

Framework for compensation to customers for delayed updation/rectification of credit information

The RBI vide its circular (RBI/2023-24/72 DoR.FIN.REC.48/20.16.003/2023-24) dated October 26, 2023, has directed Credit Information Companies (CICs) and Credit Institutions (CIs) to implement a compensation framework for delayed updation/rectification of credit information. As per the said circular CIs have been granted a period of 21 calendar days and CICs have 9 calendar days to resolve a complaint (i.e. 30 days in total).

Failure of either the CIs and/or CICs entitles, complainant to receive a compensation of ₹100/- for each day of delay from the CI and/or CIC (as applicable), shall be credited to the provided account details.

Points to note:

1. The date of the complaint registration shall be the date when all the information viz., name of the bureau, pdf copy of the bureau report and the nature of discrepancy sought by the financial institution is provided by the complainant. The day when the complaint was first raised is not to be treated as the date of complaint if the necessary information to resolve the complaint was not provided in totality by the complainant.
2. This compensation framework becomes effective from April 26, 2024. Disputes initiated prior to April 26, 2024, and subsequently closed will not fall under the provisions of this circular, and therefore, the Company will not be liable to pay any compensation amount in such a case.
3. The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.

Other FAQs

What is a Credit Bureau Report?

A credit bureau report is a document that provides detailed information about your credit activity and current financial status, including your loan repayment history and the status of your credit accounts.

What do you mean by credit score?

Your credit score is a number that represents your creditworthiness. It is based on previous loans that you might have taken, your credit card usage patterns, as well as your promptness in paying back any loans/credit card bills on time.

During the process of applying for a loan, you will need to allow us to pull your credit report to assess your overall creditworthiness. This report will be kept private. It will not affect your credit score.

How does my credit score get affected by this loan?

Positive impact:

- Consistent and timely repayment of loan EMIs can improve your credit score over time.
- A good repayment history demonstrates creditworthiness, leading to a stronger credit score.

Negative Impact:

Your credit score gets affected only if you're not able to pay back the loan EMIs on time or if you miss payments altogether.

Will my credit score be affected if I get rejected?

No, your credit score will not be affected if your loan application is rejected. But if you have had several loan enquiries with multiple lenders in a short span of time, it may affect your credit score. However this can only temporarily lower your credit score, as it may indicate to lenders that you are taking on too much debt or experiencing financial difficulties.

Will there be a credit report enquiry when I apply for this loan?

Yes, there will be a credit report enquiry made whenever you apply for this loan. This credit report will reflect enquiry only after you submit the loan application.

How are loan repayments and closures reported to all four credit bureaus TransUnion CIBIL, Experian, Equifax, and CRIF in India?

We have an automated Credit Information Company (CIC) reporting process in place to ensure seamless updates to your credit report. Once a repayment is made against a loan or when a loan is closed, it is automatically reported to all four CICs (credit bureaus) at periodic intervals according to their prescribed schedule.

How can I check the status of my credit report?

We advise our customers to check their credit report directly from the official website of the credit bureau (TransUnion CIBIL, Experian, Equifax, and CRIF) instead of using third party websites that usually offer free credit reports. The official website of the credit bureau provides the most up-to-date and accurate information.

How long does it typically take for a customer's payment status to be updated in a credit bureau report after making a payment?

The customer's payment information is sent to the bureau once every month as per current practice. It generally takes 30-45 working days to update this information. In case of any discrepancies, please feel free to write to us at cs@truecredits.in.

What shall I do, if I find some inaccuracy in my Bureau report?

We encourage you to check your bureau reports status directly from the website of the credit bureau instead of any third party websites providing this for free. Their reports are generally not real-time updated. Further, credit bureau reports are based on the data provided by member institutions and hence any correction in the report should be confirmed by the respective financial member institution.