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Advantage



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# Expanding the Scope of Credit Information

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# Activities in the Asian Region

**China** – Bureau Score - Shanghai

**Saudi Arabia** – Bank Bureau – Positive - Private (Consumer)

**Hong Kong** – Majority Industries Bureau - Positive - Private (Consumer)

**Thailand** Banks and Credit Card Bureau - Positive - Private (Consumer and Commercial)

**India** – Majority Industries Bureau - Positive – Private (Consumer and Commercial)

**Malaysia** – Financial Institutions Bureau - Positive - Public (Consumer and Commercial)

**Singapore** – Bank Bureau – Positive - Private (Consumer)

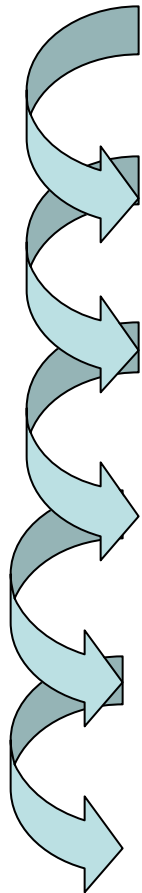
**Singapore** – All Industries(excluding Banks) Bureau – Negative – Private (Consumer)

**Australia** – All Industries – Negative – Private (Consumer and Commercial)

**Fiji** - All Industries – Negative - Private (Consumer and Commercial)

**New Zealand** - All Industries – Negative - Private (Consumer and Commercial)

# Credit Bureau Information Flow



Initial upload of information from bureau members.

This information is stored and organised in a database

The bureau adds value to the information

The bureau adds additional information

Members update credit behaviour information in regular cycles

The information is accessed by members – this also updates the bureau information

# Credit Bureau Types

**Full Service**

Helps manage  
customer life-cycle

**Positive**

**Negative**

# Bureau Development Considerations

## •Data

- Quantity
- Quality
- Willingness to share
- 3<sup>rd</sup> Parties

## •Resource

- People - knowledge and experience
- Infrastructure

## •Credit Policies

- Reviews
- New applications
- Guarantors
- Debt recovery
- Money laundering

## •Legislation / Regulations

- Sharing information
- Criminal liability
- Conflicting legislation
- Role of Central Bank

# Bureau Development Considerations Continued

## •Consumer Privacy

- Access to own file
- Dispute resolution
- Code or Compliance
- Matching Logic
- VIP's

## •Security

- Audit
- Database
- Infrastructure
- Disaster recovery

# Examples of Standard Credit Information

## Demographic Data:

Names  
Addresses  
Date Of Birth  
Gender  
Marital status  
Occupation  
Employer

## Negative Data:

Payment Defaults  
Bankruptcy Details

## Positive Data:

Payment Cycle History

# Why Increase the Scope of Credit Information?

- Credit grantors have less face to face contact -  
Web, phone, mobile lenders
- Socio-Economic factors
- Consumers have increased knowledge of the credit process
- Credit hungry societies
- Fraud – soft / hard
- Competition
- Revenue opportunities

# 5 Keys to Developing the Scope

- ☑ Depth of information
- ☑ Ability to manipulate the information
- ☑ Value adding
- ☑ Technology
- ☑ Presentation of the information



# Barriers to Developing the Scope

- Legislation
- Governments
- Public opinion
- Attitudes
- Cost
- Infrastructure
- Skills/experience



