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NEW PIRG SURVEY FINDS CREDIT REPORTS RIDDLED WITH ERRORS

Finds Mistakes By "Data Dealers" Still Hurt Consumers, Despite New Laws

A national survey released today by the U.S. Public Interest Research Group (PIRG) found that, despite passage of a 1996 federal law, nearly one-third of credit reports still contain serious errors that could cause consumers to be denied credit. The report also found that many consumers still can't get through to bureaus to request their reports. The report makes recommendations to Congress and state legislatures on ways to improve credit report access and accuracy, since reports are now being used not only for credit, job, and insurance applications but also when consumers try to write checks, open bank accounts or even use ATM debit cards.

"Many credit reports are a ticking data time bomb of inaccurate information that could devastate a consumer's financial health at any moment," said Ed Mierzwinski, PIRG Consumer Program Director. "The data dealers are selling credit reports that are full of mistakes to businesses, and innocent consumers pay the price."

Among the principal findings of the report were the following:

Twenty-nine percent (29%) of the credit reports contained serious errors that could result in the denial of credit. "Serious" errors included false delinquencies, public records or judgements that belonged to a stranger, or credit accounts that did not belong to the consumer;

Seventy percent (70%) of the credit reports contained mistakes or errors of some kind, also including the following;

Forty-one percent (41%) of the credit reports contained incorrect personal demographic identifying information;

Twenty percent (20%) of the credit reports were missing major credit cards, loans, mortgages, or other accounts that are critical to demonstrating consumer credit worthiness; In addition, the report found that it was difficult to obtain credit reports.

An additional 22 requested reports, or 14% of total requests, were never received by the consumers, despite repeated calls and/or letters.

Of the consumers who did obtain their credit reports, at least 14% of them were forced to call back 3 or more times.

Twelve percent (12%) of consumers waited two weeks or longer to receive their report once they finished requesting it. It took more than a month for one California man to receive his report. "We demand that Congress, the Federal Trade Commission and state legislatures require the credit bureaus to comply with the law by fixing the mistakes and answering the phones," added Mierzwinski. "And we demand improvements to the law to make it easier for consumers to avoid mistakes by credit bureaus, banks, department stores and other data dealers," he said.