

The economic impact of Covid-19



Unlocking affordability

A pivotal tool on the road
to pandemic recovery

June 2020



Using the power of data to help you

**ADAPT, SURVIVE
AND THRIVE**



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An economy in shock

Nobody was ready for the Coronavirus outbreak, or the pandemic that so quickly unfolded. Its impacts – personal, social and economic – have been, and will continue to be, huge and unprecedented. Beginning to repair them means a deep understanding of the challenges people face, and a set of tools powerful enough to tackle them head on.

In the lending world, the pandemic hit at a particularly uncomfortable time. Growth was already slowing and competition was a growing concern. Consumers' personal finances were stretched, and vast swathes of the UK population lacked the savings to fall back on if times got tough.

Social distancing, crumbling consumer confidence and a long period of lockdown led to business closures, job losses and massive income uncertainty. The government's furlough scheme helped many keep their heads above water, but by May around 40% of the UK population had experienced income shock, with many more remaining at risk.

Undoubtedly, this new income uncertainty is straining customers' resilience – yet in terms of lending, their need for credit, of different varieties, is greater than ever. Against this new backdrop, providing responsible lending without unreasonable risk means taking a new view of consumer affordability, right across the lifecycle.

40% of the UK population is experiencing income shock due to the coronavirus crisis

On the 6 May 2020, the FCA published its response to coronavirus

"The effects of the coronavirus pandemic are profound and are being felt by millions of consumers and businesses, both here in the UK and across the world. At the FCA, we have been working with our partners here and abroad, to keep markets open and orderly, help firms continue to operate, protect consumers and small businesses, and to maintain high standards of conduct"

[Read the full transcript here](#)



Economic exposure is driven by declining incomes and rising unemployment

Since the coronavirus crisis began, our economic experts have been working in-depth to map its impact, and analyse likely scenarios for the UK's recovery.

We've established four key scenarios based on official government policy, informed by the Imperial College recommendations for managing the epidemic. As Figure 1 shows, all of these see a sharp rise in unemployment in 2020. This is already becoming a reality, with unemployment doubling to around 9% since the start of the lockdown. Figures 2 and 3 also identify there is a continually growing demand for benefits.

Figure 1: UK unemployment rate

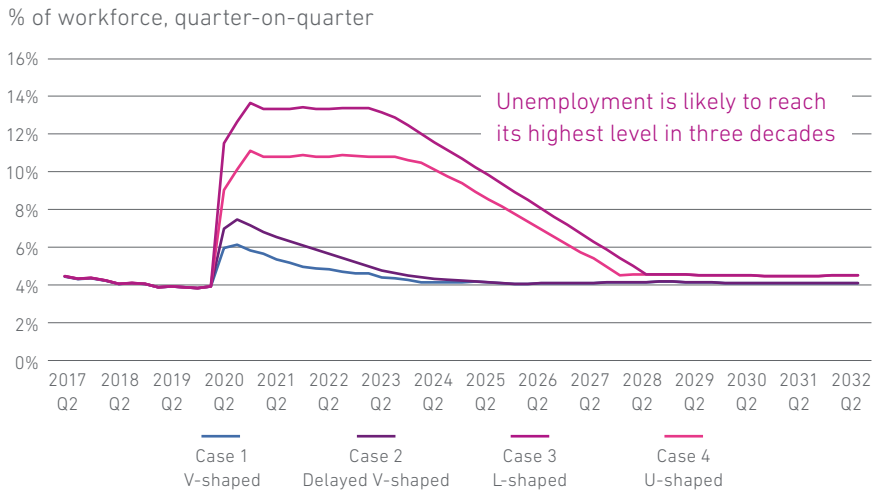
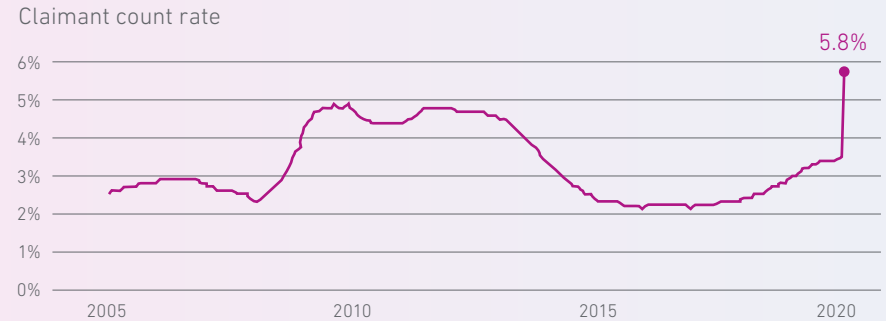


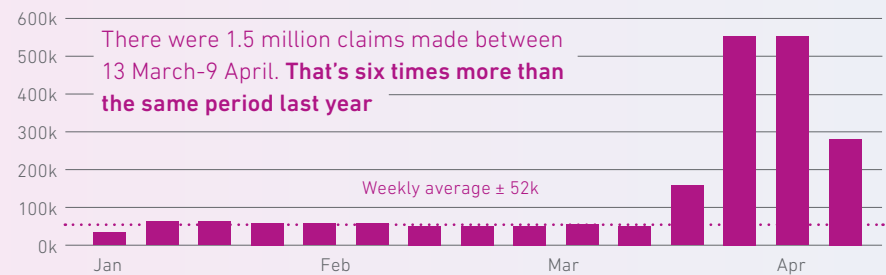
Figure 2: Percentage of people claiming benefits



Source: ONS

Figure 3: Universal Credit applications

Total weekly individual applications, since 1 January 2020



Source: Department for Work and Pensions

The number of people claiming unemployment benefit soared to 2.1 million in April. This substantial jump of 856,500¹ claims reflected the impact of the first full month of lockdown

¹ The Office for National Statistics (ONS)



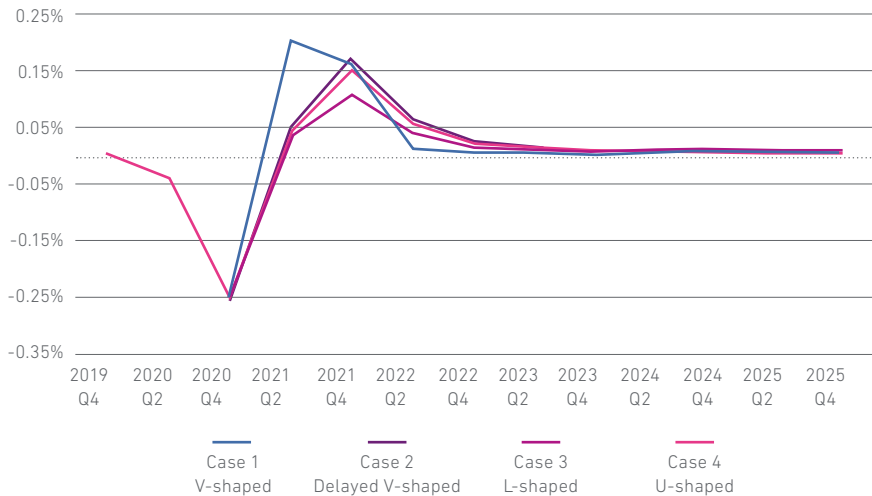
The scale of this crisis is not comparable to previous crises

Our working assumption is that the scale of the pandemic's impact on employment will be greater than that of the last recession, with most of the effects to be concentrated in Q2 2020 (Figure 1, on page 4, details this). More positively, the scenarios we believe to be most likely show a strong bounce back as the lockdown measures are eased.

Together, the scenarios show us that the greater the level of income shock and the deeper the fall in sterling, the more dramatic and drawn-out the economic implications for the UK will be (Figure 4).

Figure 4: Economic scenarios: UK Gross Domestic Product (GDP)

Quarter-on-quarter growth



As well as assessing the national scale of coronavirus' economic impact, we've been helping our clients understand their portfolios and economic exposure, through tools including bespoke scenario modelling and revisions for loss forecasting.

As these factors worsen, so does the potential for increased credit tightening. In turn, this could see inflation rise further, with longer, deeper levels of unemployment significantly impacting affordability, vulnerability and need.

