

Equifax no longer selling credit reports for employment screening

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Atlanta-based Equifax is no longer selling [credit reports](#) to employers for the purposes of pre-employment screening,

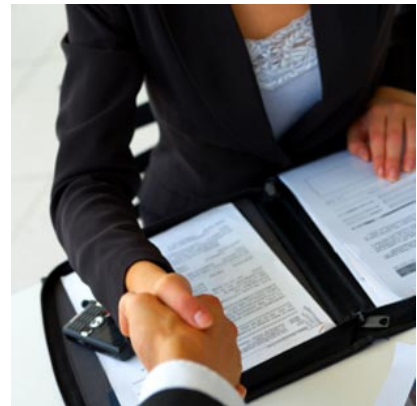
according to Tim Klein, a company spokesperson who revealed the information in an interview with the Dallas Morning News. The credit reports sold by Equifax into the employment market, formerly known as "Persona", were used to determine employment eligibility. And while this is still perfectly legal under the [Fair Credit Reporting Act](#), the company seems to have proactively decided that selling reports to employers wasn't worth the trouble.

Long a public relations loser, the use of credit reports by employers has become even more controversial given the current economy and the added difficulty that poor credit causes a job seeker who is already having trouble finding a job. Employers who are filling positions where access to money and sensitive information are commonplace have traditionally reviewed credit reports as part of their pre-employment screening processes. The practice is important, as the number of internal data breaches has increased over the past decade. Weeding out an applicant with troubled credit is a responsible act by any such employer.

The trouble with the practice is that it can be unfair to some consumers who have found themselves thrown into credit difficulty through no fault of their own. Layoffs, divorce, uncovered medical expenses, business failures, and death in the earning family can all cause a consumer's credit reports to become littered with negative information despite no lack of credit management responsibility. And some argue that using credit reports as a screening tool can be unfair to minorities, a claim that lacks any scientific support at this time.

[Credit scores](#), a risk prediction tool used by most lenders and insurance companies, are not provided to employers by either of the two companies that are still selling credit reports for employment purposes, TransUnion and Experian. Credit scores are not designed to predict employee quality or employee performance, so their use for employment screening would be inappropriate. The topic of credit scores and employment continues to be confusing given the amount of incorrect coverage of the issue.

So the next time you're looking for a job and the job entails you standing in front of a cash drawer, you can still assume that your credit report will be pulled as part of the screening process. It just won't come from Equifax. And it still won't have your credit score.



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