

How to Protect Your Credit Score in Australia: 10 Smart Habits Every Borrower Should Know - Natloans

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How to Protect Your Credit Score in Australia: 10 Smart Habits Every Borrower Should Know

By Mary Nebotakis, Managing Director, Natloans, B. Eco, Dip. Financial Services

Your credit score is one of the most important factors lenders consider when assessing a loan application, and a few smart habits can go a long way towards keeping it in good shape.

Whether you're applying for a home loan, refinancing your mortgage, financing a vehicle or taking out a personal loan, maintaining a healthy credit profile can improve your borrowing options and help streamline the application process.

The good news is that protecting your credit score doesn't have to be complicated. A few smart financial habits can go a long way towards keeping your credit history in good shape.

For more than 15 years, Natloans has helped over 10,000 Australians compare home loans from more than 50 lenders, backed by more than 900 five-star Google reviews and recognised as Best Finance Brokerage (Office) – Victoria & Tasmania, Better Business Awards 2026.

Here are ten practical ways to help protect your credit score.

What Is a Credit Score?

A credit score is a numerical representation of your creditworthiness based on information contained in your credit report.

Credit reporting bodies consider a range of information, including:

Your repayment history

Credit applications and enquiries

Existing loans and credit limits

Defaults and serious credit infringements (where applicable)

Public record information, such as certain insolvency events

Lenders may use this information, along with other financial details, when assessing your application.

While every lender has its own assessment criteria, maintaining a strong credit profile can place you in a better position when applying for finance.

1. Pay Your Repayments on Time

One of the simplest ways to protect your credit profile is to consistently make repayments by their due date. This includes:

Home loans

Car loans

Personal loans

Credit cards

Buy Now, Pay Later commitments where relevant to your financial position

Utility and telecommunications accounts where applicable

Setting up direct debits or payment reminders can help you stay on top of your commitments.

2. Avoid Making Multiple Loan Applications at Once

Every time you formally apply for credit, a credit enquiry may be recorded on your credit file.

Submitting numerous loan applications with different lenders over a short period can make it appear that you're urgently seeking credit, even if your intentions are perfectly reasonable.

This is one reason why many borrowers choose to work with an experienced finance broker.

Rather than applying with multiple lenders yourself, a broker can help identify suitable lending options before you submit an application.

3. Check Your Credit Report Regularly

Mistakes can happen. Reviewing your credit report periodically allows you to:

Confirm your personal information is accurate

Identify unfamiliar credit enquiries

Check that closed accounts have been updated correctly

Detect potential identity fraud early

If you notice incorrect information, you can contact the relevant credit reporting body or lender to investigate.

4. Only Borrow What You Need

It can be tempting to apply for the maximum amount available, but borrowing responsibly is an important part of maintaining long-term financial health.

Only taking on debt that's appropriate for your circumstances can make repayments more manageable and reduce financial pressure.

Responsible borrowing also helps you build a positive repayment history over time.

5. Keep Credit Card Limits Under Control

Lenders often consider not only how much you currently owe, but also how much credit is available to you.

If you have several credit cards with high limits that you rarely use, it may be worth reviewing whether you still need them.

Reducing unnecessary credit limits or closing unused accounts can help simplify your finances.

Before making any changes, it's worth considering how they may affect your overall financial situation.

6. Don't Ignore Financial Difficulties

If you're experiencing financial hardship, it's generally better to seek assistance early rather than falling behind on repayments.

Many lenders offer hardship support options that may help borrowers experiencing temporary financial difficulties.

Speaking with your lender, or an experienced finance broker, as early as possible often provides more options than waiting until repayments have already been missed.

7. Be Careful When Acting as a Guarantor

Agreeing to guarantee someone else's loan is a significant financial commitment.

If the primary borrower is unable to meet their obligations, the guarantor may become responsible for the debt under the terms of the guarantee.

Before agreeing to become a guarantor, it's important to fully understand the responsibilities involved and seek independent advice if necessary.

8. Protect Yourself Against Identity Theft

Identity theft can lead to fraudulent credit applications being made in your name. Simple ways to help protect yourself include:

- Using strong, unique passwords

- Enabling multi-factor authentication where available

- Monitoring your financial accounts

- Being cautious of phishing emails and scam messages

- Securely disposing of documents containing personal information

Protecting your personal information is an important part of protecting your financial reputation.

9. Review Your Loans Regularly

Your financial needs change over time.

Reviewing your loans every 12 to 24 months allows you to determine whether your current lending still suits your circumstances.

A review may also identify opportunities to refinance, consolidate debts or improve your overall loan structure.

Importantly, reviewing your options doesn't necessarily mean submitting multiple loan applications.

10. Speak to a Finance Broker Before You Apply

One of the smartest ways to protect your credit profile is to seek professional guidance before lodging a formal application.

At Natloans, our experienced brokers take the time to understand your circumstances and help identify suitable lending options before you proceed.

Instead of approaching multiple lenders individually, we can compare products across more than 50 lenders, helping you make a more informed decision while avoiding unnecessary applications.

Common Myths About Credit Scores

"Checking my own credit score will hurt it."

Generally, checking your own credit report through a recognised credit reporting body is considered a personal enquiry and does not lower your credit score.

"I need to carry credit card debt to build my score."

No. Consistently meeting your repayment obligations is generally more important than carrying a balance.

"Every lender uses exactly the same credit score."

Not necessarily. Different lenders may use different credit reporting information and apply their own lending policies alongside your credit report.

Why Your Credit Score Matters

A healthy credit profile may help improve your chances of securing finance that suits your circumstances.

Whether you're purchasing your first home, refinancing, financing a vehicle or applying for a business loan, presenting a strong financial profile can make the application process smoother.

Looking after your credit score today can help create more opportunities tomorrow.

Speak with the Team at Natloans

If you're thinking about applying for finance and want to put yourself in the strongest possible position, our experienced brokers are here to help.

We'll take the time to understand your circumstances, explain your options and guide you through the lending process.

Clients benefit from:

Award-winning service – Best Finance Brokerage (Office), Victoria & Tasmania, Better Business Awards 2026

More than 900 five-star Google reviews

Access to more than 50 lenders

More than 10,000 clients assisted

Book your FREE 15-minute consultation today here or call 1300 955 791 and let our team help you take the next step with confidence.

Frequently Asked Questions

What is considered a good credit score in Australia?

Credit reporting bodies use different scoring models, so score ranges vary. In general, a higher credit score indicates a stronger credit history, but lenders also assess income, expenses, employment, existing liabilities and other factors when considering an application.

Does applying for a loan affect my credit score?

A formal credit application may result in a credit enquiry being recorded on your credit report. This is why it's important to understand your options before submitting multiple applications.

How often should I check my credit report?

Checking your credit report periodically is a good way to ensure the information recorded is accurate and to identify any unfamiliar activity.

Can a finance broker help protect my credit score?

An experienced finance broker can help you understand your borrowing options and identify lenders that may suit your circumstances before you submit a formal application, reducing the likelihood of unnecessary credit enquiries.

General Information

The information contained in this article is general in nature and does not take into account your personal objectives, financial situation or needs. Before making any financial decisions, you should consider whether the information is appropriate for your circumstances and seek professional advice where required.

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