How severe these issues become depends heavily on how quickly the UK drives down infection rates, but what is certain is that we must be ready. Firms need to put processes in place now that ease pressure, encourage financial stability and support customers, whatever the future brings.



Recognising consumers' new reality

Providing for your customers, protecting your portfolio and nurturing much-needed new growth means fully understanding the problems people now face. Their circumstances may have changed dramatically in a very short time – and the sands are still shifting beneath them.

Those who were financially vulnerable before the crisis began are seeing their situations worsen, while others with strong financial track records are looking unemployment, financial exposure and genuine hardship in the eye for the very first time.

As a result, lenders who are still offering finance are likely to see even usually reliable customers fall behind in payments or seek extra borrowing to stay afloat. In fact, by May, over 6% of consumers had already requested payment holidays – a sign of stresses to come.

Figure 5 projects the annualised consumer credit write-off rate as a percentage. Meanwhile, Figure 6 contains figures from a recent ONS survey highlighting how a third (36%) of people who've recently claimed Universal Credit still feel they're unable to maintain bill payments. Both charts summarise the likely impact on affordability over the near-term.

Figure 5: Write-off rates of consumer credit compared to change in unemployment

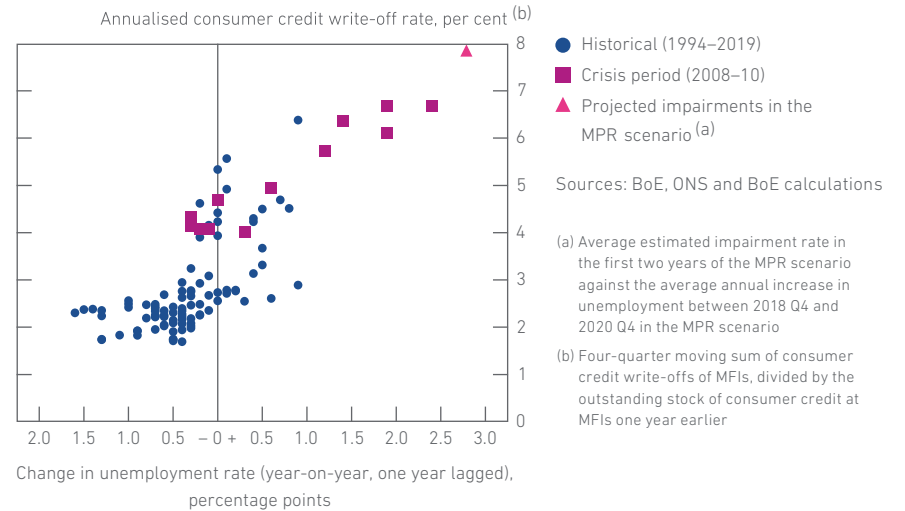
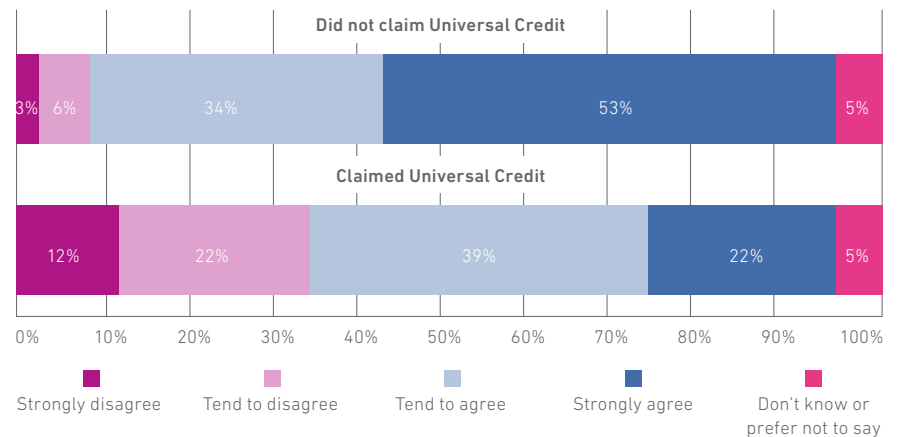


Figure 6: Survey respondents by whether they agree they can keep up with bill payments and whether recently claimed Universal Credit, 6-11 May 2020



Source: ONS

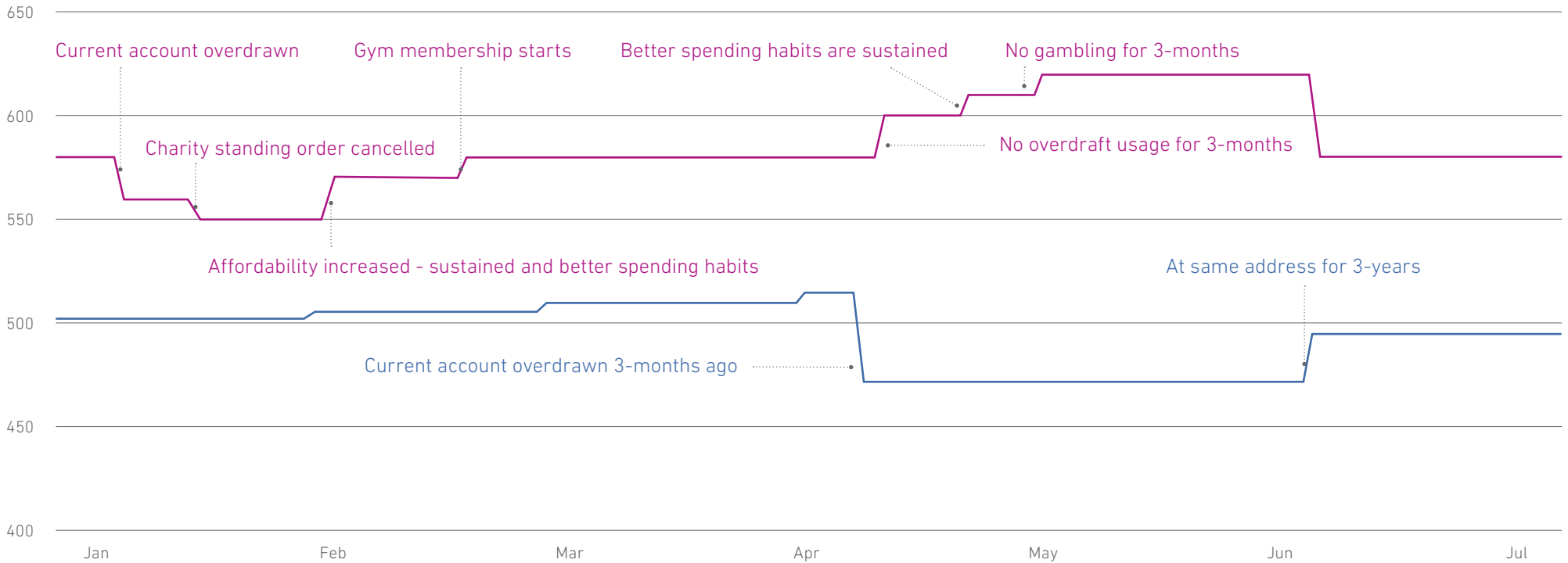


To understand the volatility in consumers' financial capacity, it's now critically important that firms have the ability to recognise signals from their data, quickly and effectively. Being able to determine which patterns are common for each individual, and which are indicators of impending stress, will help you manage your customers and wider portfolio far better.

Figure 7 is an illustrative view of changes in salary and behaviour over a 6-month period. Accessing high quality insights, that are driven by pattern recognition, can help you identify changes in near real-time.

Figure 7: Salary and credit Insights

Credit score over time





Addressing the shortfall in trusted tools

To provide the support your existing customers need, and the fast affordable lending that new customers are looking for, it's essential you understand what credit you can realistically and responsibly offer to each individual, and on what terms. You need to build a clear picture of who's exposed, how extensively, and how that's likely to unfold in the short and longer term.

