

The current environment is rapidly changing the personal financial circumstances of millions of UK consumers



1 in 3
have seen a decrease in income since March 2020

12.5m
estimated households say they have been affected financially by the **impacts of the coronavirus**

15m+
at risk of unemployment

'Real' unemployment rate **is already at 5.7%** we expect it to **peak at 9%**

The blend of long and short term risks is making it difficult to obtain an accurate, or real time understanding of who is financially vulnerable and why.

Going into this crisis
1 in 8
8.3m
Britons had no savings at all
were already **overindebted**

THERE ARE NOW
25m
potentially financially vulnerable customers

Where are the most vulnerable?

- Recreation
- Retail
- Accommodation & food services
- Air & water transport
- Land transport, storage & post
- Transport equipment

Who are the most vulnerable?

8.7m workers...

The low-skilled and gig economy employed in manufacturing, retail, leisure, construction, transportation and utilities

Single earners, low income, few savings and credit debt

Families on low incomes, receiving benefits, no savings

Extended families supporting older children, limited savings

What is the expectation of lenders?



Speed & Simplicity

Organisations need access to data quickly to understand a customer's finances now, and in the future



Greater understanding

Data needs to be personalised so it accurately reflects the needs of the individual



A fair customer outcome

Businesses must ensure they treat customers fairly and responsibly based on what they can afford



The continuous monitoring of affordability is critical for identifying stress, and managing financially vulnerable customers

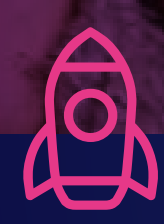


Experian Affordability

Using the technical capabilities and real-time insights made possible by Open Banking, our own bureau solutions and economic analysis, we're proud to be bringing a range of powerful products to innovative lending firms. Giving you immediate access to make faster more informed decisions on an individual's affordability.



This insight can be applied throughout your relationship with a customer



ONBOARDING

Improve customer experience



CUSTOMER MANAGEMENT

Drive business growth



COLLECTIONS

Provide responsible and compliant decisions

Two example journeys

Customer Management

Using our affordability insights you can be alert to events such as loss of income, respond proactively and manage customers responsibly



Alice has lost her job due to the current economic circumstances, meaning a loss of income



She is relying on savings but is starting to miss payments on her car loan



They now have the knowledge to contact Alice to ask what they can do to support her before she falls into delinquency



Her finance company can see her situation has changed through **Experian's Affordability IQ: Income Shock & Stability Metrics**



The lender can now personalise their response and help Alice manage her finances



They can put her on a payment holiday or spread her payments over a longer time period, whilst she looks for another job, and re-organises her finances

Collections

Using bureau and Open Banking data allows you to streamline your collections process and personalise debt repayment



Joe loses his job and falls into arrears on his loan



Experian's affordability insight alerts the lender who contacts Joe and asks him to share his credit file and bank statement data using **Open Banking** and our **Affordability Passport**



Joe connects to his credit file and bank accounts with the **Affordability Passport** automatically organising his income and expenditure



In minutes Joe completes the journey and shares his information with his lender



The lender reviews Joe's credit commitments, income and expenditure and creates a personalised repayment plan that Joe can afford



Joe arranges a new payment plan based on his transaction data

WE CUT OPERATIONAL COSTS UP TO 50%
Reduction in time taken to source credit scores, income and expenditure

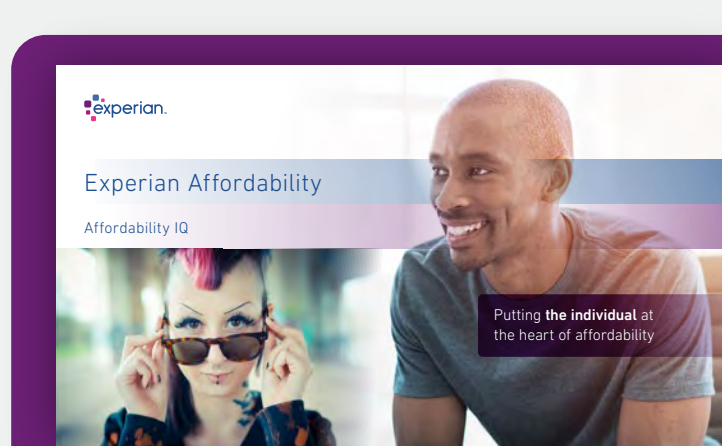
UP TO 30%
Reduction in manual reviews

UP TO 70%
Reduction cost of processing debt

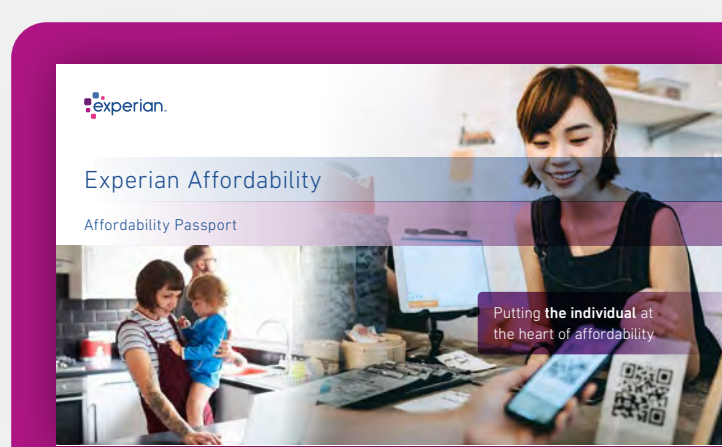
UP TO 75%
Reduction in underwriters' bank statement review time

With Experian Affordability, customers are individuals, not an average

- Improve customer experience by removing friction – making sure they complete their application with you, rather than switch to a competitor
- Deliver personalised solutions to meet their changing expectations and encourage repeat business
- Create loyalty by treating customers as individuals and building trust over time, as their circumstances change
- Increase revenue by being able to help more people and offer more services responsibly
- Collect responsibly by understanding an individual's vulnerabilities, to personalise their treatment and deliver better outcomes



View our full offering **Affordability IQ**



View our full offering **Affordability Passport**



The insight contained within this infographic is derived from Experian data sources and partner commissioned research. For more up to date insights, please ensure you attend our monthly insight sessions, register here: <http://go.experian.com/Commercial-Consumer-Webinars>

To see how Experian can help your company to put the individual at the heart of your affordability decisions contact us at **business.uk@experian.com**