

Credit Monitoring - Advantages And Disadvantages

Have you heard of credit monitoring? It is a service that credit reporting agencies offer to you. The service is quite straightforward. For a fee, they will monitor your credit for you to insure that nothing strange appears or that nothing out of the ordinary reduces your credit score. Is an investment in such a service worthwhile?

How Credit Monitoring Can Benefit You

First of all, credit monitoring does do something that has become necessary with the advent of different types of credit fraud. Any consumer, anywhere that uses credit needs to monitor their credit score and report. It is necessary because at any time a negative item is placed on your credit report it can be very detrimental to your future credit needs. Those who commit such fraud do not necessarily need your social security number or other personal details. It all depends on where they use your credit card information.

It is important to know what's on that record and it is important to know how it got there. The longer it goes without being disputed, the more 'real' it looks in the eyes of the law. In this way, credit monitoring really can benefit you because you will be notified right away when negative activity is reported on your credit report.

How Credit Monitoring Can Rip You Off

It is true that such a service can be helpful, but credit monitoring is very expensive, up to \$150 per year in some cases. This money can be used to help reduce credit card debt instead. If you are net savvy, then your credit report is a few keystrokes away. All of the major credit reporting agencies can be found online and can tell you're what your credit report looks like.

Also, in the United States, as of this year, you are provided a free credit report each year from the credit reporting agencies so that you can monitor your credit history. This free product may not be enough, but it is a start. You should check your report often and know what is on it. Ideally, you should check your report every 3 months. If you are going to be making any large purchases e.g. a new house, a new car you should get your report a couple of months in advance so that you can clear up any negative items in time to get the best deal on your purchase.

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Mike Singh is the publisher of <http://www.my-credit-center.com/> On his website, he provides articles about credit card online processing and credit card debt information.