



Experian Affordability

Affordability Passport

A woman with short dark hair, wearing a black sleeveless top, is smiling and looking down at a smartphone she is holding. She is in a restaurant setting, with a counter in front of her. On the counter, there is a laptop, a tablet displaying a payment screen, and a QR code on a white card. In the background, another woman is holding a young child, and a man is visible behind the counter. The scene is brightly lit, suggesting a daytime setting.

Putting **the individual** at
the heart of affordability

With Experian Affordability, we make sure you can treat every customer as an individual; helping them meet their needs and goals by better understanding their personal circumstances.

Our Affordability Passport enables a consumer to give consent to share their bank transaction data in a single data passport to show their income, expenditure and credit commitments.

Data can be shared digitally (with consent) with multiple organisations, removing the need for paper proofs providing a secure and accurate method of confirming a customer's affordability.

The Affordability Passport offers the highest level of personalised affordability and is fully configurable to include or exclude credit data, as well as capturing information from the customer on their personal circumstances through a configurable questionnaire.



How Affordability Passport works

The account information is analysed by our [CaaS®](#), automated transaction engine - which interprets raw account information and categorises this into 186 blocks of income and expenditure, through our CaaS machine learning algorithms. The income and expenditure report can be delivered alongside the individuals credit file providing a complete view of their financial circumstances.

Once the data is submitted the organisation will be notified via email or web hook that it is available for review, data delivery takes as little as 800 milliseconds. The customer and provider journey can be accessed through the Experian's portal or directly integrated into your online platform, using our secure urls or RESTful APIs.



The CaaS® algorithm has been "trained" on thousands of customer records

Processing more than
1.5 billion
customer transactions



Recognising

186 categories

of discretionary and non-discretionary
income and spending



Steps

By automating the data capture, categorisation and verification, large elements of manual administration in your business is removed allowing your advisors to focus their time on providing tailored experiences through better understanding the individual's personal circumstances.



Individual is directed into the Affordability Passport journey and shares data

Data is analysed and categorised using CaaS® for trends and insight

An organisation accesses enriched data to assess risk and suitability

Supporting the customer onboarding journey with Experian's Automated Verification Tools



ANTI MONEY LAUNDERING (AML)

Validates a customer's name and address within seconds to ensure they are not on any PEPs or sanctions lists. This prevents fraud in line with lender requirements without having to use physical documentation.



DIGITAL IDENTITY AND VERIFICATION

Consumers can take a photo of their driving license, passport or Government ID document and match this to a 'selfie' taken on their mobile device. These images are assessed for their authenticity and validity to reduce processing times when sharing data.



CREDIT SEARCH

Accesses a customer's credit accounts, grouped by account type with a view of Lender name, payment amount, start date as well as any missed payments or defaults. Allowing you to view your customer's Experian credit report (with consent) and will help you understand your customers' credit position.



BANK ACCOUNT OWNERSHIP VERIFICATION

Real-time check to confirm the bank account having been connected by the consumer is actually owned by them.



What Affordability Passport means for your business

- **Increase efficiencies and reduce costs** – provide immediate access to data and increase underwriting efficiency by up to: **75%** 
- **Increase the volume** of customers you can accept for a service by up to: **7%*** 
- **Fulfil regulatory requirements** by putting the consumers' best interests at the heart of your decisions
- **Capture validated data** direct from source to enable more accurate analysis and reduce fraud risk from the supply of false documents
- **Provide the fastest path** to a more informed decision with immediate and secure access to data
- **Understand** what customers can afford to pay
- **Reduce risk** from human error
- **Minimise fraud** by ensuring the provenance of your data using automated identity verification, AML checks, account validation and device checks
- **Capitalise on the availability** of Open Banking data to inform better decisions using more granular and timely data
- **Promote the right credit products** to the right customers at the right time based on an accurate understanding of what a customer can afford

* Accept rates are depending on how data is deployed

And for your customers

- **Improved customer experience** - reduce time taken to confirm someone's ability to afford a product or service from days to minutes, allowing consumers to access services more quickly and reliably
- **Personalise your decisions** – make more personalised decisions that accurately reflect an individual's financial well-being, rather than relying on models or generic measures of affordability
- **Deliver, better products** - reducing friction in the application and on-boarding process and making sure the right product is sold at the right time to the right persons, based on their true affordability



A personalised view of the individual's financial position so better affordability decisions can be made on what the consumer can **actually afford to pay**

For a mortgage provider processing

25,000 applications a year

we can create a saving in FTE administration and processing costs

of £6.5m p.a.



