Enterprise agility and smart routes to digital transformation

Leveraging data and insight to predict the unprecedented

Commissioned study conducted by Forrester Consulting on behalf of Experian, during June 2020

Index

Welcome

I am delighted to be able to share our latest insight report with you.

The commercial world is a different place to what it was 12 months ago. It's clear there's no going back to old business models. The pandemic has driven a comprehensive and lasting shift in consumer behaviour and expectations.

Inside, we outline why many CEOs and decision-makers now accept they must respond accordingly and ensure they consistently deliver above and beyond. We analyse the key trends, evolving attitudes and emerging post-pandemic challenges that are front-of-mind for many of your peers across Europe and beyond.

We've rapidly moved past a technological tipping point. It's also clear accurate insight is everything.
Big investments are being made in data, analytics, technology - but especially into seamless digital customer journeys and automation. Long-term commercial relationships can be fundamentally improved with access to a combination of the right analytical expertise and most consistently complete datasets.

As we continue to operate in a changing marketplace, growth and success now hinge on agility and the ability to move at the speed of the market – or even faster.

But to do this, businesses of all sizes accept there are many critical challenges ahead. Despite significant regulatory change within the past three years, many decision-makers now see the value and innovative drive it continues to deliver with customers further placed at the forefront of everything they do.

These in turn offer a far more comprehensive understanding of our respective marketplaces in ways that we never could before.

The research findings we've published are consistent, regardless of industry, with the business challenges we see right now across our entire global customer base.

As a strategic partner, they're ones we're continually helping our clients around the globe resolve and ensure they continue to thrive.

Jonny Cowlin
Managing Director Integrated
Sales & Marketing, EMEA

Executive summary

- More than half (56%) of all firms expect to be trading at pre-pandemic revenue and profit levels within the next 12 months. More than 80% expect to recover within 18 months.
- But while the optimism and resilience are good indicators, the pandemic highlighted critical gaps in firms' ability to deliver effective digital journeys.
- Despite past investments, many decision-makers admit their effectiveness at engaging online customers hasn't improved sufficiently during the past two years and is not keeping pace with rising consumer expectations.
- In fact, more than three-quarters (77%) regard making improved customer experience a critical or high priority.
- Besides the challenges posed by delivering a quick recovery, firms are also now grappling with numerous other commercial barriers to growth including the continued impact of legacy technology, budget constraints and ensuring seamless customer journeys for all.
- As a result, accelerating digitisation strategies and expanding adoption of online channels are now high priorities for nearly two-thirds (+60%) of decision-makers.
- It's also clear there's no going back to pre-pandemic business models, with lack of automation across all commercial functions now an acute challenge for more than one in four (26%) businesses.
- Up to 80% of firms' budgets for advanced analytics and customer insight have now been increased or are being fully retained.
- Adoption of machine learning and Artificial Intelligence (AI) have not changed significantly within the past two years, but firms say they now expect to make a marked increase in investment in these areas within the next three years.
- Decision-makers also plan to further invest in and expand their adoption of data and analytics to drive customer insights for acquisition, marketing, and product development.
- Nearly one in three (29%) also voiced concerns at the impact of fraud. At the same time, more than half (58%) have stepped up efforts to monitor fraud and suspicious activity among financially stressed customers.
- As a result, more than two thirds (69%) of firms' fraud budgets are set to be increased or retained at existing levels for the foreseeable future.
- Analysts also warn of a post-pandemic after-shock amid fears of a significant spike in non-performing loans, financial over-commitment, exposure and default.
- In fact, more than a third (34%) of decision-makers admit they're also now struggling to get a complete picture of indebtedness or identify financially at-risk customers.
- As a result, nearly four out of five (78%) are now increasing or retaining their investment in improved customer insight to help safeguard their position.
- More than one in three decision-makers (+33%) also plan to expand the use of data and analytics to drive fraud improvements, highlight risk and help meet regulatory requirements.
- It's also worth noting Open Banking, PSD2 and GDPR are now seen as routes to commercial innovation. In fact, more than three-quarters of decision-makers (78%) say Open Banking is clearly now driving digital innovation, greater customer choice and increased competition.
- A similar number say they have also increased investment in managing regulatory risk as a result of the changes brought in within the past three years. Regulatory requirements have prompted an increase investment in risk management capabilities and enhancements in risk management for more than three-quarters (76%) of businesses polled.

Rethinking the business of digital customers

The pandemic helped shine a spotlight on critical gaps and missed opportunities in customer service and delivery. As we progress, it's clear CEOs and decision-makers are now assessing critical key learnings and insights to factor into business continuity, resilience and management plans from here on.

Firms immediately saw the pressing need to adapt and update their operations to either online-only, or suitably socially distanced customer service. While at the same time, many decision-makers now realise consumer expectation has moved on and returning to pre-pandemic business models is no longer be appropriate or viable.

Despite rapidly shifting consumer expectations, sentiment and optimism among CEOs and decision-makers remains buoyant. Around 56% of firms expect to be trading at pre-pandemic revenue and profit levels within the next 12 months. More than 80% expect to recover their position within 18 months.

But while the optimism and resilience are good indicators, around 40% of decision-makers admit they're also now struggling to get a complete picture of indebtedness or identify financially at-risk customers.