# Private Vs. Public Bureau Credit Information

## Private

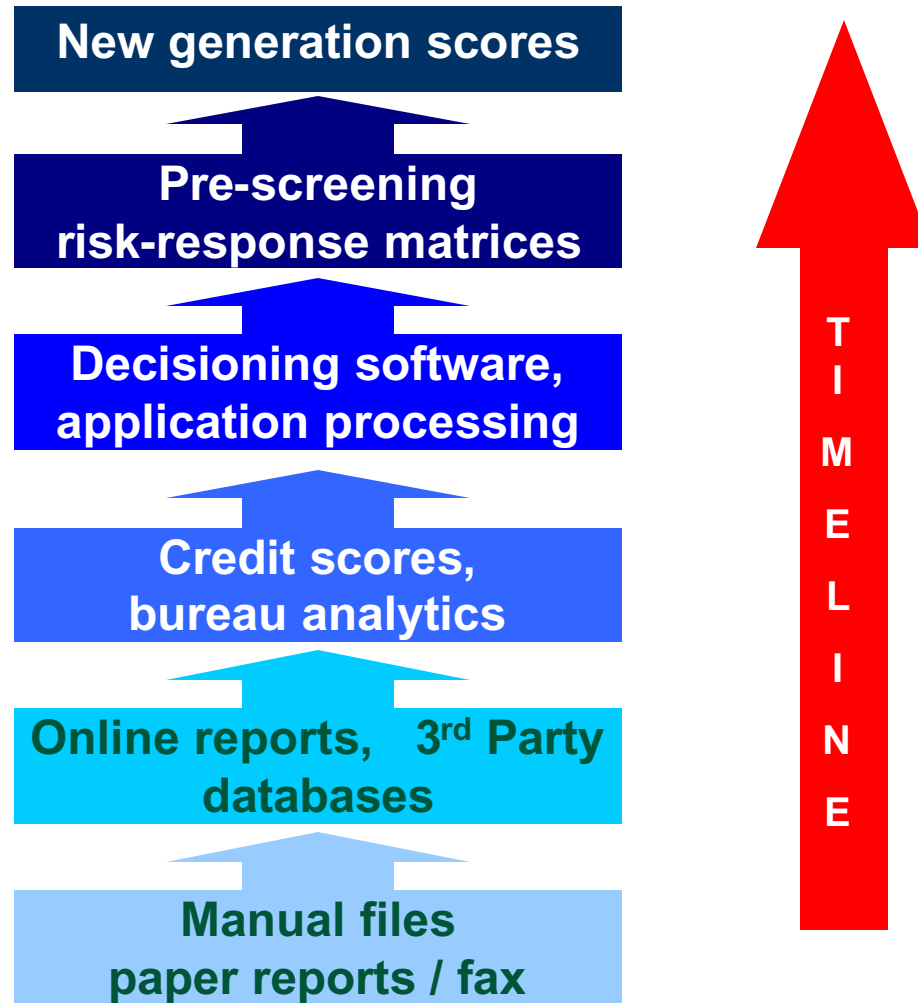
- Quantity is at the discretion of the members
- Quality is subject to legacy systems
- Members can be very cautious in sharing competitive information
- Keen to expand into 3<sup>rd</sup> Party data for verification of application
- Proactive
- Short term goals 1 – 2 years (stakeholder driven)
- Additional revenue streams

# Private Vs. Public Bureau Credit Information Continued

## Public

- Quantity is regulated to ensure contribution
- Quality is subject to legacy systems
- Members have no option but to share data (with high value exceptions)
- More reserved approach to including 3<sup>rd</sup> Party data
- Reactive
- Long term goals 3 – 5 years

# Credit Information – Past, Present & Future Continued



# How to Expand the Scope of Credit Information

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# Expanding the Scope

## Verification With 3<sup>rd</sup> Party Databases

### Unique Identifiers

National ID's  
Drivers licence  
Tax number  
Passport  
Work permits

### Application

Phone number  
Addresses

### Asset ownership

Vehicles  
Property

### Adverse data

Litigation  
Bankruptcy  
Fraud

# Expanding the Scope

## Tracing

### New Addresses






Locate alternate addresses for a consumer

### Hot Addresses

Identify addresses that have commonality for an event, i.e. fraud

# Expanding the Scope

## Monitoring

-  Change in Credit profile
  - New adverse information
  - Deterioration in payment history
-  New Contact Details
  - Phone number
  - Address
-  Churn
  - Enquiry by other members
-  Individual
  - Notification to individual if file accessed
-  Proactive Monitoring

# Expanding the Scope

## Scoring

**“A statistical methodology used to predict future events based on past experience.”**

 Application

 Bureau

 Behavioural

 Fraud

# Benefits Of Scoring

- ✓ Objectivity
- ✓ Consistency
- ✓ Speed of processing
- ✓ Improved customer service
- ✓ Quantitative assessment
- ✓ Better decisioning
- ✓ Cost efficiency
- ✓ Management control

# Expanding the Scope

## Asset Checks

### Vehicles


- Ownership
- Description
- Securities
- Valuation
- Previous sale price

### Property

- Ownership
- Legal description
- Securities
- Valuation
- Previous sale price

# Expanding the Scope

## Value Decisioning

 Proactively manage the value of each customer by predicting a customer's future value and recommend trading terms.

