

A Friendly Guide to Adverse Credit & Bad Debt

Understanding your options and why your past doesn't define your future.

1. What Is Adverse Credit?

Adverse credit simply means your credit history shows signs of financial difficulty. It's more common than people think.

Examples include:

- Missed or late payments
- Defaults
- CCJs
- Debt Management Plans
- IVA or Bankruptcy
- High credit utilisation
- Payday loans

Adverse credit doesn't mean you can't get a mortgage. It just means we need to understand your story.

2. Why Lenders Care About Credit History

Lenders look at your past to understand how you manage money, they also consider your present and future.

They assess:

- How recent the issues were
- How severe they were
- Whether they've been resolved
- Your current income and affordability
- Your deposit size

Your credit history is only one part of the picture — not the whole story.

3. Can You Get a Mortgage With Adverse Credit?

Yes — absolutely!

There are three main types of lenders:

- High-street lenders – may accept mild, older issues
- Specialist lenders – designed for more complex credit histories
- Building societies – often take a more personal, case-by-case approach

What helps your chances:

- A clear explanation of what happened
- Evidence of improved financial behaviour (well conducted bank statements, less reliance on using credit)
- A realistic deposit (ideally from savings where you can)
- Up-to-date credit report

4. How to Improve Your Chances

Practical steps you can take:

- Check your credit report with all three agencies (Check my file, shows all 3)
- Correct any errors, including any previous financial associations
- Register on the electoral roll
- Reduce credit utilisation (this is the amount of available credit you are using on your credit cards)
- Avoid new credit applications
- Avoid taking too many buy now pay later credit agreements
- Keep payments up to date and pay on time

Small steps make a big difference — and we'll guide you through each one.

5. What We Do at Lilywhite Mortgages

- We listen without judgement
- We explain your options clearly
- We match you with lenders who understand real life
- We help you prepare your documents
- We support you from first chat to moving day

6. Your Next Steps

- Book a friendly chat
- Share your credit report
- Let's explore your options together

Your past doesn't define your future. With the right advice, a mortgage is still within reach.

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