

Want To Boost Your Credit Score Easily Here's How OneScore Can Help

Category: Business

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A low credit score is a common reason for the rejection of loan applications or unfavourable terms. A poor score indicates a higher level of risk for the lending bank or NBFC, making it more difficult for borrowers to secure the desired loan amounts, quick approval, or even the most competitive interest rates.

However, with regular CIBIL score checks, borrowers can identify areas for improvement and boost their creditworthiness. This can help increase their negotiating power and get faster loan approvals, which are especially useful when addressing emergencies like medical treatment or home/vehicle repair.

Keeping this benefit at the core of its services, OneScore simplifies the credit monitoring and improvement process. Its unique mobile app enables borrowers to make better credit decisions and increase their credit scores. Upon reaching specific thresholds, customers can also [apply for loans](#) on the same OneScore app.

Understanding Credit Scores

This three-digit number is a summary of a user's credit behaviour and helps lenders assess an applicant's ability to repay borrowed funds. This score, usually ranging from 300 to 900, reflects credit history and past repayment behaviour.

Four platforms provide credit score checks in India, including:

- TransUnion CIBIL
- CRIF High Mark
- Experian
- Equifax

Credit Scores Impact on Loan Approval

A strong credit score increases the likelihood of quick loan approval. As the score increases, borrowers can look forward to getting more affordable [loan offers](#). On the other hand, a low score may lead to rejection or a higher [interest rate](#) with a lower loan amount.

It is important to check one's credit score before applying for a loan or credit card. This helps in assessing one's eligibility. If borrowers see a low score, they can take time to enhance it before applying to increase their chances for a pocket-friendly loan offer.

Real-world Example

Consider the following example:

Case A	Case B
Radha performed a CIBIL score check before applying for a home loan of Rs. 50 Lakhs	Raj applied for the same loan with a credit score of 620, indicating higher risk
Her score of 775 showed strong creditworthiness	The lender imposed stricter scrutiny due to the higher risk
She was classified as a low-risk borrower	Approval was not immediate due to additional checks
The loan was approved at an 8% interest rate for a tenure of 25 years	The loan was offered at a 9.5% interest rate for the same tenure of 25 years

Her EMI came to Rs. 38,591, lowering her repayment burden	This increased his EMIs to Rs. 43,685, increasing his repayment burden
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Disclaimer: The example above and the EMI calculation are for illustration purposes only. The actual amount can vary as per the lenders policies, terms, and charges.

Five Factors That Lower CIBIL Scores

Here are the key reasons that may negatively impact a borrowers credit score:

▪ Missed or Late Payments

Delayed or skipped EMIs and credit card bills reduce the score. Days Past Due (DPD) entries indicate defaults, and even small unpaid amounts can have a negative impact.

▪ Too Many Credit Applications

Applying for multiple loans or credit cards within a short time increases hard enquiries, signalling credit-hungry behaviour. Rejections further reduce the score.

▪ Errors in Credit Report

Mistakes like incorrect details, duplicate accounts, or false loan records can lower the score. Regularly checking and raising disputes helps correct them.

▪ High Credit Utilisation Ratio (CUR)

Using over 30% of the total credit limit (on a credit card) can hurt the score. Even with timely payments, high CUR lowers creditworthiness.

▪ **Poor Credit Mix**

A balanced mix of secured and unsecured loans strengthens the credit profile. Relying only on one type of credit may slightly impact the score.

Apart from these reasons, not having any experience with credit is also detrimental to building a score.

The OneScore Advantage

While these strategies can help users increase their credit score, these tips are not personalised. This can raise questions as to which exact credit-related behaviour can boost a user's score. Here's where the customised insights [offered by the OneScore App offer users](#) a novel solution.

Users can not only check their score and credit report from CIBIL and Experian, but also get tailored recommendations. For instance, say a user has two credit cards and is using card A more than B, thus increasing the credit utilisation ratio of Card A. In such cases, the OneScore App will advise her to use Card B more and Card A less to boost her credit score.

In this way, OneScore makes users more aware of responsible credit habits such as:

- Limiting Multiple Loan Applications
- Increasing a Credit Card's Credit Limit Strategically
- Keeping Credit Utilisation Low
- Paying Dues on Time
- Clearing Credit [Card Bills in Full by the Payment](#) Date

Incorporating these tips over time can help anyone achieve a good credit score. This improves loan eligibility and helps one [secure funds](#) at better borrowing terms. Apart from

offering users the freedom to monitor their credit score online for free for their lifetime, OneScore has other useful tools and features:

- Its Score Planner makes it easy for users to target a specific credit score and work towards it in a chosen timeframe
- It lists all credit accounts (be it loans or credit cards) and sends payment reminders for timely repayment
- It helps users identify and report fraud to ensure fake loans in their name do not bring their scores down

The [OneScore App](#) thus simplifies the process of staying aware of one's credit health and improving it over time. However, it also goes one step further. Once a user's credit score reaches the threshold of 730, they can check their [personal loan](#) offer to meet any life goal or address a financial emergency.

Following a completely digital application process and without any added documentation, users can get funds up to Rs. 5 Lakhs quickly and at competitive rates of interest. Now, everyone can take control of their creditworthiness and get easy access to funds by downloading the OneScore App.