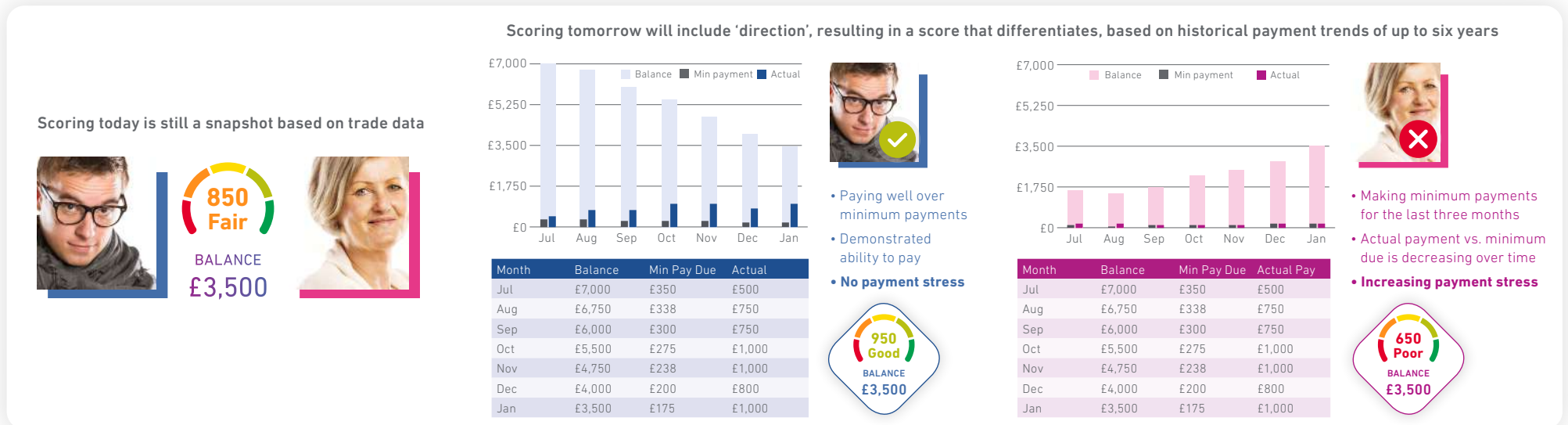
Delving deeper into profiles will help you understand individual impact. For example, in Figure 8, we see two consumers with the same score profile. Over the coming weeks, or months, their performance and ability to afford credit will change significantly.

Being able to differentiate between consumers with the same credit profile will help you produce better segmentation, and ultimately mitigate risks.

Doing this means being able to answer the following questions:

- Is your account likely to be the next a customer defaults on?
- What are your customers' cross-product holdings and overall exposure?
- In what product sequence are arrears likely to manifest?
- How quickly could that happen?
- How vulnerable are customers, based on geography and employment?

Figure 8: Can you differentiate your consumers with the same credit profiles to produce better segmentation and mitigate risk?



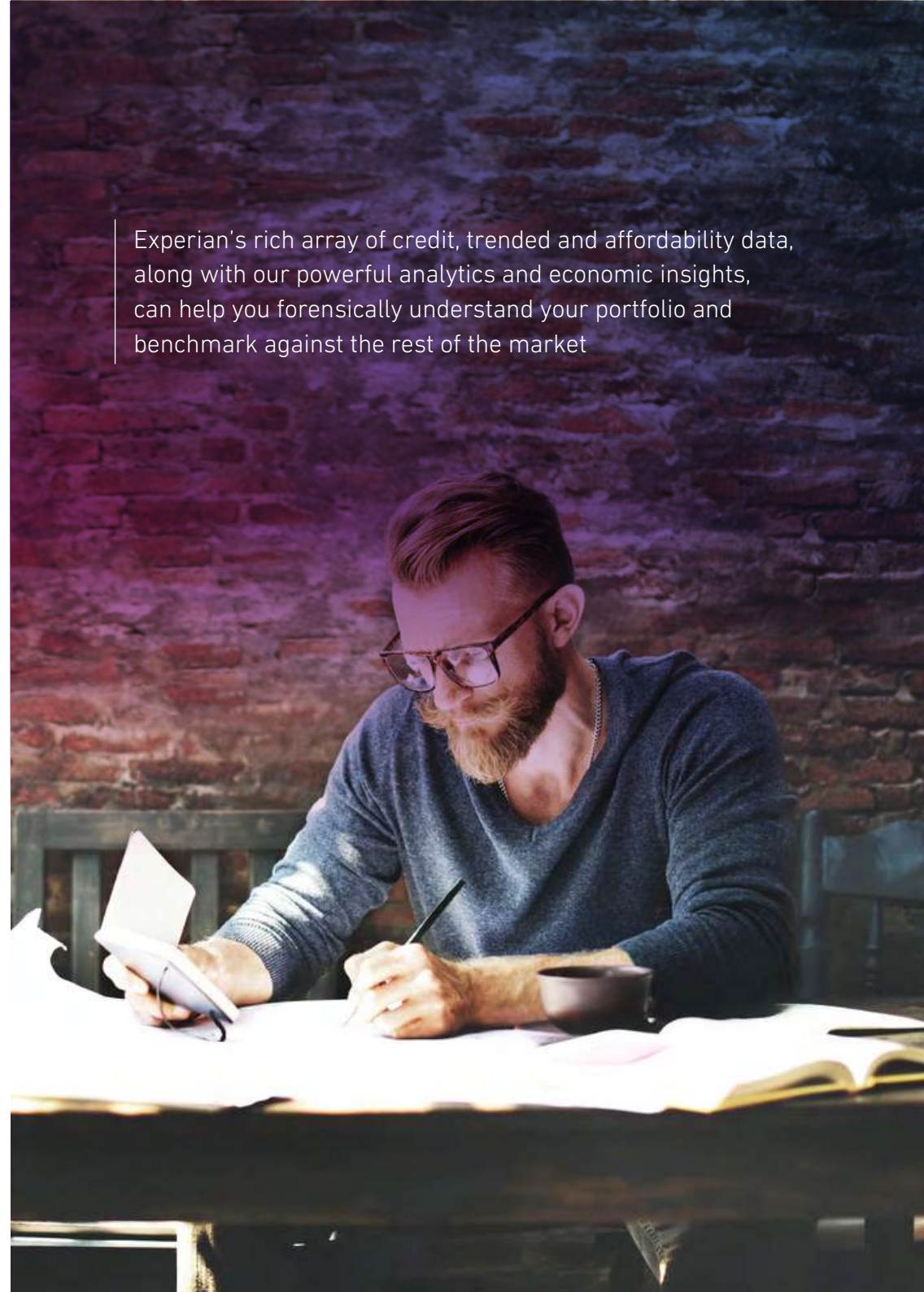
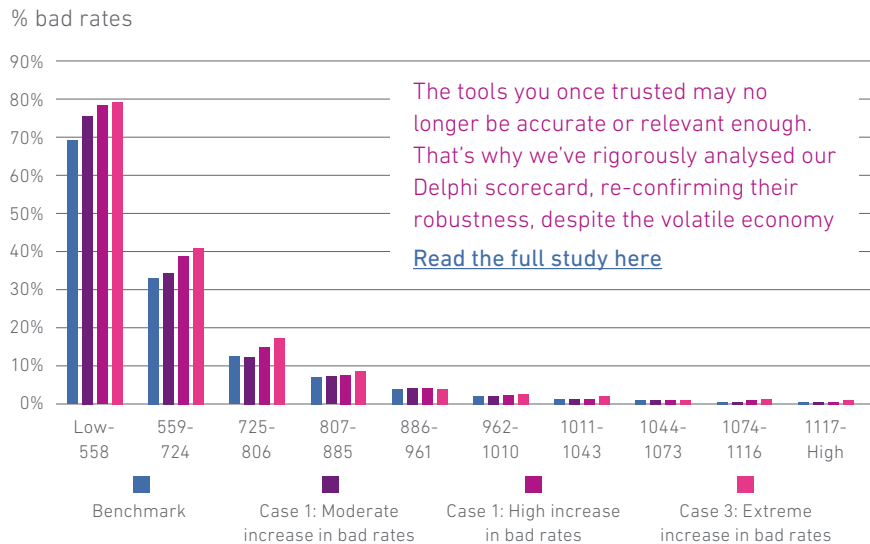


The tools you trusted a few weeks ago, may no longer be relevant

When it comes to evaluating risk and making critical lending decisions, the tools you trusted just a few short weeks ago may no longer be robust or relevant enough. Statistical data such as the ONS Family Spending Survey, which measures a customer's affordability against a set of modelled averages – and is relied on by many lenders – just won't be a suitable metric in these rapidly changing times.