Consumer expectation continues to drive digital sentiment

Digital traffic and online demand across key sectors surged during the pandemic, although it's worth noting around half (47%) of UK consumers favour a long-term return to 'normal' online habits, with around one in six (16%) saying they are now wedded to online channels.[1]

Businesses that have not already embraced digital transformation or have opted to delay it altogether will face significant challenges in winning and retaining market share from here on. Successful customer service and retention hinges on the fast execution of digital operational excellence.

1. *Forrester Insights – June 2020.*

56%

of firms expect to be trading at pre-pandemic revenue and profit levels within 12 months

Base: 1,052 senior decision makers in financial services, retail, and telecommunications firms globally

Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, June 2020

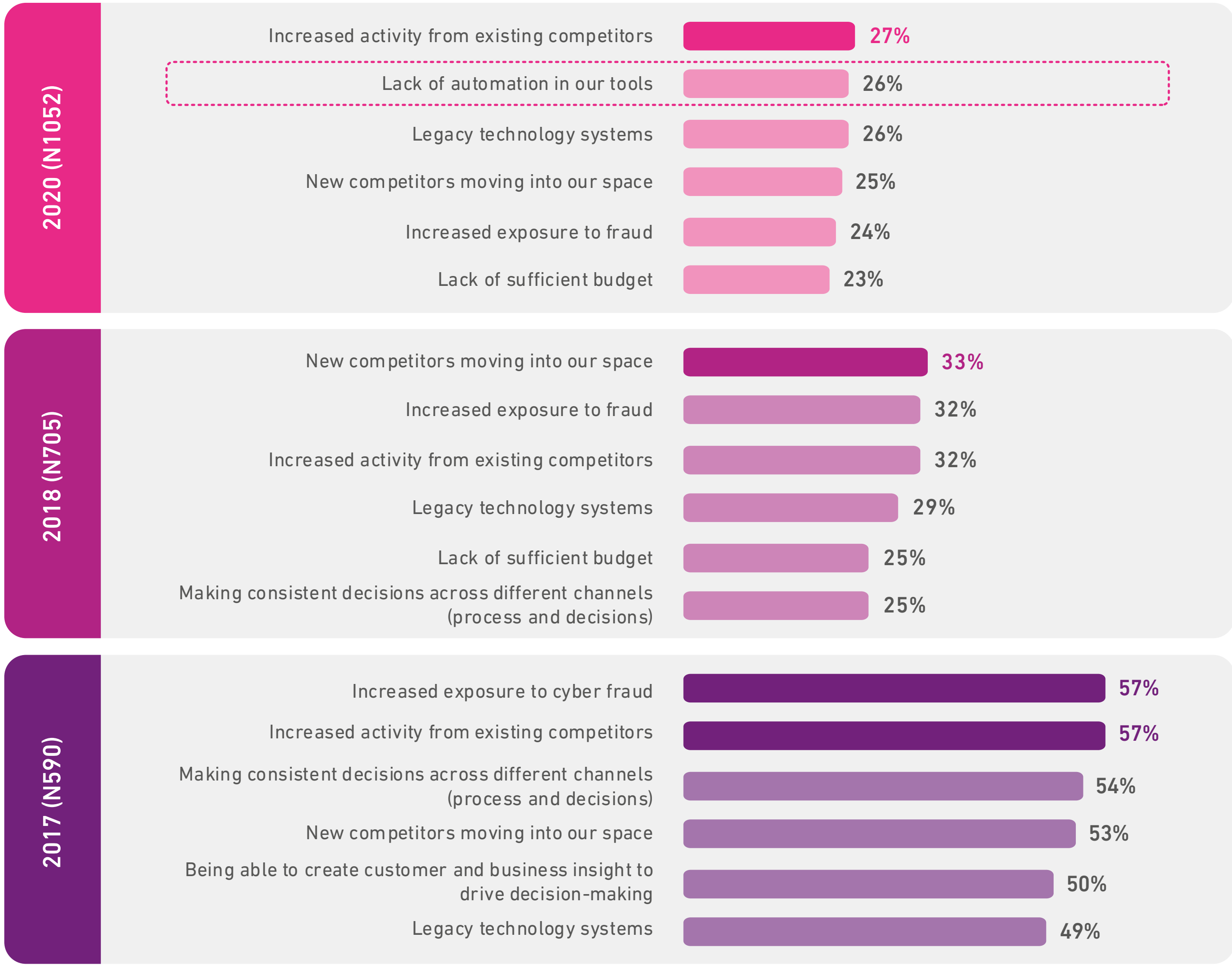
Despite past investments, many decision-makers admit their effectiveness at engaging online customers hasn't improved sufficiently during the past two years to keep pace with rising consumer expectations. In fact, more than three-quarters (77%) are making improved customer experience a priority.

Besides the commercial challenges posed by delivering a quick recovery, firms are also now grappling with numerous other commercial barriers to growth including the continued impact of legacy technology and budget constraints while ensuring seamless customer journeys for all.

As a result, accelerating digitisation strategies and expanding adoption of online channels are now high priorities for nearly two-thirds (+60%) of decision-makers. It's also clear there's no going back to pre-pandemic business models, with lack of automation across all commercial functions now an acute challenge for more than one in four (26%) of businesses.

