

## Your FICO Score Now Counts Authorized Users

By David Nofsinger     January 27, 2009

A year ago, Fair Isaac removed from [credit scores](#) what is referred to as an "authorized user". The concern with authorized users (rightly) is that they are able to game the system, inflating their credit scores. Oddly, a year later, Fair Isaac has brought authorized users back into the picture. What is an authorized user, and how do they manipulate their credit scores?

**What is an authorized user?** An authorized un authorized user is someone who has been given authorization to use a particular credit account. For example, John Doe giving Jane Smith access to his [credit card account](#). In this case, if John has stellar credit, but Jane does not, she can have her credit score bumped up just for having her name on his account.

**Gaming the system.** Now, what if John wanted to help Jane's credit score, but not expose himself to her running up a bunch of debt? One way would be to just put her name on his credit card as an authorized user, but never give her physical access to the card, the account number, or any passwords. She can then continue to act as a consumer who deserves a 600 credit score for example, but actually be getting a 700 credit score, thanks to John's help.

To make matters worse, many "credit fixing" companies have found this loophole, and will pay individuals with [good credit scores](#) to add authorized users, so long as these people don't even have access to the account. The result, there are people who have as many as 50-60 people that are "authorized users", who now have artificially inflated credit scores, and people are profiting from it.

**Fair Isaac gets smart.** Fair Isaac realized that people were now getting stellar credit scores who don't deserve them, and because of this, [FICO scores](#) were becoming meaningless to lenders. The best fix, simply remove authorized users in their calculation of FICO scores. Now, everyone will be judged on their own [credit history](#), and banks can tell how stable someone is when they go in for credit.

**They're back.** Oddly, without warning or reason, authorized users are now again calculated in the FICO formula. Fair Isaac claims that although authorized users are now counted in their credit score system, that they have fixed the problem where it skewed someone's credit into positive territory that didn't deserve it.

How did Fair Isaac fix a cheating problem and allow authorized users to use someone else's credit score to calculate their own score? Only Fair Isaac claims to know that answer.



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