# **🚀 Business Credit Score Improvement Guide**

*A step-by-step guide to help Nigerian small businesses build and improve their business credit score for better financing opportunities.*

## **📌 Why Does Your Business Credit Score Matter?**

A strong business credit score:  
✅ Increases your chances of securing business loans from Nigerian banks and fintech lenders.  
✅ Helps you access supplier credit and trade financing.  
✅ Builds credibility with investors and potential partners.  
✅ Reduces dependency on personal credit when applying for business funding.

### Understanding Business Credit Scores in Nigeria

In Nigeria, business credit scores are maintained by credit bureaus such as:

* Credit Bureau Association of Nigeria (CBAN)
* CreditRegistry
* CRC Credit Bureau
* FirstCentral Credit Bureau

Most Nigerian credit bureaus use a 300–850 scale, similar to personal credit scoring systems.

| **Credit Score Range** | **Meaning** |
| --- | --- |
| 750 – 850 | Excellent |
| 700 – 749 | Good |
| 650 – 699 | Fair |
| 600 – 649 | Poor |
| Below 600 | Very Poor |

Lenders and suppliers in Nigeria rely on these scores to determine your eligibility for loans, supplier credit, and business financing.

# **📝 Business Credit Score Improvement Checklist (Nigeria-Specific)**

## Step 1: Establish Your Business Credit Profile

✅ Register Your Business with CAC (Corporate Affairs Commission)

* Incorporate your business as an Enterprise (Business Name) or Limited Liability Company (LLC).
* Obtain your Certificate of Incorporation and Tax Identification Number (TIN) from the Federal Inland Revenue Service (FIRS).

✅ Open a Business Bank Account

* Choose a reputable Nigerian bank such as GTBank, Access Bank, Zenith Bank, First Bank, UBA, or FCMB.
* Ensure all business transactions go through your business bank account to establish a financial track record.

✅ List Your Business with Nigerian Credit Bureaus

* Register with CreditRegistry, CRC Credit Bureau, and FirstCentral Credit Bureau to start building your credit profile.

✅ Obtain a BVN (Bank Verification Number) for Your Business

* Some lenders require a BVN-linked business account to verify financial credibility.

## Step 2: Build a Positive Credit History

✅ Apply for Business Credit Accounts

* Work with vendors and suppliers who report to credit bureaus (e.g., wholesalers, FMCG distributors, equipment suppliers).
* Request trade credit (e.g., Net-30 terms) where suppliers allow you to pay within 30 days.

✅ Use a Business Loan or Credit Facility

* Take small business loans from institutions that report to credit bureaus, such as:
  + Development Bank of Nigeria (DBN) loans
  + Bank of Industry (BOI) loans
  + NIRSAL Microfinance Bank (AGSMEIS loan, COVID-19 relief loan, SME loans, etc.)
  + SME-friendly fintech lenders like Carbon, Renmoney, FairMoney, or Aella Credit

✅ Pay Bills & Credit Accounts on Time

* Always repay loans, credit card bills, and supplier invoices before their due date to maintain a high credit score.

✅ Monitor Your Business Credit Regularly

* Check your business credit score through:
  + CreditRegistry ([www.creditregistry.ng](https://www.creditregistry.ng/))
  + CRC Credit Bureau ([www.crccreditbureau.com](https://www.crccreditbureau.com/))
  + FirstCentral Credit Bureau ([www.firstcentralcreditbureau.com](https://www.firstcentralcreditbureau.com/))

## Step 3: Reduce Outstanding Debt & Improve Credit Utilization

✅ Negotiate Payment Terms with Suppliers

* Request longer payment terms (e.g., Net-60 instead of Net-30).
* Make larger payments to reduce outstanding balances and improve your debt-to-income ratio.

✅ Keep Credit Utilization Low

* Avoid using more than 30% of your total available credit (e.g., if your business credit limit is ₦1,000,000, keep your balance below ₦300,000).

✅ Avoid Closing Old Credit Accounts

* Older accounts build a longer credit history, which improves your score.
* Keep accounts open even if you don’t use them frequently.

## Step 4: Fix Business Credit Report Errors

✅ Dispute Any Incorrect Information

* Request a copy of your business credit report from the Nigerian credit bureaus.
* Look for errors like:  
   ❌ Wrong business name or address.  
   ❌ Incorrect loan or credit card balances.  
   ❌ Missed payments that were actually made on time.

✅ How to Dispute Errors in Nigeria

* Write a formal dispute letter to the credit bureau.
* Attach supporting documents (e.g., proof of payment, bank statements).
* Nigerian credit bureaus are required to respond within 30 days.

## Step 5: Maintain a Strong Credit Profile for the Long Term

✅ Avoid Too Many Credit Inquiries

* Applying for multiple loans in a short time can reduce your score.
* Space out credit applications over 6–12 months.

✅ Diversify Your Credit Mix

* Use a combination of:
  + Trade credit (from suppliers).
  + Business loans from banks or microfinance institutions.
  + Business overdrafts or revolving credit lines.

✅ Establish a Good Relationship with Lenders

* Maintain a positive relationship with your bank and suppliers.
* If struggling with payments, negotiate better terms instead of defaulting.

# **📌 SAMPLE BUSINESS CREDIT DISPUTE LETTER (Nigerian Format)**

[Your Business Name]  
 [Your Business Address]  
 [City, State, Zip Code]  
 [Your Email]  
 [Your Phone Number]  
 [Date]

To:  
 [Credit Bureau Name]  
 [Credit Bureau Address]

Subject: Business Credit Dispute for [Your Business Name]

Dear [Credit Bureau Name],

I am writing to formally dispute inaccurate information on my business credit report for [Your Business Name]. I have noticed an error in my credit file that I believe requires correction.

The inaccurate information is as follows:

* Account Name: [Incorrect Account Name]
* Account Number: [Account Number]
* Error Description: [Explain the mistake, e.g., "This account does not belong to my business, yet it shows a missed payment in January 2024."]

I have attached supporting documents, including [mention attached documents like payment receipts or bank statements], to verify that the reported information is incorrect.

Please investigate this matter and correct the error at your earliest convenience. I appreciate your prompt attention and look forward to your response.

Best regards,  
 [Your Name]  
 [Your Business Name]

# **📌 Final Thoughts**

✅ A strong business credit score unlocks better financing opportunities in Nigeria.  
✅ Pay bills on time and keep credit utilization low.  
✅ Regularly monitor and dispute errors on your credit report.  
✅ Build relationships with Nigerian banks, fintech lenders, and suppliers to maintain financial health.