Up to 80% of firms' budgets for advanced analytics and customer insight have now been increased or are being fully retained. Adoption of machine learning and AI have not changed significantly within the past two years, but firms say they now expect to make a marked increase in investment in these areas within the next three years. Decision-makers also plan to further invest in and expand their adoption of data and analytics to drive customer insights for acquisition, marketing, and product development.

Lack of automation now regarded as a key barrier to commercial success



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Avoiding after-shocks with data, AI and insight

Decision-makers were fast to adapt and respond to the pandemic by quickly adopting a host of defensive strategies, including improving customer engagement and boosting productivity. But despite challenges posed by uncertain cash flow, risk and indebtedness, around 60% of firms are also now pursuing aggressive growth initiatives.

Unsurprisingly, CEOs admit they're adopting more defensive strategies across all business lines to help safeguard their position and curb the impact of after-shocks. It's a sentiment reflected by most firms, with nearly four out of five (79%) saying they now expect to make a marked increase in investment in data, analytics, machine learning and AI within the next three years - to help drive a competitive advantage.

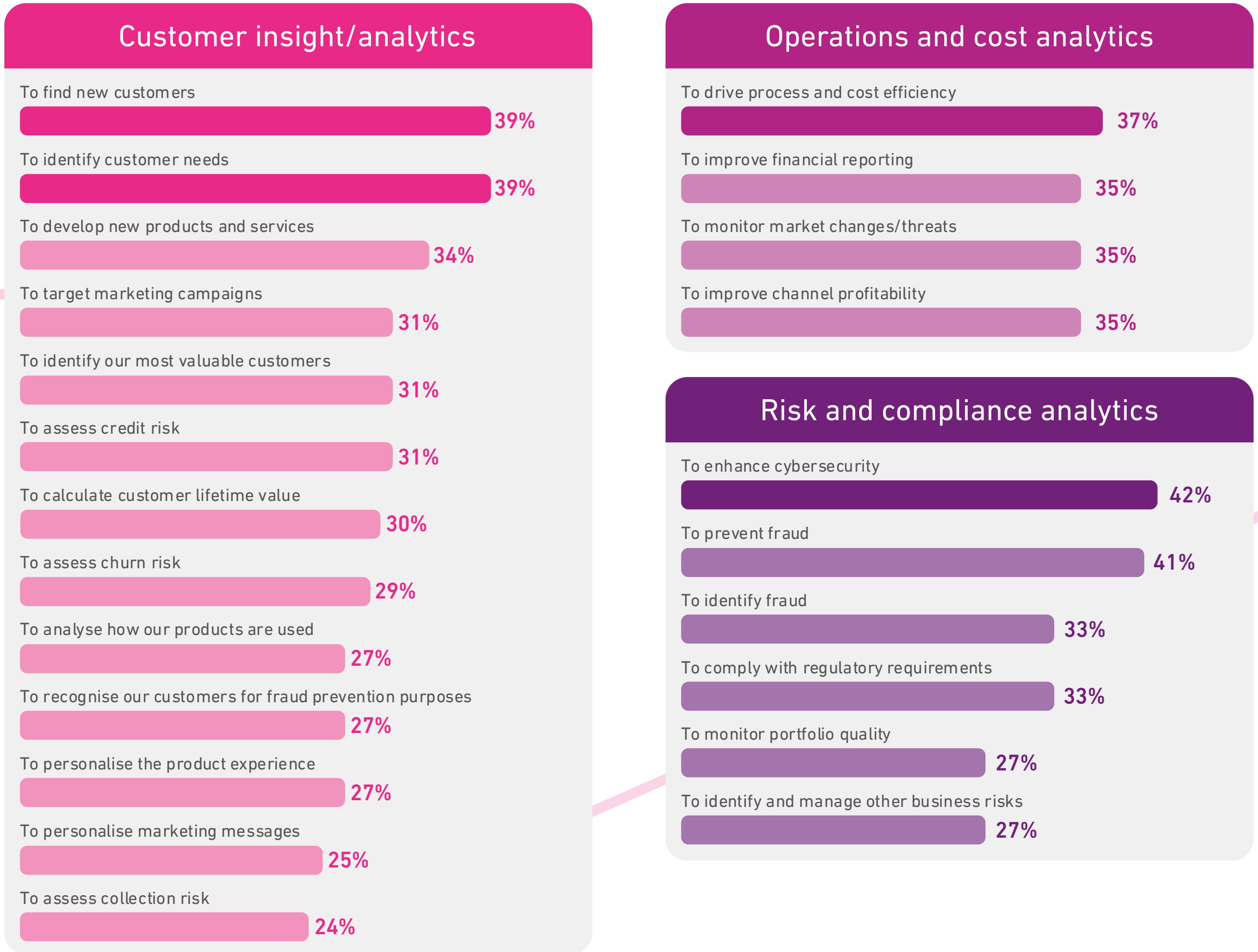
60%

pursuing aggressive growth initiatives

Data via the cloud

Analytics platform Experian Ascend is now being leveraged to develop targeted solutions in more areas. It's currently live in six countries, with ground-breaking new modules continually being added in response to strategic client needs. Among them is Ascend Data Services (ADS), which offers a different delivery method for companies to consume Experian data that was ordinarily only available via the Experian Ascend Sandbox. It enables clients to access more than 18 years of anonymised credit history data within the Ascend Technology Platform. ADS provides secure cloud-to-cloud connection allowing clients to access this data and pull it down into their own environments, enabling them to use their own interfaces and tools. It's a revolutionary product that can transmit depersonalised data into a client's cloud in minutes rather than days or weeks - and it's available 24 hours a day, 365 days a year. For fin-techs which may have already invested in their own cloud services and analytical interfaces, it enables them to make the most of their existing IT resources and adapt quickly to their own business needs.