Affordability Passport in action



CreditFix using Open Banking to help consumers and businesses manage financial stress

CreditFix is the UK's largest personal insolvency provider. Since 2007 it has helped over 141,000 UK consumers solve their debt problems, repair their finances and improve payments to creditors. CreditFix prides itself on providing personalised debt advice that empathetically assess an individual's financial circumstances and lifestyle to provide tailored advice on how to manage their money. This advice is used to resolve their debt problems quickly, enabling consumers to rebuild their lives and put them on a track to financial health.

Challenge

4.1m people the UK are currently in persistent debt (source: Stepchange) and average household debt now stands at over £15,000 per household (source: TUC). With 15m living on the 'breadline', just getting by each day with their money the potential for consumers to fall into debt due to unemployment, redundancy, injury or illness remains high.

The current process for helping consumers resolve their debt is stressful and timing consuming. It often involves a customer volunteering their financial information to debt advisor or creditor through a telephone interview or by sharing paper copies of their bank and credit card statements.

The process is inefficient, insecure and laborious.

The UK's Open Banking initiative provides an opportunity to radically improve this process by allowing consumers to consent to share their financial data automatically with an organisation to create a more accurate understanding of their financial circumstances. This can be used to make better, more informed decisions about their capacity to pay the creditors and resolve their debt problem quickly.

Solution

Credit Fix chose to partner with Experian to deploy its Affordability Passport service. The service allows a customer to consent to share their credit information and bank transaction data with Credit Fix automatically. This information is used to help a Credit Fix Debt Advisor accurately assess an individual's financial circumstances, provide advice on how to modify their behaviour, and re-organise their finances to resolve their debt.

Experian's Affordability Passport firstly confirms a consumer's identity. Once verified the customer can provide consent for the Passport to access their credit information from Experian. Information on their credit commitments is then matched to the income and expenditure data shown in their bank account. This is accessed via Experian's Open Banking service which allows a customer to authorise their bank to share their bank transaction data with Experian. The service accesses 12 months of transaction data instantaneously and categorises this data to identify an individual's pattern of income and expenditure. Data is then stored in the customer's own personalised Affordability Passport ready for sharing with a creditor. CreditFix use the customer's credit profile and transactional behaviour to create personalised debt repayment plans, tailored to the individual needs of the customer.

Value for CreditFix

- **Prior to adopting** Experian's services Credit Fix advisors would interview customers and collect information manually by interviewing a customer or by sharing of paper-based copies of the credit and bank statements
- **The process was inefficient** and would often result in an accurate and incomplete picture of a customer's financial status
- **Using Experian's Affordability Passport** a customer can share their information safely and securely. The speed and simplicity

of Experian's service reduces the time taken to source information and greatly reduces the stress that a customer incurs having to compile and share their personal financial information

- **Since deploying the Affordability Passport** data collection has been automated and the time taken to collect a customer's financial information has reduced by 80% from

40 to 10mins



- **The accuracy of information** being collected has dramatically improved. This has enabled Credit Fix to make more informed decisions on a customer's capacity to resolve their debt quickly. Linking credit information and categorised bank transaction data has enabled Credit Fix to identify

25% of customers



who could afford to pay more to reduce their debt, whilst also identifying

11% of customers



who should pay less, freeing money that can be used to support their everyday lives

- **The net result** of deploying Experian's Affordability Passport is a 60% improvement in the total amount of money collected on behalf of creditors



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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