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# Debt Consolidation And Credit Status

Numerous younger individuals do not realize just how important a good credit rating is. To be fair, a great deal of older people only discovered this the difficult way as well.

Some people only learn by harsh experience. I know that there are those who have made money out of fraud, but really the average person should bear in mind that very wealthy institutions (like banks), owned by very wealthy people create the rules regarding finance and they create the rules to suit themselves.

This is fair enough if someone is trying to steal from them - I have a burglar alarm too - although we might not all agree with how much of their own way the bankers ought to have it. In general, if you are silly enough to attempt to steal from banks, they will make you pay for your stupidity. And they will punish you arduously and so will all the friends of the bankers like governments and merchants.

The course of punishment could be custodial hell or they might allow you your freedom but without the ability to get any credit, which makes life very difficult, as anyone who has undergone this state of limbo can attest to. If you are not credit worthy, you are an outcast and made to pay for it.

You will not be able to get credit at all, which means electricity meters, water meters, gas meters and pay-as-you-go telephones, all of which are the most expensive way of paying for these amenities.

Furthermore, no more credit cards; Internet cafes will become a way of life, no hire-purchase and everything has to be paid for in cash, which makes you a target for muggers. I hope that I have persuaded you, that your credit rating is extremely important.

On top of that, it is a valuable asset as there are jobs that you cannot have, if you are not credit worthy. Credit worthiness can be likened to your personal reputation with your friends and family.

So, if you have fallen foul of the financial institutions, what can you do about it? Make no mistake about it, bankers are like the church in this regard, they are waiting to welcome you back into the fold. The process is known as credit repair.

If you are not good with money, you should start by visiting a Citizens' Advice Bureau. If they do not exist in your country, you will have to phone all your creditors and explain to them that you want to sort the problem out.

One of your creditors will suggest that you consolidate all your debts into one. This is the best approach, because it means that you only have to concentrate on paying one bill a month. Your problem here is not accepting the first offer that comes along. And do not think that the banks are going to be the best to take the debt consolidation loan from either. They may be, but do not take it for given.

This is where you really do require help from a specialist, but take it from me, you have taken the first step towards cleaning up your financial life if you have gotten this far, but you still have to be wary of rip-offs.

Owen Jones, the writer of this piece, writes on several subjects, but is now concerned with [Debt Consolidation and Credit Rating](#). If you want to know more, please visit our website at [Debt Consolidation and Reduction](#)