How firms plan to expand the use of data and analytics to drive customer insight for acquistion, marketing and product development



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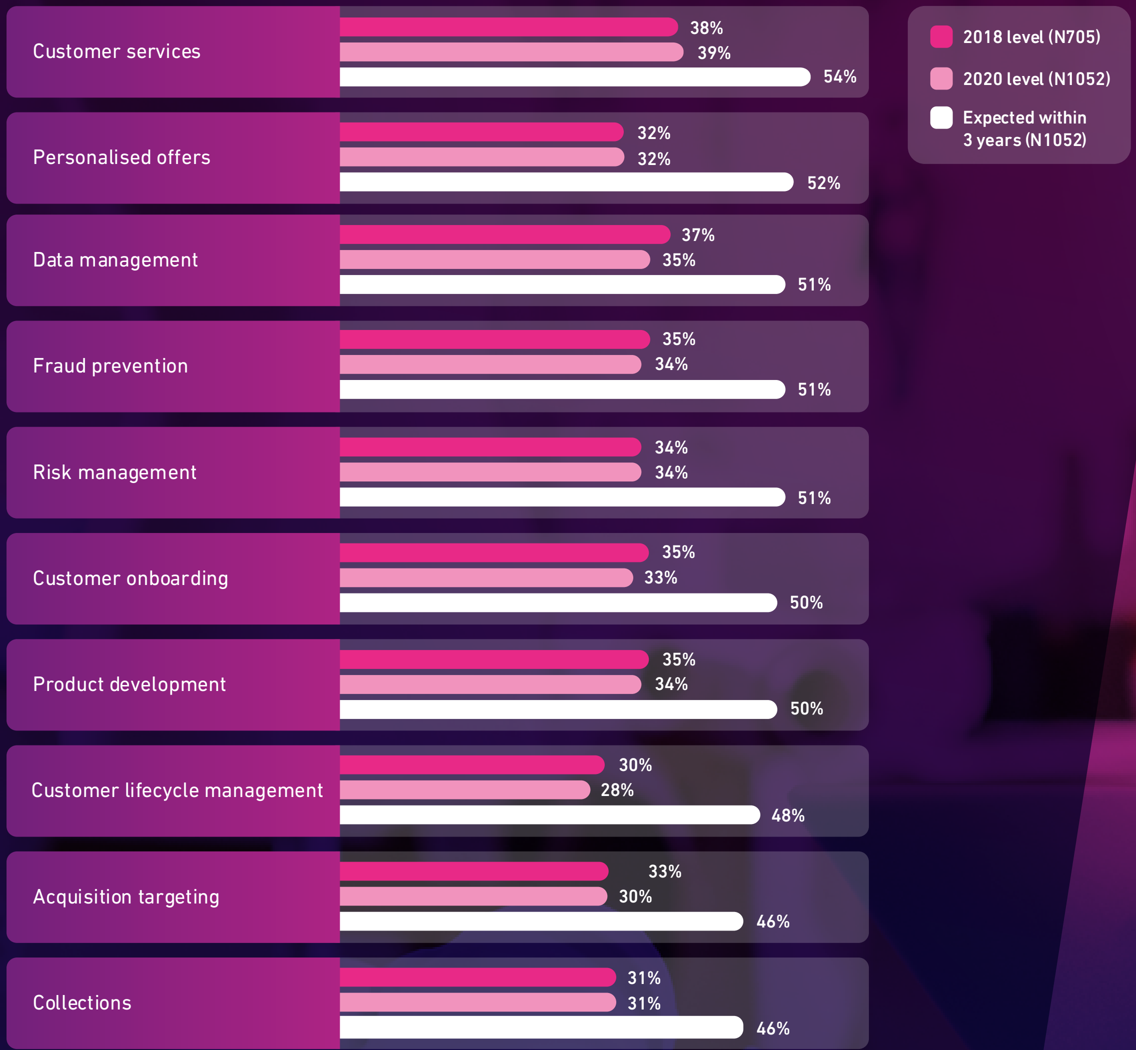
At least half of all firms have also seen a spike in operational costs and are now far less confident in their effective delivery of accurate customer segmentation, acquisition and SME services. As a result, nearly four out of five (78%) decision-makers are increasing or retaining their investment in improved customer insight. Up to a third (34%) are set to use it to develop new products and services, while around 30% are set to improve lifetime value, in identifying the most valuable customers and further personalise the experience for online consumers.

