

# UK consumers, in the dark about credit scores, rely on borrowing to make ends meet

Article

**The news:** Nearly half of UK consumers don't know their credit scores, or how to improve them. But many are planning to borrow more to help with rising costs of living, according to a

[study](#) from CRIF.

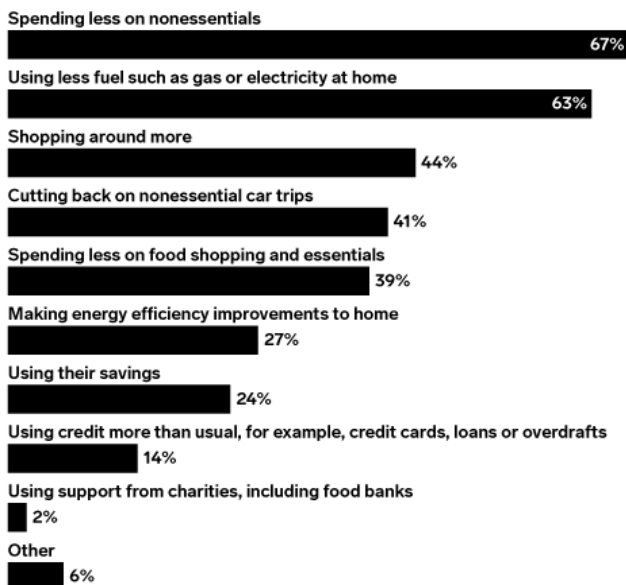
The study surveyed 7,000 consumers across France, Germany, Italy, the Czech Republic, Slovakia, and the UK in July 2022.

**Key stats:** Some of the most notable statistics from the study come from UK respondents, who are facing a cost of living crisis and rapidly rising interest rates.

- **Almost half (46%) of UK consumers said they never think about their credit scores.** This is the highest percentage across surveyed countries. Germany followed, with 40% of consumers saying they don't think about their credit scores.
- Twenty percent of UK consumers said they don't know how to improve their credit scores.
- Despite not putting much consideration into credit scores, the UK has one of the highest household debt to gross disposable income ratios in Europe, at 136% as of Q4 2021, per [Statista](#).
- **And 19% of UK consumers said they expect to borrow even more in the next 12 months to assist with the rising cost of living.**

### Actions UK Adults Are Taking due to Increased Cost of Living, Oct 2022

% of respondents



Note: ages 16+ who said their cost of living had increased; excludes "none of these" response

Source: Office for National Statistics (ONS) - UK, "Public opinions and social trends, Great Britain: 12 to 23 October 2022," Oct 28, 2022

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**Lack of knowledge:** The study also found that one in 10 consumers has been denied credit since March 2020. Within that group,

- Sixty-four percent said they received no assistance on information from their lender on how to improve their chances of getting approved.
- Half of those denied (50%) turned to more expensive forms of credit, like payday and short-term loans.
- And more than half (52%) said they thought they had good credit and were surprised to be turned down.

**A gap in the market:** The lack of awareness around credit scores in the UK starkly contrasts with credit score knowledge in the US.

- According to [MoneyLion](#), the average American checks their credit score four times a year, or even more frequently if they are trying to improve it.
- And only 19% of Americans don't know their credit score, according to a LendingTree [study](#).

But US consumers are able to easily check their credit scores for free through a variety of apps, like [Credit Karma](#), [Credit Sesame](#), and [CreditWise](#). Options like this are not as prevalent in the UK.

**The big takeaway:** Credit score awareness in the UK will grow in importance as prices continue to rise and UK consumers are forced to find new ways to make ends meet. According to another CRIF survey, 64% of UK consumers think banks and financial institutions **aren't doing enough** to help their customers during difficult economic times. This is a huge opportunity for a bank or a fintech to step in and offer credit score educational resources to aid UK consumers in making better decisions when it comes to borrowing money.

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