

UK Debtors Could Lose Jobs

The European Privacy Partnership warns that consumers may lose more than their credit rating if they default on loans.

London, United Kingdom ([PRWeb](#)) November 18, 2008 -- The European Privacy Partnership warns that consumers may lose more than their credit rating if they default on loans.

This month's UK bankruptcy figures show that UK business and individuals are still choosing bankruptcy as a seemingly easy way out of debt problems. However many people fail to realise that defaulting on debts not only damages your credit rating but may also prevent you from renting (not just buying) a home and may even stop you getting certain types of employment.

All bad debt typically remains on an individual's record for six years from the date of the default. During this time those with a history of debt can expect to be refused not just credit but also rented accommodation and even some types of employment.

Rental agencies and employers often check credit history to ascertain an applicant's reliability or risk rating. In many industries, such as financial services or other jobs where staff have access to sensitive data, applicants may be refused employment due to a bad credit rating.

"In the current climate perfectly honest individuals who struggle to meet re-payments on debt may find that more than just their credit rating is at stake," commented Nicola McKilligan a Senior Partner at the European Privacy Partnership.

"Many employers use credit reference agency data to make decisions about employment. This comes as a surprise to many people. The UK Data Protection Act says we should be told how our information is to be used, but how many of us remember reading on our credit applications that adverse credit records could be used to deny us employment or rented accommodation?" continued McKilligan.

"This is a privacy and data protection issue," argues McKilligan, "credit reference agencies should take more responsibility before passing on personal information which might be used to make non-credit related decisions. Lenders should also provide clearer information about what credit information will be used for. This should happen at the point when people sign up for a loan."

EPP is advising all those who have been refused employment or rented accommodation on the basis of credit reference data, but who feel that they were not informed properly that their information would be used for these purposes, to complain direct to the Information Commissioner who enforces the Data Protection Act 1998.

EPP is also calling for the government to make it illegal to refuse someone employment or housing just because they are a bankrupt or have a poor credit history.

See www.privacypartnership.com for details.

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