Firms say adoption of machine learning and AI set to increase significantly within the next three years



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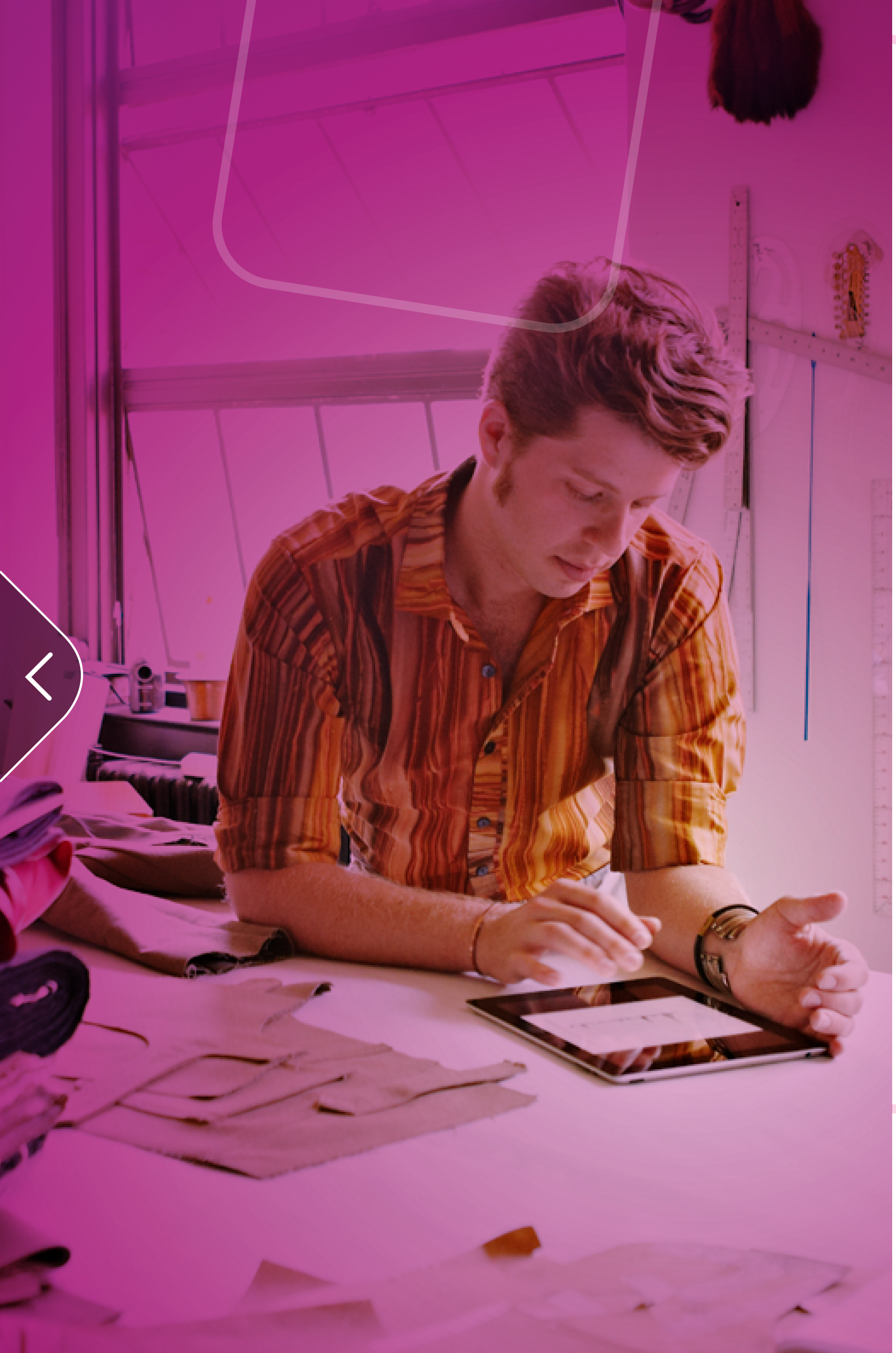


Why reliable technology counts in winning and retaining online customers

History frequently highlights how human nature becomes more risk-averse during periods of acute crisis.

We're all creatures of habit and favour technologies we can rely on when we need to. The new and novel is simply regarded as a luxury when there are challenges delivering essential services. Typically, there's consensus in ensuring key platforms are dependable and consistently work as intended.

Among the emerging technologies that continually prove their worth are AI, along with machine learning.

Scale, expertise and innovation in these areas enable strategic clients to make better, faster and smarter decisions, which ultimately deliver far greater customer service, appropriate offers and improved access to finance.

Despite the downturn, the research highlights how CEOs and decision-makers are keen to keep pushing forward with innovative technologies that deliver value and dependability.

After all, it's these technologies that will enable delivery of differentiated value and seamless automation to customers — value that makes key businesses more desirable in their respective marketplaces.

It remains a priority for many firms, because it's clear the innovators are likely to emerge far stronger than before, while many less well-resourced companies may perish.

The technologies now drive your ability to retain engaged and happier customers, served by businesses that continue to run amid the turmoil.

Consumers who experience first-hand the shortcomings of legacy technology and choppy digital journeys will be quick to move to a competitor with superior online offerings.

Because often once they've gone, they've gone for good.

Costly interruptions come at a price for online customers

Across the EMEA region, nearly one in three (29%) decision-makers voiced concerns at rising fraud, alongside the impact checks and interruptions have on customer onboarding and the delivery of seamless, friction-free online journeys.

To tackle the challenge of interrupted journeys, more than one in three decision-makers (+33%) now plan to expand the use of data and analytics to drive improvements, highlight fraud and risk, as well as help meet regulatory requirements. Despite widespread adoption of machine learning or AI for fraud prevention not changing significantly within the past two years, more than half of all firms (+50%) expect to make big investments in these areas during the next three years. Unsurprisingly, there is a notable appetite among decision-makers to increase investment in credit scoring, AI / ML, credit-risk modelling, to help drive far greater insight into their customers' financial position.

