DOMESTIC ABUSE & CREDIT REPORTING

Arca
CREDITSMART.ORG.AU
CLEARER CREDIT HISTORY

GUIDING YOUR CLIENT THROUGH CREDIT REPAIR AND THE IMPACT OF FINANCIAL ABUSE

Domestic abuse can cause serious financial harm to victim-survivors, including negatively impacting their credit reporting information.

Financial abuse can take many forms and affects almost one-fifth of Australians.

Our statistics indicate that 14% of Australians have experienced financial abuse from a partner, family member, or someone close in the past 12 months, including:

- **6% - Being pressured to lend money, be a guarantor, or invest in something**
- **5% - Having their money, bank account, or credit used without permission**
- **2% - Being forced or pressured to sign financial documents or take on debts**
- **4% - Being threatened about money, credit or financial decisions**
- **4% - Being made by the perpetrator to hand over their income, assets or financial control**
- **3% - Stopped from accessing their own money or bank accounts**

Reference: YouGov/CreditSmart research June 2026

WHY IT MATTERS

For many victim-survivors, abuse doesn't end when they leave a relationship. It can follow them for years, in the form of debt they never agreed to, a damaged credit report, or a loan taken out in their name without their knowledge. Financial recovery can depend on accurate credit reporting.

The right support from lenders, access to affordable credit in their own name, and the correction of fraudulent or coerced debt are all essential to a victim-survivor's recovery.

These issues can have serious and long-lasting impacts on victim-survivors, affecting their financial security, independence, and ability to rebuild their lives.

ARCA'S PRINCIPLES OF BEST PRACTICE: DOMESTIC ABUSE AND CREDIT

A credit report should reflect the credit-worthiness of a victim-survivor, not their abuse. To support this goal, Arca has developed the Principles of Best Practice: Domestic Abuse and Credit. These principles are available for any participant in the credit industry to be implemented to support victim-survivors.

The Principles are:

Overarching Principle — Safety is paramount

- **Principle 1: Ensure credit reports accurately reflect a person's creditworthiness, not the effects of domestic abuse.**
- **Principle 2: Believe victim-survivors and make systems accessible.**
- **Principle 3: Embed Safety by Design principles into products, services and processes.**
- **Principle 4: Identify and support victim-survivors.**

WHAT YOU CAN DO TO HELP IN ADDRESSING SPECIFIC CREDIT ISSUES

Make sure your client knows what's in their credit report.

In Australia, everyone has the right to one free credit report every three months from each of the two main credit reporting bodies, Equifax and Experian.

Getting a copy of a credit report from both credit reporting bodies can be a critical early step to recovery, by identifying if credit that has been applied for in your client's name without their knowledge.

Seeking Help Later:

Even if your client is not ready or safe to seek changes to their credit report now, they can ask for changes when they are ready. It may help if you (or your client) tell the lender or credit reporting body about the abuse.

CREDIT TAKEN IN THE VICTIM-SURVIVOR'S NAME BUT USED BY OR BENEFITTING THE PERPETRATOR:

Support your clients to:

- Explain their circumstances to the credit provider(s)
- Ask their credit provider(s) to remove them from credit or change the credit to reflect the use or benefit of the credit for the victim-survivor. Also ask them to make changes to the victim-survivor's credit report which are consistent with changes made to the credit. This may include removing all credit information reported for the credit.

Default Information or Negative Repayment History Information arising due to abuse:

Where the impact of domestic abuse has meant your client doesn't make their payments on time and default information or has negative repayment history information reported, they can request to have this removed from their credit report.

Financial Hardship Assistance:

You can help clients:

- Request hardship assistance on loans including requesting that the hardship arrangement be backdated
- Financial hardship can be provided to victims without the involvement of the perpetrator
- Where safety is a concern, request suppression of hardship and repayment history information (which will mean a 'blank' entry for repayment history information during the suppression). This can be used for joint credit (held with the perpetrator) or credit held solely by the victim-survivor.

BEWARE OF CREDIT REPAIR

- Discuss with clients alternative options to using credit repair agents (also known as debt management firms).
- These organisations often charge large fees for services that are available for free.
- Credit repair agents may lack the knowledge or skills necessary to appropriately assist victim-survivors with their specific needs and requirements.
- Credit repair agents may also fail to connect clients with crucial domestic abuse support services, limiting their access to a wider range of free assistance.

IF ISSUES REMAIN UNRESOLVED, GUIDE YOUR CLIENT TO

You can lodge a complaint with the credit provider or credit reporting body. If they don't resolve the problem then you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA is a free and independent body that helps consumers resolve disputes with financial firms – **www.afca.org.au**.

WHERE TO GET MORE INFORMATION?

Arca's consumer education website, www.CreditSmart.org.au, provides unbiased and factual information you can trust. Explore the Consultant Resources section for information, guides and downloadable fact sheets.