Scorecards may also produce inaccurate results in this new landscape. However well they've performed in the past, reviewing and recalibrating them now is essential in creating a solid foundation for future lending decisions. Continuing to use newly outdated models will limit your ability to access accurate, timely insight on what customers can genuinely afford.

Figure 9: Delphi for New Business score performance



Experian's rich array of credit, trended and affordability data, along with our powerful analytics and economic insights, can help you forensically understand your portfolio and benchmark against the rest of the market



Combining creditworthiness with affordability

As trusted qualification tools become less reliable, some lenders are asking for far more in-depth income and expenditure checks than in pre-Covid-19 times. But this only goes part way to solving the problem. What's needed now is to assess both historical creditworthiness and ongoing, clear-sighted affordability – from onboarding, right throughout the consumer's relationship with the lender.

Having a credit scoring tool you can trust is critical. The coronavirus crisis demands we look more deeply at consumer finances to understand affordability – not just a customer's willingness to pay, but their actual daily, weekly and monthly income, outgoings, commitments, living costs and breathing room.

We believe emergency payment holidays will initially mask credit risk, then lead to increased arrears and bad rates. To manage risk through this difficult period, lenders will need additional data and an immediate review of credit policy and strategies. The good news is, Experian's Delphi scorecards will continue to perform and inform, however severe the economic circumstances.

Figure 10 illustrates real household discretionary incomes, as a percentage change against FSS (Financial Strategy Segments) groups. 73% of profiles are forecast to see a decline in discretionary income in the near-term.

Figure 10: Real household discretionary incomes



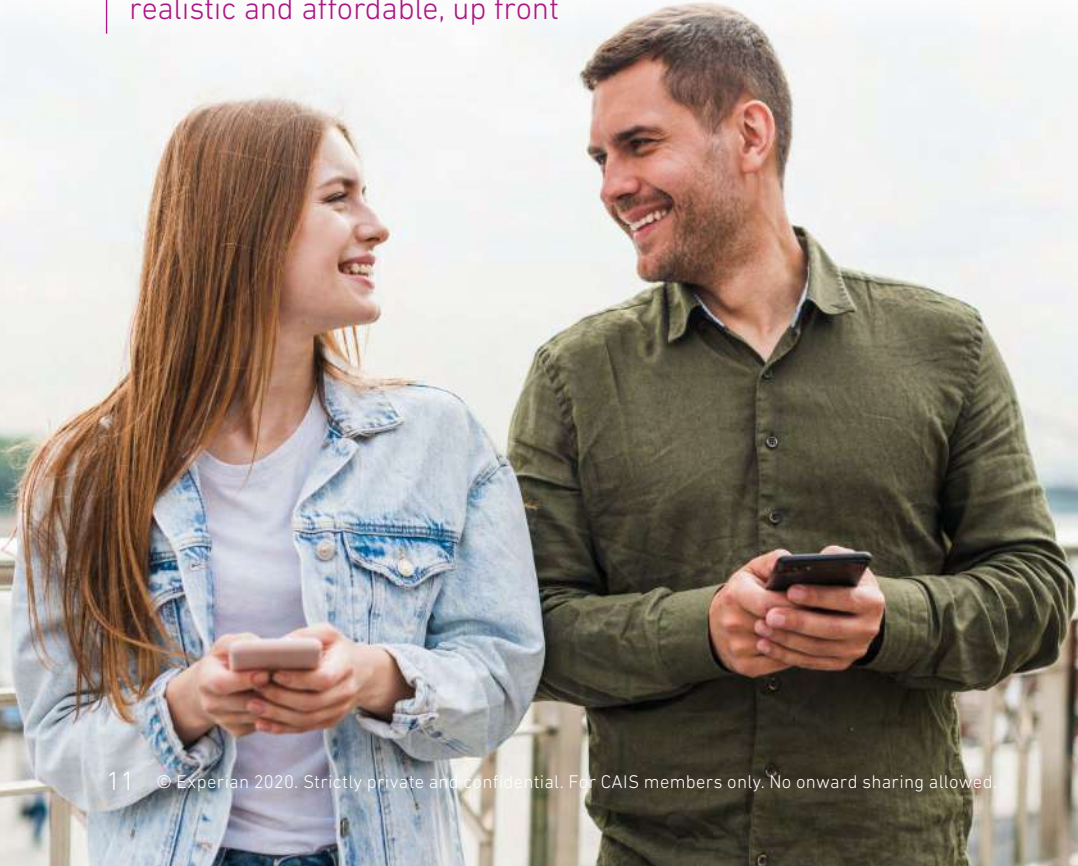
While in the past, lenders have looked at creditworthiness first and affordability second, re-sequencing to prioritise affordability can empower both lenders and consumers by giving them a better understanding of what's realistic and affordable, up front. Rather than just closing doors for people, it enables you to demonstrate what's possible, doable and affordable – guiding people to products they can afford, and setting them on a sustainable, healthy path to stronger finances.



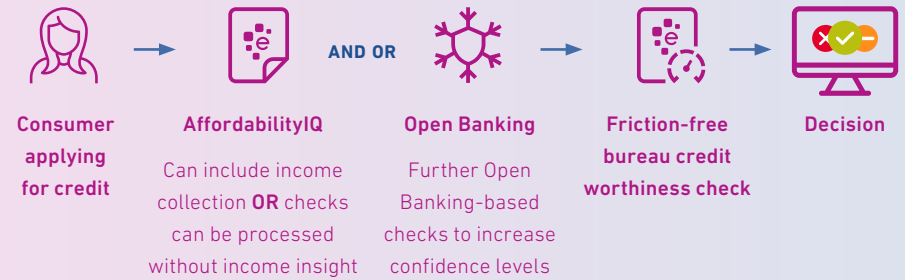
Prioritising affordability in your assessment(s) is crucial

While in the past, lenders have looked at creditworthiness first and affordability second, re-sequencing to prioritise affordability can empower both lenders and consumers by giving them a better understanding of what's realistic and affordable, up front. Rather than just closing doors for people, it enables you to demonstrate what's possible, doable and affordable – guiding people to products they can afford, and setting them on a sustainable, healthy path to stronger finances.

Prioritising affordability can empower consumers, giving them a better understanding of what's realistic and affordable, up front



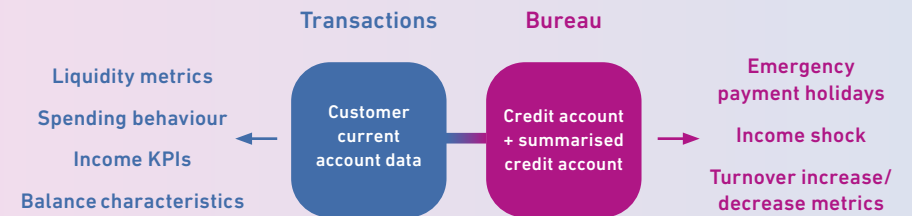
Affordability customer journey



Data applied is dependent on type of credit product and affordability checks required



Key insights and triggers that help you manage customers and reduce risk





Monitoring a new set of metrics

As the crisis evolves, several key consumer metrics are already emerging. We believe lenders who track each of these metrics over the coming months will begin to develop a more realistic, reliable and relevant view of affordability.

Metric	Status At mid-May 2020	KPIs required
 Income shock	<ul style="list-style-type: none">On a sample population of 16m current accounts, 41% showed an income drop of greater than 10% between March and April17m jobs are reliant on businesses who currently have minimal cash-reserves	Look for signs of income shock – sudden, significant drops in an individual’s income, often caused by loss of employment and almost certain to impact their ability to afford existing and new credit. These can be accessed through flags (denoting stress level) over the most recent 3 months, or through effective analysis of transaction data.
 Income stability	<ul style="list-style-type: none">In May, 8.7m people were reportedly furloughed ¹Of the 41% of accounts which showed an income drop of greater than 10% between March and April, 57% were in the ‘furlough range’ of 10-39% income drop	Track customers’ income stability to understand emerging increases or decreases – and their probable causes and durations. Tools such as our fortnightly updates of current account turnover data (CATO) and real-time snapshots of income using Open Banking can provide immediate, accurate insight into a customer’s financial health.
 Indebtedness	<ul style="list-style-type: none">April credit data shows a small, but consistent trend towards higher credit utilisationBetween March and April, 950k accounts deteriorated from current status to 1 cycle overdue. The account holders of these accounts held a further 3.5m current status accounts in April with other lenders	Take note of indebtedness measures, such as income ratios versus debt and expected payments, and watch for signs of growing debt stress. These can include a number of new loans, balance increases, revolving credit use, cash advances and minimum payment activity.