At the same time, more than half (58%) have stepped up their efforts to monitor fraud and suspicious activity among financially stressed customers. As a result, more than two thirds (69%) of firms' fraud budgets are set to be increased or retained at existing levels for the foreseeable future. It comes as fraudsters continue to target a cross-section of financial products, analysis reveals.

Our data highlights a rise in fraud rates, with many opportunist criminals looking to take advantage of disruption to both businesses and their customers. In the UK alone, fraud rates rose by a third (33%) during the month after the initial lockdown period, when compared with previous monthly averages. The largest increase was in car and other asset finance applications, which saw a 181% spike, followed by current accounts (35%) and then saving accounts (28%). Fraudulent credit card applications (17%) and unsecured loans (10%) also went up.

While the figures point to an increase in the proportion of fraudulent applications, they also show fraud teams' success in detection and spotting suspicious activity. In many instances, it's already accepted that many fraud and credit-risk teams are hamstrung by an acute shortage of available talent, budgets and recruitment challenges, prompting CEOs to budget for allowing consultants and third-party providers to be parachuted in to help improve their firms' ongoing viability.

Seamless, friction-free security and reliability are the keys to locking in customer loyalty

More than 3,000 consumers were polled during July 2020, from a global sample of 10 countries. This is just a brief snapshot of what they told us.

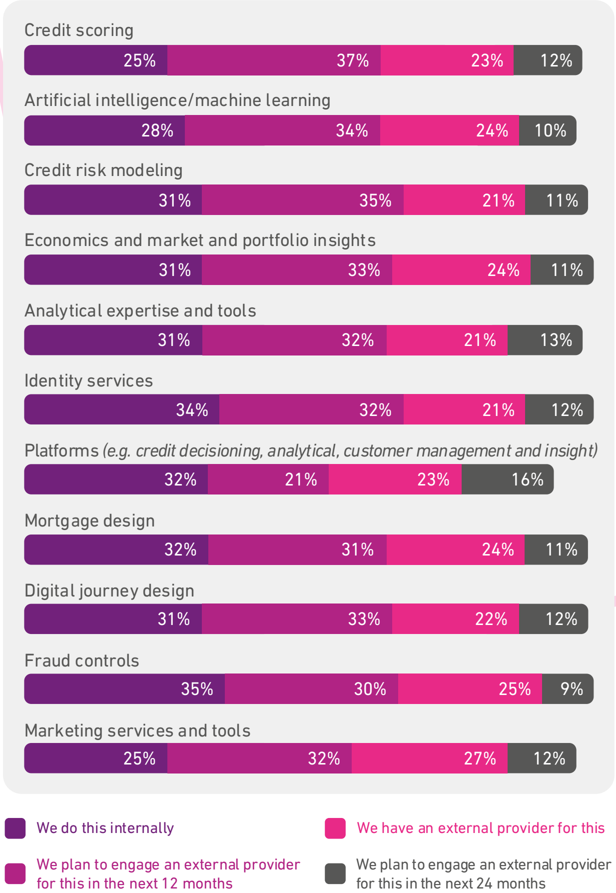
- Two out of three (66%) favour staying with their same online service providers.
- Consumers are acutely aware of their online experience, with more than one in three (36%) indicating businesses are putting more information online to help resolve customer challenges.
- More than half (58%) say security is the most important factor for consumers when it comes to their online experience.
- In fact, nearly three-quarters (73%) feel most secure using physical biometrics, while around two-thirds (69%) favour using a two-factor PIN code sent direct to their mobile devices.
- Businesses that invest in advanced authentication methods clearly benefit from favourable customer sentiment and loyalty.
- When physical biometrics are used, more than half (53%) of consumers indicate that it directly enhances their opinion of the organisation. A similar number (52%) have an enhanced opinion of those that also use PIN codes. To read more, simply *click here*.

Risky business - decision-makers' key commercial concerns and challenges – by country

We also analysed the flipside of opinion by gauging board-level views on the critical financial risks and challenges now being tackled by business across EMEA.

Main commercial concerns and challenges to successfully managing risk by country	Total N1052 (%)	DK N100 (%)	FR N102 (%)	DE N101 (%)	IT N100 (%)	NL N63 (%)	NO N60 (%)	PL N61 (%)	RU N103 (%)	SP N100 (%)	SA N101 (%)	TR N61 (%)	UK N100 (%)
Impact on existing customer base	39	39	30	28	31	25	42	43	52	42	42	39	56
Understanding customers' indebtedness and ability to afford service debt	34	29	26	40	29	30	25	33	40	37	45	36	35
Increased risk of defaulting on loans	33	27	25	28	37	33	27	34	44	37	40	38	31
Inability to accurately identify at-risk customers	31	36	27	27	21	27	38	36	22	35	43	39	22
Increase in fraud	29	15	19	33	35	22	32	33	28	33	39	30	34
Increased risk of delinquency	29	17	21	28	38	27	30	15	20	40	27	49	37
Existing collections systems that do not cater for pandemic impact	28	31	26	31	23	24	30	26	30	25	35	30	28
Increased risk/volatility in SME portfolio	28	24	21	23	36	32	30	33	19	31	33	30	29
Reputational damage	24	20	25	22	21	30	28	23	26	26	24	26	23
Updating IFRS models and reporting	22	22	22	20	26	25	28	23	16	21	24	20	24
Updating IRB 2021 models and reporting	21	25	23	19	19	24	37	16	12	26	23	11	19

Credit scoring, AI/ML, credit risk modelling are top areas where firms engage external providers or plan to in the next 12-24 months



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Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, June 2020

Regulation helps drive digital innovation

78%
Say Open Banking is now driving innovation

Research suggests sentiment towards regulation across EMEA has undergone a seismic shift within the past few years. Developments like Open Banking, PSD2 and GDPR aren't regarded as regulatory challenges, but as routes to commercial innovation. More than three-quarters of decision-makers (78%) now readily admit Open Banking is now driving innovation, paving the way for greater customer choice and increased competition in the industry.

