

## Case study: Coventry Building Society

Experian gives Coventry a true  
'customer view' for risk  
management



### Client

Coventry Building Society is the fourth largest building society in the UK, with assets exceeding £12.9bn.



**“The service from Experian with regard to setting up the process for receiving data, and the ongoing delivery of DCM information, has been smooth and efficient. We were involved at every stage and the ongoing service is excellent.”**

### Challenge

Coventry Building Society recognised that to move to an Internal Ratings Based (IRB) approach to regulatory capital calculations under Basel II, they had to have access to the most accurate, up-to-date and detailed information about the credit behaviour of their mortgage customers. In addition, they had to embed the most advanced risk management techniques in their business to understand the ongoing risk of their existing customer base.

### Solution

As a result, Coventry Building Society selected Delphi for Customer Management (DCM), an advanced risk management solution from Experian, for its ongoing risk management needs. DCM is regularly updated to ensure that significant changes – such as changes of address, sudden increases in credit activity, registration of new judgments and missed payments – are registered and acted upon so that the customer is re-scored using the latest information. It provides a regularly updated risk assessment of all customers, taking into account activity with other institutions and, therefore, giving a true 'customer view'.

### Results

The Coventry's use of DCM has helped it drive in-depth risk analysis of existing customers, which has led to it actually completing its Basel II development and in so doing meeting its objectives with regard to timescales for applying for IRB approval from the FSA. The FSA has now approved their move to the IRB approach. Thanks to the preparation work for these important regulatory changes to capital management and the quality of its risk management systems, Coventry are at the very forefront of their industry. “The richness of Experian's data within the Delphi for Customer Management solution not only provided the platform upon which we built the robust behavioural models required as part of the IRB approach, but also enabled us to increase our understanding of credit risk and enhance our ability to make the right decisions at the right time, both at individual customer and strategic levels. The service from Experian with regard to setting up the process for receiving data, and the ongoing delivery of DCM information, has been smooth and efficient. We were involved at every stage and the ongoing service is excellent.” Sandy Mehra, Risk Manager, Coventry Building Society

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