¹ www.statista.com/statistics/1116638/uk-number-of-people-on-furlough/



A multi-faceted approach

Open Banking will play a vital part in improving your capacity to assess affordability in real-time and offer consumers products that take them sustainably beyond this crisis. In fact, it plays a fundamental part in our Affordability Passport product.

However, for us it's part of a bigger, more complex picture. Transaction data provides new depth of detail that enables you to manage customers like the individuals they are. The benefits it brings grow even greater when combined with the power of our improved AffordabilityIQ bureau solution and the UK's already formidable credit data sharing ecosystem.

By accessing, and using, all the tools available, as well as sharing insights into emerging behaviours – more frequently and in greater detail – we believe the industry has a new opportunity to understand, protect and provide for customers, long into the future. Therefore minimise the pending impact of the economic crisis.

Enhancing insight into customer liquidity at a deeper level

We have continued to invest in new organic and inorganic capabilities that are enhancing insight into customer liquidity in retail and commercial banking.

As you look ahead, we believe a deeper understanding of your individual customers' financial stability, capacity and behaviours through trend analysis and early warning signals, will be imperative to managing risk.

We can help achieve this by analysing bank statement data through our categorisation engine; CaaS, which applies two approaches for analysing transactions. Firstly, it features keyword matching – looking for brands and regularly used descriptions (Starbucks, train travel, city councils etc.). Secondly, it identifies regular patterns of payment (on the 30th of each month the customer receives £3,500, inferring a regular salary).

The engine contains 186 categories of income (regular and irregular) and expenditure (essential spend, committed spend, discretionary spend), providing a granular view of financial activity:

- CaaS has more categories than market peers, with far greater flexibility in understanding liquidity at individual and portfolio level and can operate across geographies
- It's trained by advanced machine learning algorithms to scale and maintain accuracy, whereas others depend on manual keyword updates

All of this gives you much deeper insights into income stability and balance – telling you how long a customer's money needs to last between pay days, showing how often they have less than £100, and highlighting early signs of vulnerability, like gambling, payday loans, or high/consistent card payments.



Unlocking opportunities for everyone

A greater emphasis on affordability clearly benefits consumers – and brings huge benefits for lenders too. Having a more accurate, granular picture of what people can afford creates real opportunity. It allows you to offer people alternatives, support them better and foster loyalty, all while reducing risk and lightening the load for your collections teams.

New applicants

For your future success, you need to acquire and nurture customers with whom you can build valuable, lasting relationships. A better understanding of affordability upfront can make that possible and putting affordability at the heart of ongoing customer management can make it even more effective.

Existing customers

Continuing to monitor customers' affordability throughout their relationship with you is a powerful opportunity to anticipate issues before they become problems, offer people new opportunities and, fundamentally, look after them better. It means establishing a new set of ongoing affordability metrics, and analysing them frequently for fluctuations, warning flags and signs it's time to step in.



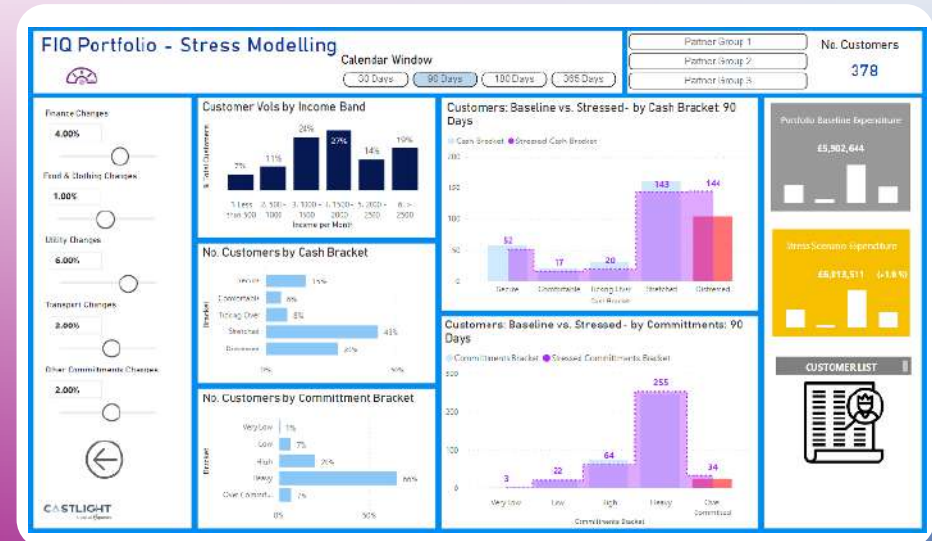
Understanding future change

With further economic turbulence ahead, you can't rely on affordability at the point of application – you need to continually assess whether lending will be affordable for individual customers as their circumstances evolve. That's why effective, ongoing scenario modelling is crucial.

Tools like Experian Ascend can provide vital access to greater data insights, alongside analytical models that help you understand and test future change – and compare your performance and KPIs against the market.

For those with access to bank transaction data, tools such as Financial IQ can provide added value by being able to assess granularity of impact – for example what would happen if food prices go up, or interest rates. Below is an iterative example of a Financial IQ dashboard.

Understand, and test, stress on your customers and portfolio





How Experian can help

However, much it's needed, monitoring new and increasingly complex data isn't easy, especially as firms reel from the coronavirus crisis, working under phenomenal pressure with depleted, scattered teams. At Experian, we're here to help you to rise to this challenge, with affordability solutions that give you deeper, more relevant insights than ever – fast.

Our economics experts can work with you to review your existing systems and strengthen them with bureau data, bespoke analytics, Open Banking capabilities and powerful insights into likely, evidenced economic scenarios. It's about making sure the data you're analysing is absolutely accurate and relevant, and the decisions you make next are the right ones. Important too, is the analysis is granular enough – for example drills down into household level insights.

We understand the strain the pandemic has placed on firms, which is why the support we're offering has been specifically designed to be light-touch from your side. Whichever products and services you choose, you'll find they're incredibly fast to set up, roll out and integrate, with dedicated support and smart automation features that quickly relieve pressure on teams.