At the same time, a similar number have increased investment in managing regulatory risk as a result of the changes brought in within the past two years. Regulatory action has also increased investment in risk management capabilities and continues to drive critical commercial enhancements in risk management for more than three-quarters (76%). Notably, most decision-makers say regulatory action on organisational resilience has also helped improve their business continuity planning. While regulation on stress-testing has also increased capacity to handle emerging financial challenges for three out of four firms.

Findings also reveal how increased regulation has helped raise awareness of online fraud across retailers' digital channels – whether it's via apps, websites, social media platforms or direct mail. Notably nearly three out of four (72%) of decision-makers highlight its role in helping them further safeguard online customers. Elsewhere, regulation continues to be a critical driver for further investment in risk management capabilities among more than three out of four CEOs (76%).

Data and ethics in AI

Creating Fairness-as-a-Service

Our UK DataLab has created and patented the first end-to-end Fairness-as-a-Service platform.

It helps:

1 **Evaluate fairness**
how fair is their data and models?

2 **Explain models**
do they understand their model's predictions globally and at an individual basis?

3 **Train fair models**
so they are both predictive and fair?

4 **Apply fairness**
so they can update their models to make them fair, as well as amend models' decisions to make those decisions fair

How strongly do you agree or disagree with the following statements about regulatory changes in the last few years?

Statement	Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
Open banking is driving innovation, greater customer choice, and increased competition in the industry	37%	41%	17%	4%	1%
Our company has increased investment in managing regulatory risk as a result of regulatory changes in the last 12 to 24 months	30%	46%	18%	6%	1%
Regulatory action has increased investment in our risk management capabilities and enhancements in our enterprise risk management maturity	31%	45%	19%	3%	1%
Regulatory action on organisational resilience has improved our capacity for enabling continued business operations during disruptive events	30%	46%	18%	4%	1%
Regulation on financial stress testing has increased our capacity to cope with a distressed economy	34%	40%	21%	3%	1%
Increased regulation of online commerce has increased our awareness of fraud in our online eCommerce channels	27%	45%	21%	6%	1%

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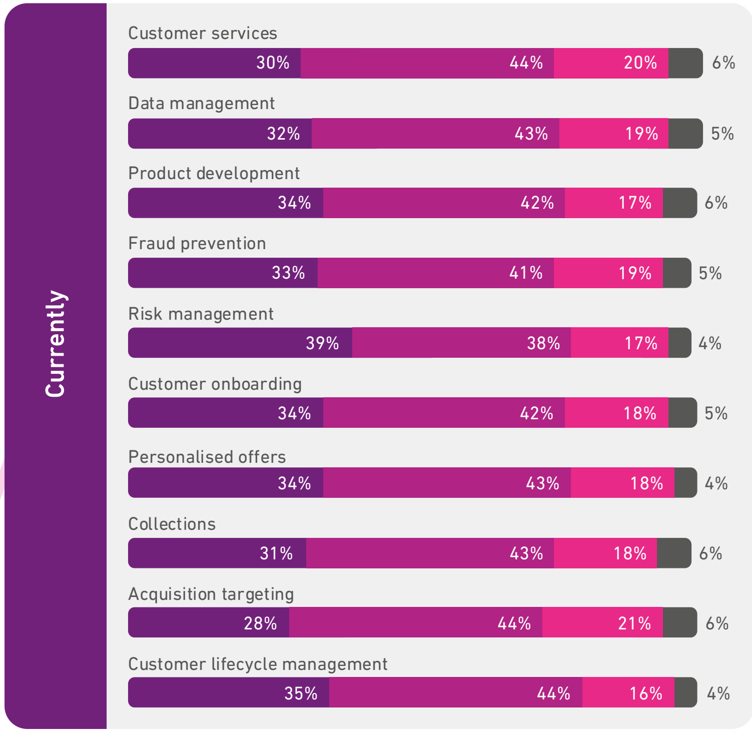
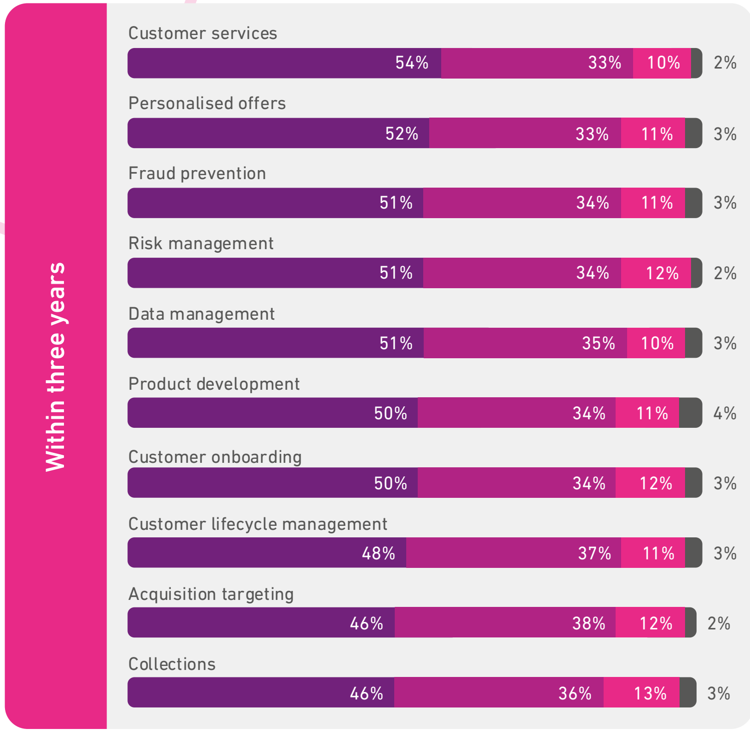
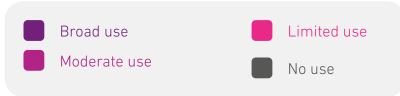
Quick routes to fast recovery







