

FREE GUIDE

Guide 1 of 4

Your Credit Score: What It Is, What It Means, and How to Fix It

The plain-language guide every South African needs

Written by Chuma Afika Mlinjana — FMVA® · Founder, Mlinjana Financial Group

Most South Africans have never checked their credit score. Some do not know it exists. Others know it exists but are too afraid to look. This guide changes all of that in the next 10 minutes.

Your credit score is one of the most important numbers in your financial life. It determines whether banks will lend you money, how much interest you will pay, whether a landlord will accept your rental application, and in some industries, whether you will get the job. Understanding it — and improving it — is one of the highest-return financial actions you can take.

■ **My score dropped below 550** when I was earning R10,000 and owing R16,086 a month. I rebuilt it from there. Everything in this guide is from lived experience.

SECTION 1: What Is a Credit Score?

A credit score is a number between 0 and 705 (on ClearScore) that summarises your history of borrowing and repaying money. Think of it as a financial report card. The higher the number, the more reliable you look to lenders, landlords, and employers who check credit.

| Score | Rating | What It Means for You |
|-----------|-----------|---|
| 0 – 565 | Poor | Declined by most banks. High-risk classification. Loan applications rejected. |
| 566 – 609 | Fair | Some products approved but at very high interest rates. Limited options. |
| 610 – 660 | Good | Most credit products accessible at reasonable rates. Mortgage possible. |
| 661 – 705 | Excellent | Best rates available. Strong position with all lenders. |

SECTION 2: How to Check Your Score for Free

- Go to www.clearscore.com on your phone or computer.
- Create a free account using your South African ID number and email address.
- Your score appears immediately. It is updated monthly. Check it every month.
- ClearScore also shows you which accounts are affecting your score and by how much.

- It is completely free. ClearScore earns money by showing you product offers — you never have to buy anything.

SECTION 3: The 6 Things That Affect Your Score

1 Payment history (35% of your score)

Whether you pay on time is the biggest factor. One missed payment can drop your score by 40 to 80 points. Set up debit orders so you never miss.

2 Credit utilisation (30%)

How much of your available credit you are using. Using more than 30% of your credit limit on any account hurts your score. Keep it below 30%.

3 Length of credit history (15%)

How long you have had credit accounts. Older accounts are good. Do not close your oldest account even if you are not using it.

4 Credit mix (10%)

Having different types of credit (home loan, credit card, retail account) is better than having only one type.

5 New credit applications (10%)

Every time you apply for credit a 'hard enquiry' is recorded and your score drops temporarily. Apply only when necessary, and space applications 6 months apart.

6 Defaults and judgements

These stay on your credit record for 5 years and seriously damage your score. Avoid them at all costs.

SECTION 4: How to Rebuild Your Score Step by Step

I rebuilt my score from below 550 to investment-ready in under 3 years. Here is the exact method:

- ✓ Step 1: Check your ClearScore report and identify every account that is in arrears or has a negative listing.
- ✓ Step 2: Contact each creditor and negotiate a payment arrangement if you cannot pay the full arrear amount.
- ✓ Step 3: Set up a debit order for every account so you never miss a payment from this point forward.
- ✓ Step 4: Open one store account at a low limit (Jet, Mr Price, or Woolworths). Use it only for small, planned purchases.

- ✓ Step 5: Pay the full balance of that account before the due date every single month. Not the minimum. The full amount.
- ✓ Step 6: Monitor ClearScore every month. Be patient. Consistent positive behaviour takes 12–24 months to fully rebuild.

■ **WARNING:** If someone charges you money to fix your credit score, it is a scam. Credit repair takes time and consistent behaviour. No one can legally fast-track it for a fee.

Ready to take the next step?

Book a free 60-minute financial coaching session with Chuma Afika Mlinjana.

■ **WhatsApp: 062 868 6293** · ■ **www.mlinjanafinancialgroup.com**

■ TikTok: @chumaafikamlinjana · Facebook: Afika Short Stories

■ *Get the full guide: [The Debt Millionaire by Chuma Afika Mlinjana](#)*