

Does Opening a Chequing Account Affect Your Credit Score?

There are many chequing accounts to choose from in Canada. But will opening one affect your credit score?

In this guide, we'll answer that question and look at other factors that affect your credit score in Canada.

Key Takeaways

- Opening a chequing account does not usually affect your credit score.
- In some cases, the bank may make a hard credit check, which can have a temporary negative impact on your score.
- Many other factors have a bigger impact on your credit score, from having a high utilization ratio to making late payments.

Does Opening a Chequing Account Affect Your Credit Score?

In most cases, opening a [chequing account in Canada](#) does not affect your credit score.

Most banks will carry out a soft credit check when you open an account, and they do this to verify your identity. Soft inquiries do not impact your credit score.

Sometimes, a bank may carry out a [hard credit check](#), especially if you request overdraft protection. Hard inquiries can have a minor and temporary impact on your score.

If you are unsure, ask your bank what type of check they will carry out before you apply to open the account.

Factors that Affect Your Credit Score

There are several factors that have a large impact on your credit score:

Utilization Ratio

Your utilization ratio is the amount of your total available credit that you use.

If you have access to \$10,000 in credit across a personal loan and two credit cards and only use \$2,000 of it, your credit utilization is 20%.

Ideally, you should keep your utilization ratio to 30% or less.

Payment History

Missing payments on loans and credit cards can greatly impact your credit score.

