credit scores.

The findings from this study provided valuable insights into the behaviour of consumers who monitor their credit reports. Additionally, the study identified several gaps where enhanced credit education could be beneficial.

Credit education is crucial for equipping UK consumers with the knowledge and skills needed to make informed financial decisions. This includes securing new credit, avoiding debt traps, and managing finances more efficiently. Educating consumers about credit, even before they begin their credit journey, helps them plan for significant credit commitments and secure better interest rates. Widespread credit education fosters fairness, financial resilience, and economic growth.

This session will discuss the study's methodology, high level findings and explore how the results can be leveraged to enhance credit education and access to monitoring services. By understanding the behaviour of consumers who monitor their credit reports, we can identify opportunities to promote financial literacy and support the financial well-being of UK consumers.

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