

Streamline your credit decisioning with Experian and Neonomics

Table of contents

Streamline your credit decisioning with Experian and Neonomics	4
Traditional credit assessment is based on financial records dating back months, if not years	6
Fast, reliable credit assessment that ensures a better customer experience and reduced risks for lenders	10
Final takeaway	12

Streamline your credit decisioning with Experian and Neonomics



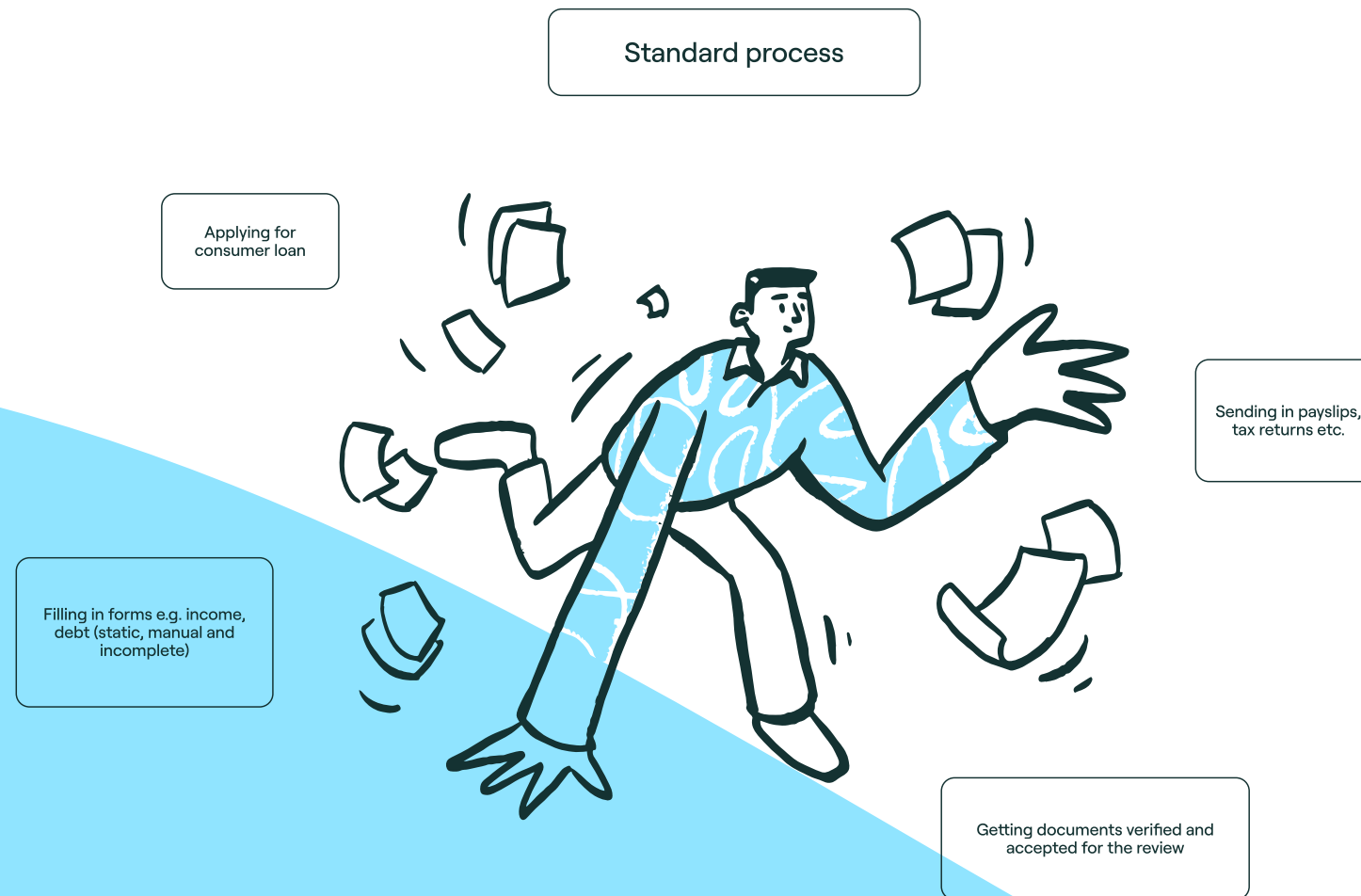
Experian, the world's leading data and information services company, has partnered up with Neonomics to enable broader insights for lenders and consumers, empowering both parties to ensure streamlined application process. Experian's machine learning based categorization engine takes transaction data and classifies it into predefined categories of income and expenditure, which in turn creates a holistic picture of applicants' current financial health and its predictions.

The data provided by Neonomics is powered through the data sovereignty of consumers, who now can decide what happens to their bank account data with the revised Payment Services Directive (PSD2), also known as open banking. Here, we will look at how credit assessment process has evolved historically, and how it's about to radically change with the use of open banking APIs.

Traditional credit assessment is based on financial records dating back months, if not years

One's financial health is neither static nor predictable. Traditional credit checks, however, only look at a few relevant variables such as a person's income statement, bank accounts and other existing loans through manual form submissions, which often takes a lengthy time to validate and assess.

The steps illustrated below can vary depending on the size and kind of the loan but the common variable is the same; static financial records that show how their finances have been like and is as of the application submission date, without much answering what it would be like in months and years to come.



More importantly, such a process does not draw a comprehensive picture of applicants' lifestyle and spending behavior. To reduce risks offering loans to customers who may fall into financial difficult and to offer more customized products, lenders should be able to answer these questions before making a decision:



1 How much money does the potential borrower have left over after they have paid their regular invoices each month?

3 Do they have a predictable spending pattern, or does it fluctuate? If it fluctuates, what's the reason?

2 Where do they spend most of their money? Does it include a potentially risky habit (e.g. gambling)?

Fast, reliable credit assessment that ensures a better customer experience and reduced risks for lenders



Digitalize

Replace manual form submissions with real-time data

Quick access

Quickly gain a comprehensive overview of your customers' financial wellbeing

Accurate Analysis

Make well informed decisions with accurate analysis of your customers' financial behavioral patterns

Reduce Costs

Reduce costs by automating decisions while enhancing customer experience with a shorter response time

Categorized transaction data extracted via open banking APIs helps lenders detect underlying patterns in spending behavior, identify income, investments, and other outstanding loans. When it is put into the context of the lenders' own decision criteria, they will be able to make decisions much faster whilst minimizing giving loans to customers who may fall into financial difficulty.

For applicants, this means a simplified and automated credit check process not involving any manual form submissions. In addition, they will be provided with more personalized offers with customized terms and conditions.

Final takeaway

Businesses that offer personal financing, especially those that have heavily relied on a manual process without access to transactional data, will be able to make much faster, accurate decisions on whether to offer a loan and what type of loan it should be. Following the initial launch in Denmark, Experian's Open Banking solution will expand into the rest of the Nordic countries.

To learn more about the opportunities that we provide, or to take initiative towards a similar solution for boosting efficiency and productivity in your business, don't hesitate to contact us here or directly at sales@neonomics.io

Follow us on [LinkedIn](#) or visit our [website](#).



Made with love at Neonomics