- Credit application assessments
- Collections or recoveries actions
- Customers for specific marketing campaigns

# Expanding the Scope Marketing

 Prospect lists for marketing campaigns

 Pre-screening of target customers

 Full campaign management

# Expanding the Scope

## Loan Origination / Administration

### Loan origination software

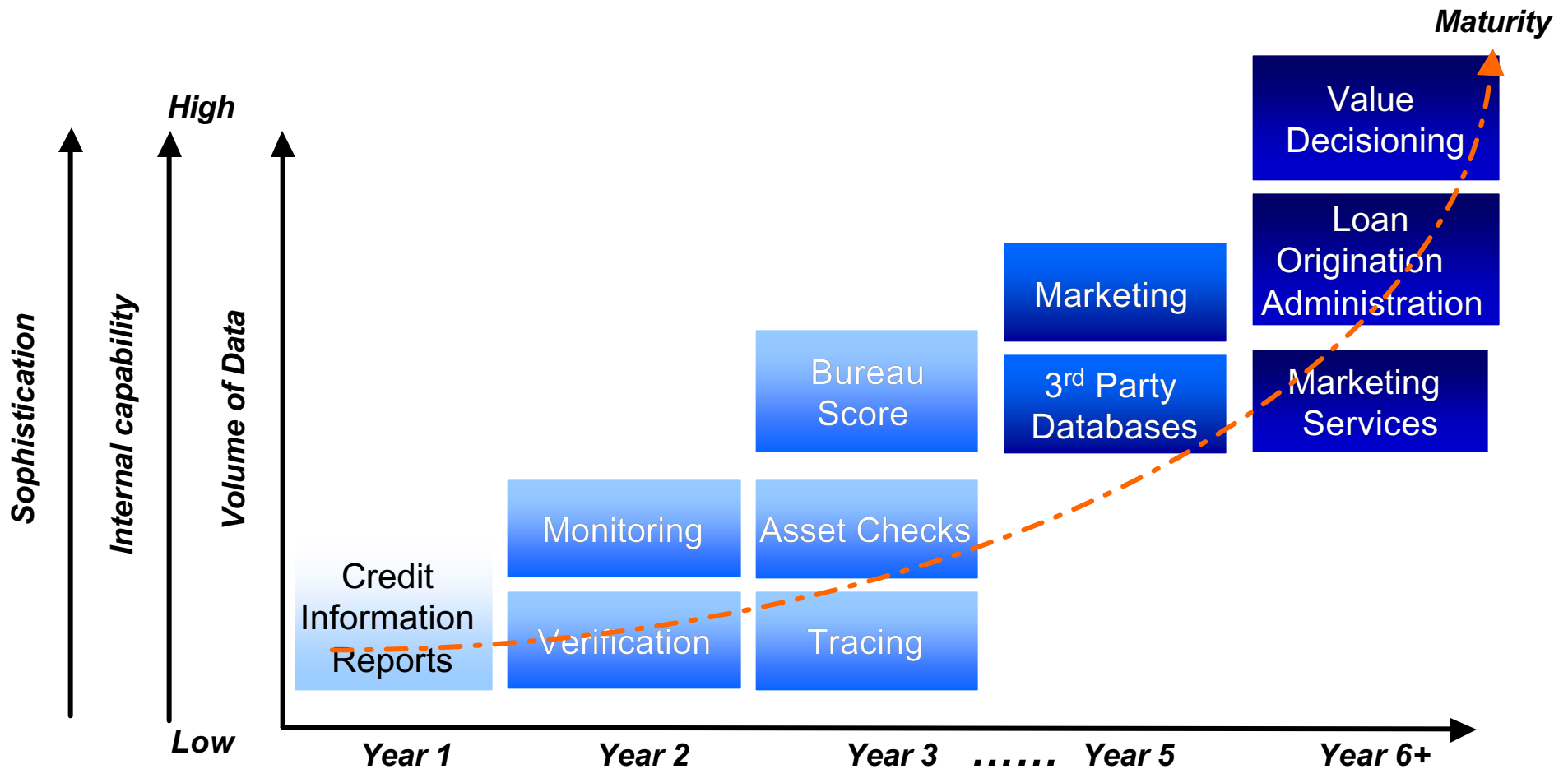
Access bureau data

Manage process

Apply policy rules

Scorecards

# Scope Development Timeline



Thank You

Questions?



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