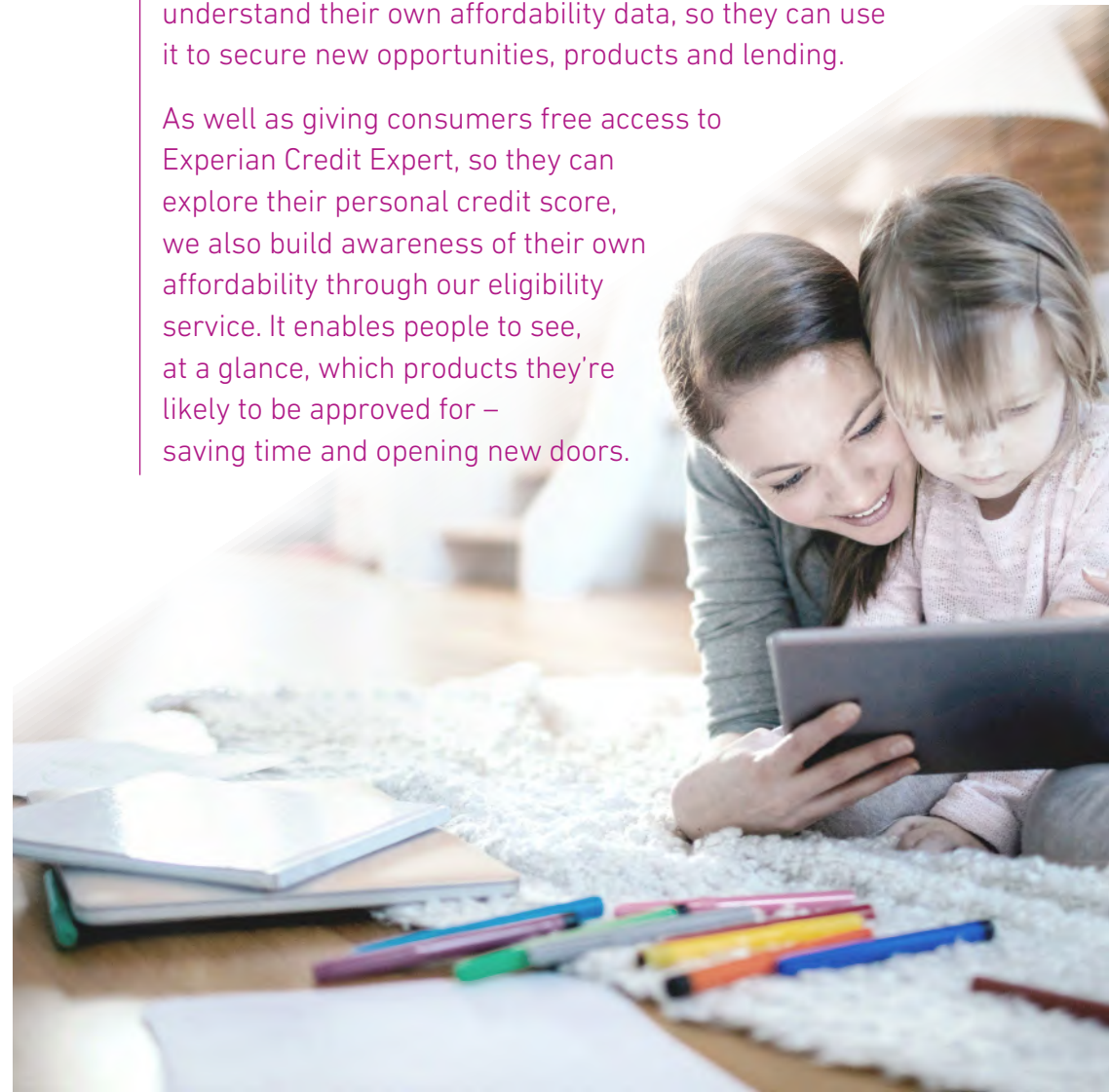
Agile support for lending firms

- Ready-analysed, accurate data
- Recommended best next actions
- Scorecard review and recalibration
- Fast, frequent insights and advice
- Interventions and automation
- Flags for payment freezes, income shock and at-risk sectors
- Easy identification of vulnerable customers
- Free access to our Affordability Passport

Our commitment to helping consumers

Improving the lending industry's approach to affordability isn't purely about giving lenders a clearer perspective. It's also about empowering consumers to access and understand their own affordability data, so they can use it to secure new opportunities, products and lending.

As well as giving consumers free access to Experian Credit Expert, so they can explore their personal credit score, we also build awareness of their own affordability through our eligibility service. It enables people to see, at a glance, which products they're likely to be approved for – saving time and opening new doors.

















Discover Experian Affordability

Using the technical capabilities and real-time insights made possible by Open Banking, bureau solutions and economic analysis, we're proud to be bringing a range of powerful products to innovative lending firms. We call it Experian Affordability.

Whichever elements of our agile support package you tap into, you'll get the full support of our expert team – accessible, experienced and ready to help your business get through this.

Product	Benefit to lenders	Time to implement	Value return	Find out more
 AffordabilityIQ	Access to a range of bureau data you can use throughout customer relationships, personalising your understanding of their financial wellbeing so you can reduce risk, respond to their changing needs and protect them better.	DAYS	Support compliance, including TCF, by driving insight from existing data <ul style="list-style-type: none"> • Bureau data can confirm up to 80% of incomes • It can reduce manual underwriting by 30% • It can increase approvals by 10% 	
 Affordability Passport	A web-based technology that allows you to offer customers a secure platform for sharing transaction data. In turn, it gives you a comprehensive picture and the best indication of those likely to struggle in the current crisis.		75% reduction in underwriter time in reviewing bank statements – for a mortgage provider processing 25,000 applications a year, that equates to an annual cost saving of approximately £6.5m	
 Transaction data insights	If you provide personal current accounts, these insights offer a deeper understanding of your existing portfolio. Their timely, relevant information can be used to identify vulnerable customers and assess risk across your portfolio.		Monitor changes in consumer behaviour, with a greater knowledge of: <ul style="list-style-type: none"> • Income KPIs • Financial and balance behaviour • Consumer liquidity flags 	
 Effective scoring	Supporting you through a rigorous review of your scorecard and segmentation processes, including analysis of your cut-off criteria. We can also give you access to highly accurate scorecards through our Delphi suite.		Make sure you're accepting the right customers for your risk appetite, even in a reduced pool. Our Ascend platform enables you to access relevant tools and analytics that empower you to make the right changes as you move forward.	
 Ascend: our highly intelligent analytic platform	Access to whole-of-market insights and cutting-edge analytical tools that can help you test, learn, monitor and deploy change, fast.		Gain greater depth of insight, helping you assess and change scores and strategies instantly, compare performance, and understand and test emerging risks and opportunities.	
 PowerCurve Customer Assist	PowerCurve Customer Assist uses the latest in artificial intelligence and automated decisioning to help you manage unexpected spikes in customer demand and hardship assistance.		Automate your decisions/communications, to manage predelinquency: <ul style="list-style-type: none"> • Automated and digitised driving great customer experience while improving operational productivity and effectiveness • Improves workflows and processes for consistency and compliance • Data insight allows constant monitoring of performance, while cloud deployment supports rapid access 	



Conclusion: An opportunity for change

The pandemic has created an unprecedented set of challenges, and these are difficult times for people all over the UK. As lending firms, you're under immense pressure to support your customers, limit risk and maintain stability in a rapidly changing market.

Here at Experian, we believe you're also in a unique position to drive change. As you rise to the challenge of providing credit in the post-pandemic world, you also have the chance to recalibrate the industry and create real opportunity for both yourselves, and your customers.

Now more than ever, data and insight have become a valuable currency and those with the best insights into their customers will be the ones who don't just survive, but thrive. Putting affordability at the heart of your eligibility, onboarding and customer management strategies can help you do just that, informing stronger decision-making, however uncertain the circumstances.

By giving you more accurate, relevant data, affordability monitoring enables you to lend more sustainably, driving down risk and offering customers realistic, responsible credit options. At the same time, it opens doors to people previously denied credit, empowering them with a clear picture of what they can afford, and enabling you to be fair, responsive and supportive.

As ever, we're here to support you on that journey. With powerful products, in-depth insights and renowned economic expertise, we're ready to help you rise to today's challenges, nurture new growth and carve out a stronger, more certain future.

A greater need to understand affordability

- Employment and income analysis becomes evermore important
- There is a greater focus on affordability being applied across the lifecycle to give better insight, understanding and ability to respond
- Affordability IQ enhances insight
- Transaction data continues to become an important identifier of risk, and affordability
- Affordability passport makes access easier

Identification of pre-delinquency and 'at risk' alongside ability to develop fair, relevant treatments for over exposed





Join us for our next Experian Insights Webinar on 7th July 2020

Join our webinar insights series where we take a considered look at the implications of the current economic turbulence. As well as offering great depth of detail into the key trends, we will share detail on different ways that data can be used to spot and highlight financial stress. We will share our thoughts about how to revitalise your approach to managing risk – one that will help you navigate confidently through these uncertain times.

Register now

Read our supplementary content

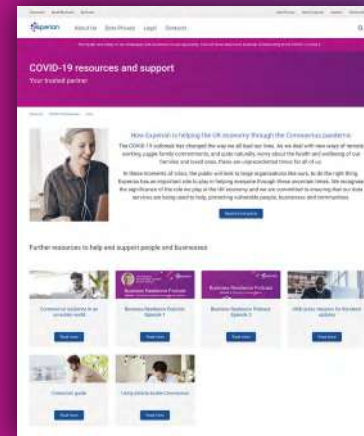


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The insight contained within this report is prepared using research performed on both Experian data and external data sources, in addition to market research. All sources, unless referenced, are from Experian insight.

