



The credit reporting industry and others have aggressively promoted adding “[alternative data](#)” to credit reports to supposedly help consumers who do not have a credit history or have a poor credit history. One such effort involves urging utility companies to engage in monthly reporting of customer payments, including late payments, to the Big Three credit bureaus, Equifax, Experian, and TransUnion. Currently, the vast majority of electric and natural gas utility companies only report to the credit bureaus when a seriously delinquent account has been referred to a collection agency or written off as uncollectible.

Promoters contend that “full file” utility credit reporting will assist consumers to build credit histories and gain access to credit. NCLC opposes mandatory full file utility credit reporting because we believe it could end up hurting, not helping, millions of low-income consumers.

FULL FILE UTILITY CREDIT REPORTING WILL RESULT IN MILLIONS OF NEW NEGATIVE MARKS ON CREDIT REPORTS

Full file utility credit reporting could end up harming a consumer’s existing credit score, or trade no score for a low score. Skyrocketing energy costs have stressed the budgets of millions of households, resulting in high levels of late payments. With full-file utility credit reporting, these consumers would receive negative marks that could be very damaging – a single 30-day late payment can lower a FICO credit score by as much as [60 to 110 points](#).

According to the [National Energy Assistance Directors Association](#), data for 2023-2024 from the Census Bureau’s Household Pulse Survey shows that:

- Nearly 1 in 4 households (23.7%) reported missing a utility bill or being unable to pay every bill in full in the past 12 months.
- For households with an annual income under \$50,000, this figure rises to over one-third (37.4%).
- This figure is also higher for households of color, with nearly one-third (32.4%) of any income level reporting missing a utility bill or being unable to pay every bill in full in the past 12 months, as compared to 23.7% of households overall. In general, the harmful impact of late utility payments on credit scores would disproportionately affect Black and brown households, who [more frequently struggle to pay utility bills](#).

State- and service-territory-level utility data similarly shows high levels of late payments:

- In California, about [3.4 million](#) of the [16 million customers](#) of Pacific Gas & Electric, or more than 21%, were over 30 days late in mid-2024. [About one-quarter \(26%\) of San Diego Gas electric customers](#) were over 30 days late on their bills in early 2024.
- In [Massachusetts](#), nearly two-thirds (72%) of low-income customers who receive a discounted utility rate were more than 90 days late in paying their bills in September 2024, as were 42% of customers who received the regular standard rate.

- In January, 2026, Peoples Gas Company, which serves the Chicago area, [reported](#) that about 17% of customers were over 30 days late. Among households living in predominantly non-white zip codes, 26% of customers were over 30 days late. Analysis of arrearage data, household income, and population by race indicates that rates of 30+ day delinquencies in the Chicago area were more highly correlated with race than household income.

A BAD CREDIT HISTORY IS WORSE THAN NO CREDIT HISTORY

A low credit score will make consumers the target of predatory lenders, such as subprime specialist, also known as “fee-harvester,” credit cards. In addition, landlords, employers, and insurance companies [all use credit reports](#), and in those cases, not having a credit history is less harmful than having a bad history. Full utility credit reporting could result in consumers being denied employment, forced to pay higher insurance rates, or even struggling to get a roof over their heads. As the Consumer Financial Protection Bureau [has noted](#): “Though not having a credit score can reduce access to credit, so too does having a subprime credit score ... Indeed, [as stated by one \[credit bureau\]](#), generally ‘no credit is better than bad credit’ for the purposes of accessing credit.”

FULL FILE UTILITY CREDIT REPORTING CONFLICTS WITH ESTABLISHED STATE UTILITY CONSUMER PROTECTIONS

Most states across the country have adopted consumer protections intended to protect elderly, disabled, and households with young children from the loss of electric and natural gas utility service during high cost months, and in times of illness or financial hardship. These consumers may sometimes defer full payment of utility bills, knowing they are temporarily protected from shutoff. Enacting full file utility credit reporting would undermine these health and safety protections. Utilities do not need to use credit reporting, since they have other ways to collect back debts and are compensated for any shortfall or uncollectibles through a process regulated by the state utility commission.

For more information and data, contact National Consumer Law Center Senior Policy Analyst John Howat (jhowat@nclc.org) or Director of Consumer Reporting and Data Advocacy Chi Chi Wu (cwu@nclc.org).