

Credit Doesn't Travel

What You Need to Know About Credit Reporting Around the World

Each country uses a different system for credit scoring, and credit does not transfer from country to country. Your credit score is what determines your creditworthiness to lenders. Upon arrival in a new country, you start out with a score of 0. Not having credit can make it hard to make much-needed purchases in your new country. Vendors often require credit checks to obtain cell phones, car loans, home and auto insurance and housing.

United States

- FICO® is the most common model for credit scoring
- Your credit score is a three-digit number generated by a mathematical algorithm using information in your credit report
- Credit scores range from 300 – 850 (300 being bad and 850 being excellent)
- A FICO score consists of Payment History (35%), Debt Burden (30%), Length of History (15%), Types of Credit (10%), and Recent Searches (10%)

Canada

- Credit scores range from 300-900
- Some agencies also report credit rating from the lenders, where each credit history item is rated from 1-9 along with a letter (I, O or R) that stands for the type of credit you are using
- Two credit reporting bureaus (TransUnion Canada and Equifax Canada)
- Scores are calculated based off Payment History, Outstanding Debt, Credit Account History, Recent Inquiries, and Types of Credit

Germany

- The credit bureau is SCHUFA
- Score values are calculated using a mathematical statistical process in percentage points from 0%-100% (Below 80% is considered very high risk)
- SCHUFA also has a score for banks ranging from 1-1000 with corresponding letter rating levels. (The highest score is a rating level A with a score of 662-999 and credit risk of .85%)
- Late payments are now able to be deleted from your credit history after 3 years

United Kingdom

- Three main reporting companies (Callcredit, Equifax, and Experian)
- Credit scores range from 0-1000
- Your credit report lists
 - All your credit accounts
 - Details of people who are financially linked to you
 - Whether you are on the electoral register
 - Public record information
 - Name and date of birth
 - Current and previous addresses
 - If you've committed a fraud

France, Portugal, Spain, Australia, and Nordic Countries

- Your credit score only reports on negative information - late payments, large debt burden, etc.

East Asia

- Countries such as Malaysia, Hong Kong, and Singapore have some of the most advanced credit reporting systems
- Consumer credit reporting and commercial credit reporting are combined, which is very valuable for small and medium enterprises looking to access credit



Important Tip: Start building your credit history in your new country as soon as possible.

An easy way to start is to work with companies that specialize in offering programs and services for Expats. These companies look at more than just your credit score when determining your creditworthiness.

International AutoSource offers Expat car financing, leasing, and rentals without a local credit history
intlauto.com ▪ +1 516.496.1816 ▪ intlauto@intlauto.com

IAS[®]
INTERNATIONAL
AUTOSOURCE