The information contained within this report is designed to help businesses manage the complexity brought by a national crisis - and is a summary of key areas and capabilities.

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To understand more about the breadth of market-leading capability Experian has, or to access further detail on the impact of Covid-19 on consumers, business and lending portfolios - please contact us.



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Appendix: understanding the details behind Experian's capability suite



Affordability IQ

Experian Affordability IQ gives you access to a range of bureau data you can use throughout your relationship with a customer, personalising your understanding of their financial wellbeing so you can reduce risk, respond to their needs and protect them better. It includes:

Income estimation

A friction-free way to quickly estimate income and streamline applications.

Income verification

Accurately verify a customer's supplied income data, minimising fraud, confirming credit terms and progressing applications faster. 80% of incomes verified automatically.

Income shock & stability metrics

Check a customer's current account turnover (CATO) for the last 3 months is above or below threshold – particularly relevant with income fluctuations.

Effective Disposable Income (EDI)

Generate monthly estimates of a consumer or household's disposable income. Combined with a credit score, this can help you automate applications for products like mortgages.

EDI RAG (red, amber, green)

This series of flags, based on CATO, highlights whether a customer's EDI is enough to support the loan they want. It's a simple, effective way to assess affordability without specific income data.

Debt-to-income ratios

Measure an individual's outstanding debt against their monthly or annual income, determining their ability to afford credit and helping your firm refine its eligibility rules.

Affordability Passport

If you're a personal account provider, you can use transaction data insights to gain greater insight into your existing portfolio. They can provide timely, relevant information that monitors consumer behaviours, identifies those most vulnerable and assesses risk across your portfolio.

These data blocks provide insights into:

- Income KPIs, including number of jobs, payment frequency, volatility of income and income-shock metrics.
- Financial behaviour, including early signals of potential customer defaults (gambling, payday loans, high and consistent card payments).
- Balance behaviour, including how quickly income is spent, days in overdraft and days below £100 balance.
- Consumer liquidity, flagging customers living month-to-month with very little capacity to adapt to changes such as a drop in working hours.

Includes Categorisation-as-a-Service (CaaS®)

Our real-time analysis engine looks through credit and bank transactions to identify and categorise income and expenditure, providing it in an easy-to-use format. By simplifying the analysis of this detailed financial data, it helps inform decisions about a customer's affordability.

Our affordability passport has proven to provide a 75% reduction in underwriter time in reviewing bank statements – for a mortgage provider processing 25,000 applications a year, that equates to an annual cost saving of approx £6.5m

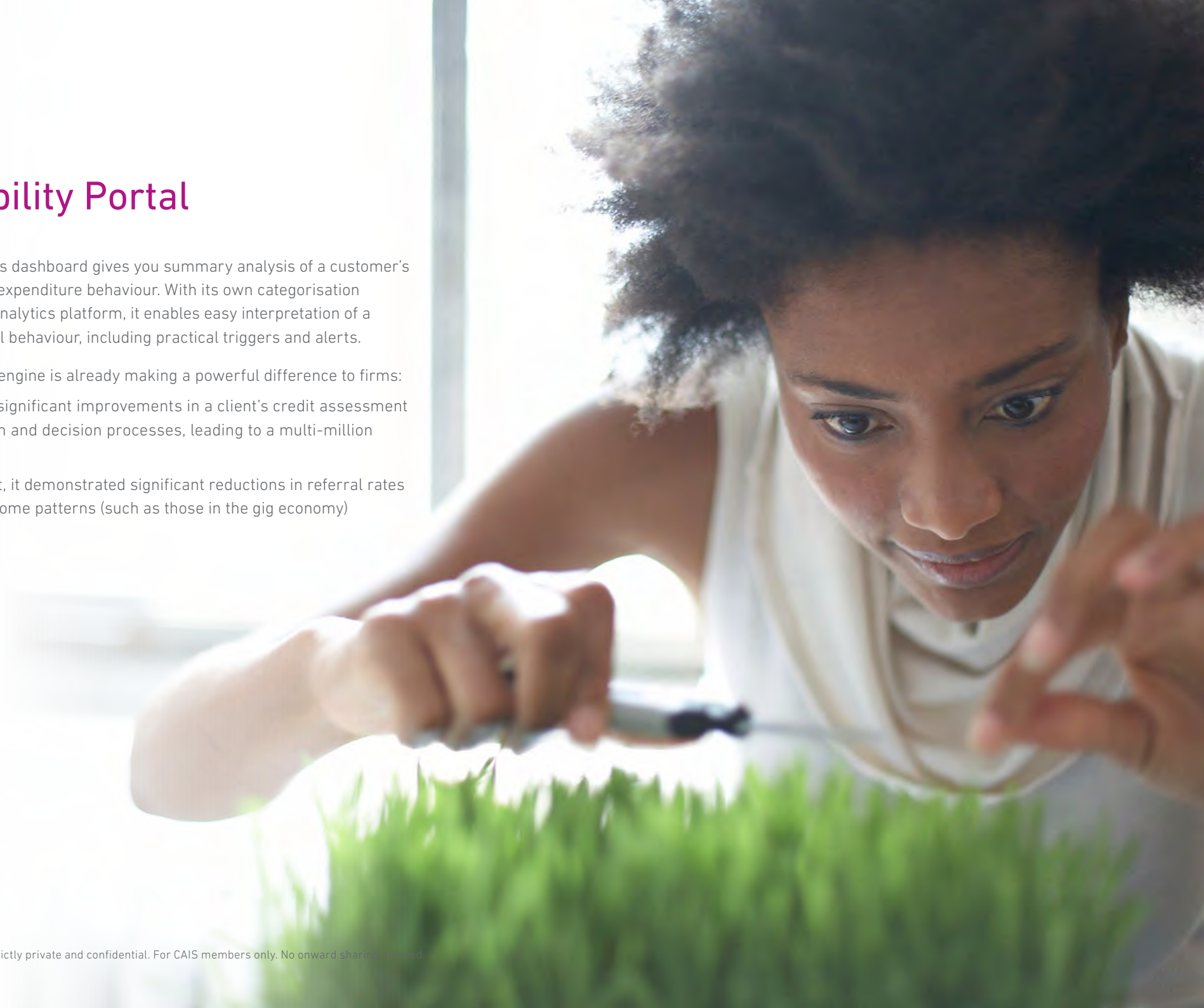


Affordability Portal

Our hosted analytics dashboard gives you summary analysis of a customer's credit, income and expenditure behaviour. With its own categorisation engine, CaaS, and analytics platform, it enables easy interpretation of a customer's financial behaviour, including practical triggers and alerts.

Our categorisation engine is already making a powerful difference to firms:

- It demonstrated significant improvements in a client's credit assessment during application and decision processes, leading to a multi-million bad-debt saving
- For another client, it demonstrated significant reductions in referral rates with irregular income patterns (such as those in the gig economy)

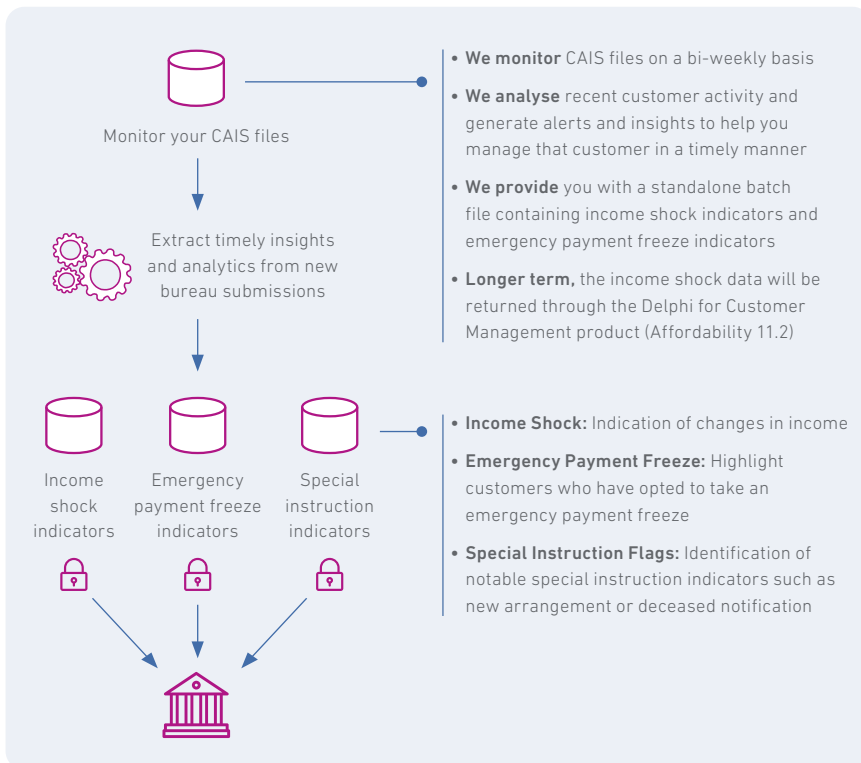




New: Bureau data triggers

Access to timely and relevant data insights from the bureau enabling you to identify financially vulnerable customers and respond appropriately.

