

Open Banking Risk Insights & Scores

Credit Kudos links Open Banking data with credit outcomes to build unique risk insights, scores and models.



BEYOND TRADITIONAL CREDIT DATA

Transforming credit decisioning

Combining bank transaction and credit outcome data, Credit Kudos is able to build rich insights that:

- ✓ Provide a full picture of an applicant’s current financial situation, using bank-verified data
- ✓ Is up-to-date, helping lenders continue to lend responsibly during changing economic circumstances
- ✓ Opens up lending to the underserved, using richer insights to support lending to those currently left out by the traditional credit system

OUR SOLUTION

Risk Insights & Scores

Open Banking offers an incredible opportunity to predict credit risk more accurately and for more people. Understood properly, transactional data contains thousands of insights into an individual’s financial behaviour. Credit Kudos’ Risk Insights & Scores distils this data into decision ready, predictive features and scores that have proven results reducing defaults and increasing acceptances.

Liquidity

Likelihood of remaining liquid across 2 accounts

30 Days



60 Days



180 Days



Risk indicators

-  **Gambling**
£234 per month (12% of monthly income)

-  **Returned direct debits**
0 in the last 6 months

-  **Loan repayments**
£234 per month (12% of monthly income)

-  **High cost short term lender relationships**
3 in the last 6 months

-  **Payments to debt collection agencies**
0 in the last 6 months

-  **DMP and IVA relationships**
1 in the last 6 months

[View all indicators >](#)

Open Banking Use Cases for Risk

Credit Kudos' Risk Insights & Scores solution can be harnessed in multiple ways to enhance a client's credit decisioning. The three core applications of Open Banking for credit risk have been outlined below.

USE CASE

1 Increase Acceptances

Credit Kudos' insights are built using Open Banking data, providing you with a more detailed and up-to-date view of an individual's current financial situation. These insights help you safely convert marginal declines into acceptances without increasing risk.

HOW CREDIT KUDOS CAN HELP



Richer insights for marginal declines

Credit Kudos' precise insights will help you find meaningful similarities between your loanbook and segments of your decline population, enabling you to accept those previously declined with confidence. These rich insights enable you to increase acceptances for currently underserved segments like thin files, or those with poor historical credit history.



Automate Referrals

Automate referrals by creating Open Banking policy rules to siphon off your most desirable marginal declines for review. Once referred, Credit Kudos' rich insights will help you to lend with increased confidence to those previously declined. Once sufficient data has been collected, you can also build an Open Banking scorecard for this population to maximise precision.

CASE STUDY

Major credit card provider

Using newly available transaction data and derived insights, Credit Kudos developed an Open Banking scorecard for a major credit card provider to help them understand how they could safely increase acceptances for their underserved segments. By developing an Open Banking scorecard with Credit Kudos, they were able to assess their marginal declines with more confidence, with richer insights helping them identify where they could gain an extra £400,000 profit per month without increasing their risk profile.

£400,000+

Estimated monthly profit

USE CASE

2 Reduce defaults

Once you have collected Open Banking data for your accept population, you can build ready-to-use risk insights and scores into your scorecards to reduce defaults. You can collect data for your accept population through manual underwriting, policy rules, or affordability use cases. For easy analysis, Credit Kudos provides batch exports and re-runs.

Or, if you already hold transactional data, you can use Credit Kudos' 'Bring Your Own Data' functionality to generate Credit Kudos reports for retro analysis, enabling you to include insights in your scorecards from the start.

HOW CREDIT KUDOS CAN HELP



Build bespoke scorecards using Open Banking insights

Credit Kudos provides expert consultancy and data science services that can help you with:

- ✓ Building bespoke scorecards for your population, leveraging proven machine-learning models
- ✓ Accurately implementing risk rules and policies
- ✓ Exploratory analysis of your population to identify new segments or key predictive features
- ✓ Return on Investment analysis of your decisioning pipeline

CASE STUDY

Large short-term personal lender

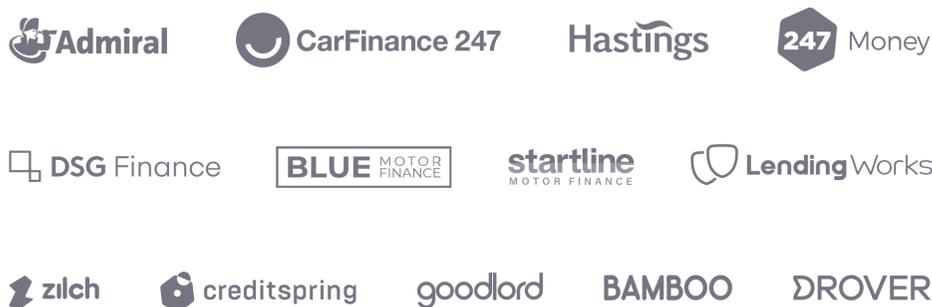
Credit Kudos worked with a large short-term personal lender to lower their default rate at their current or higher loan volumes. Credit Kudos' Open Banking-only model raised the acceptance rate from 27.9% to 33.3% while reducing overall default rate by 5.7%.

+9.8%

Acceptance rate

5.7%

Reduction in defaults



OUR CLIENTS

Credit Kudos has helped leading lenders, brokers and financial institutions make better and faster decisions using rich insights built from Open Banking data.

USE CASE

3 Make faster decisions

Streamline your application process so you can make faster decisions and reduce operational inefficiencies. Credit Kudos enables you to remove painful document collection and inspection, streamline manual underwriting, and automate policy rules.

HOW CREDIT KUDOS CAN HELP



Underwrite using Atlas

Atlas, Credit Kudos' easy-to-use underwriting platform, displays rich insights on top of Open Banking data to streamline your underwriting process and help you to better understand your customers' creditworthiness.

You can dispense with trawling through bank statements to understand creditworthiness: assessing an applicant in Atlas takes just a couple of minutes, helping you to streamline manual processes, shorten customer journeys and assess more applications.



Refine and automate policy rules

Credit Kudos' Risk Insights & Scores solution enables you to refine and easily implement credit policy rules, and can be automated to improve operational efficiencies. You can accept, refer, or reject applicants based on highly relevant, up-to-date financial behaviour or circumstances, for example:

- ✓ Recent stopped loan payments that we predict are not fully repaid
- ✓ Recent stopped bill payments that we predict are not switched
- ✓ Current and projected balances
- ✓ Time since last in unarranged overdraft
- ✓ Recent borrowing
- ✓ Income shock

CASE STUDY

Serve & Protect Credit Union



Since implementing Credit Kudos, Serve and Protect Credit Union's average credit information collection and evaluation times have dropped by 30%, with over 500 hours saved in the first three months. The ability to see applicants' transaction history over a long period of time has enabled the Police Credit Union to make better and faster lending decisions by taking informed risks on thin file applicants and ensuring that they are lending to those who can truly afford it.

-30%

Average collection & evaluation times

500 hours

Time saved in the first three months

Get in touch to book a demo

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Request a demo