- Access to key relevant information
- More timely insights
- Roadmap of insights to react to changing conditions



Transaction data insights

If you're a personal account provider, you can use transaction data insights to gain greater insight into your existing portfolio. They can provide timely, relevant information that monitors consumer behaviours, identifies those most vulnerable and assesses risk across your portfolio.

These data blocks provide insights into:

- Income KPIs, including number of jobs, payment frequency, volatility of income and income-shock metrics.
- Financial behaviour, including early signals of potential customer defaults (gambling, payday loans, high and consistent card payments).
- Balance behaviour, including how quickly income is spent, days in overdraft and days below £100 balance.
- Consumer liquidity, flagging customers living month-to-month with very little capacity to adapt to changes such as a drop in working hours.



Effective scoring

Scorecard accuracy is critical in making sure you're basing lending decisions on accurate data. Our suite of scorecards and services equips you with a robust, detailed view of a customer over an extended period. By accessing longer data through your models, it gives you a better understanding of trends over time, as opposed to at a fixed point in time. In a volatile environment that's continually changing, this is critical.

Trended data – Delphi Generation 11

Experian offers a range of trended data scores and attributes for acquiring and managing consumers, analysing an enormous amount of information rapidly, so you don't have to. Our trended data variables and scores take a 36-month history of key fields, balance, credit limit, minimum payment indicators, actual payment amount, last payment date, extended arrears histories and estimated spend, producing valuable insights into an individual's payment behaviours. This shows you not just what a consumer looks like now, but also how they got there, so you can predict where they'll go next.

Bureau flags for payment holidays

We now provide timely alerts and coloured flags for customers who may have undertaken an emergency payment freeze, as well as highlighting customers who appear to be experiencing income shock or changes in their current account turnover. Fast access to these customer-level insights enables you to identify customers who may be financially vulnerable and manage them more effectively.

Scorecard review and health check

A review of your scorecard and segmentation, along with analysis of your cut-off criteria, can help make sure you're accepting the right customers for your risk appetite, even in a reduced pool. We can provide scorecard monitoring and consultancy services that help you take stock of how your risk policies are performing and what changes are needed.

Ascend enables you to access relevant tools and analytics, empowering strong, sustainable change

How does this data help you respond efficiently, create value and protect customers?

ELIGIBILITY	ACCESS TO CREDIT	AFFORDABILITY	DEBT HELP
80% Automatically verified by our bureau	75% reduction in application time	95% transactions categorised	60% improvement in money collected
100% with Open Banking	30% reduction in manual review	5% reduction in high risk false positives	25%/11% customers pay less/more

Experian's Delphi for New Business remains the market's most powerful indicator of risk, despite the economic crisis



Experian Ascend

Ascend Analytics on Demand is a powerful, secure analytics platform that gives you access to Experian's leading consumer bureau and a range of rich, alternative data sources, including your own, on demand.

It enables you to build a range of benchmarking, scorecard and customer management analysis capabilities in real-time, then present them in many interactive formats designed for presentation in the boardroom.

Ascend offers a range of benefits, including rapidly reducing costs, improving time to market and increasing your marginal ROI. It can also help with:

- **Pandemic response:** Many lenders are quickly pivoting the power of Ascend to respond to the pandemic, creating a comparison of their book against the rest of the market
- **Access to whole-of-market insights:** Ascend can provide you with raw tradeline data through always-on, secure credit data transfer. It includes archives of tradeline data, thousands of proprietary Experian scores and attributes, automatic monthly updates of data, easy identification of your company's lines/loans and the ability to integrate your data, third-party or additional Experian data. All of this is pinned using our proprietary process, and de-personalised to support compliance
- **A single, secure platform:** Because we've undertaken the security assessments needed to use these datasets in the cloud, we're already helping clients get products to market faster than they would with in-house systems. It's a major step-change in effectiveness for the analyst and data-science community, who can now collaborate within a single platform with standard tools for data access, exploration and collaboration

- **Complex problem solving through analytical test and learn:** As well as helping you prove analytics in a development environment, Ascend can solve the challenge of rapidly taking them live. Being able to make faster data-driven decisions has been compelling for large banks seeking to improve performance within their existing estate.
- **Data visualisation and expansive data capacity:** Ascend can handle massive datasets with your choice of industry leading analytics, artificial intelligence, machine learning, and data visualisation tools (R, Python, H2O, SAS, Hue, Tableau etc.)

Real-world Ascend successes

How the platform helped one client get ahead...

- Fully evaluating income and debt-to-income scores for cards and loans
- Conducting peer-group loss comparisons (look-alike populations)
- Producing robust, up-to-date bankruptcy scores, powering decision making

Our Ascend platform was awarded the FinTech Breakthrough Award for best overall analytics platform 2019





PowerCurve Customer Assist

In moments of crisis there is a huge increase in customer demand for financial assistance – from payment holiday requests to changes in payment schedules, existing collections processes start to creak as customer contact centres struggle to keep up with the volume of requests in a customer friendly and cost-efficient manner. These high-volume requests, often processed through manual processes, can lead to human error and a poor customer experience. PowerCurve Customer Assist is designed to help you onboard, triage and treat customers who are experiencing financial difficulty using the latest in automated decisioning and digital communications.

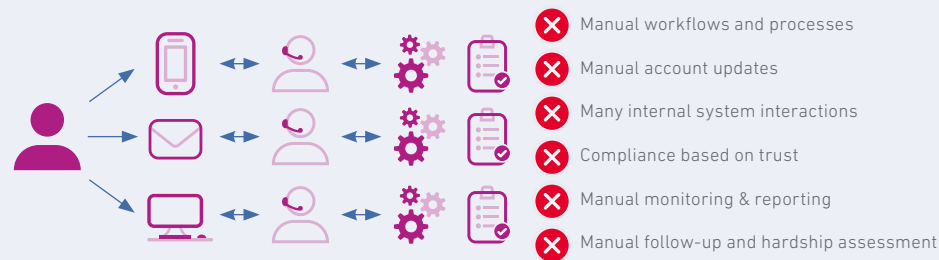
PowerCurve Customer Assist can help you:

- Automates short- and long-term financial difficulty application processes through a range of multi-channel self-service options, relieving the pressure on contact centres when there is an unexpected peak in demand

- The integrated monitoring and reporting capability keeps track of the arrangements you make with your customers to make it easy to review portfolio performance
- The compliant hardship processes provide full explainability behind the decisions you make on your customers to align with regulatory expectations
- The integration of an artificial intelligent virtual assistant uses the latest in natural language processing to understand customer queries and recommend next best actions
- Automates contact with the customer when existing financial arrangements are coming to an end. A self-service portal enables customers to update their affordability information to amend any existing arrangements or apply for further assistance
- Built on the latest cloud technology, PowerCurve Customer Assist can be deployed in a matter of weeks

To manage workloads and costs, businesses are looking to introduce or accelerate the digital transformation of operations

Dozens of full-time employees trying to help consumers in distress get back on their feet



One Digital Platform for automating short and long-term financial difficulty management