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We asked CEOs and decision-makers where they anticipated making their key investments in data, analytics and machine learning during the next three years, as they press ahead with financial recovery programmes. Unsurprisingly, all three are set to be increasingly adopted right across all business lines, as customer service and insight become critical to success from here on.

Decision-makers readily acknowledge technology is the critical driver in enabling their companies to continually talk directly and pre-emptively to their customers in ever-more innovative and personalised ways. The top-performers and the innovators across all sectors continue to set the bar very high by effectively delivering successful customer relationship management. But investment in this area must also continue to retain a competitive advantage.

Digital eco-systems

It's worth noting that nearly all the top 10 largest global companies by market capitalisation, operate within clearly defined digital ecosystems. It comes as no surprise to see that consumers have also responded quickly by increasing their reliance on the providers that consistently serve them best. Many favour intuitive and interconnected services that allow them to fulfil a broad variety of needs in one straightforward integrated experience.

Data is the oil that drives successful digital engines

The pandemic saw a step-change in consumer habit and expectation amid the lockdowns that obliged necessity to drive the fast, mass-adoption of online channels across all customer demographics and across all sectors. Subsequent sentiment among most decision-makers we polled is clear – there's now no going back to traditional ways of working. While digitisation continues to accelerate at pace, underpinned by new, emerging and innovative technologies, greater use of data and mobile-first channels are changing how business, industry and commerce operate. The competitive landscape also continues to change the playing field for late-adopters, forcing them towards a far more clearly defined, service-based approaches.

It comes as little surprise that technology combined with new, emerging and alternative data sources are critical to success - but only when they're paired with the ability to effectively analyse the data. It's this convergence that will enable faster, smarter delivery of end-to-end services and opportunities that ultimately better serve customer needs. Incumbents weighed down by legacy systems, who fail to invest in the right digital eco-system face being eclipsed and left behind for good.

Bringing intelligent risk management to every business

As the European Central Bank (ECB) and European Banking Authority (EBA) are striving to standardise requirements across fin-techs, credit unions and finance providers. Banks of all sizes are leveraging advanced analytics and risk modelling tools to stay ahead of ever-evolving financial regulations. By using the latest requirements set by the ECB as a template for validation models, smart, accessible and flexible risk management platforms can provide all the information needed to test models and help explain the results to users.

Cost savings with cloud technology

Ever-growing regulatory challenges coupled with constrained resources are prompting many organisations to re-examine crucial aspects of their operational IT infrastructure. These cost and infrastructure restrictions can inhibit organisations striving to achieve both regulatory compliance and revenue and profitability targets. But cloud-based risk management models are helping businesses cut costs, while reducing resourcing demands and complexity. By relying on cloud technology, businesses gain access to critical value-creating capabilities, whilst avoiding the need for capital expenditure to grow their workforces.

Visualising data to stay one step ahead

The evolving landscape of regulations can sometimes resemble a never-ending race to be compliant, which is a challenge for businesses wanting to stay on the right side of new legislation. As a result, visualisation tools are paramount in making the latest financial requirements accessible to everyone. User-friendly risk modelling and reporting features offer clients a critical advantage when it comes to financial reporting.

Open-source platforms open up data to everyone

In addition to benefitting from the savings ushered in by cloud technology, migrating from statistical analytics software to free open-source languages such as Python and R can drive significant savings on annual licences. Open-source platforms are known for their ease-of-use and easier integration with other systems. This also helps remove in-company silos, as clients can model and manage risks themselves, with workflows personalised to their favoured requirements - be it specifically for data management, risk modelling tools, or micro-strategy. Multi-user data access further enables teams to use model development, validation and risk management tools simultaneously.

Agile onboarding consistently adds value

- Existing customers go through a fast track process
- Always available, 24x7 for any product need
- A well thought process, inspiring confidence
- Simple to understand
- Fair treatment, counter offer rather than rejection
- Customer feels important
- Quick decision process
- Easy access, via mobile, PC or tablet
- Intuitive, easy to use interface

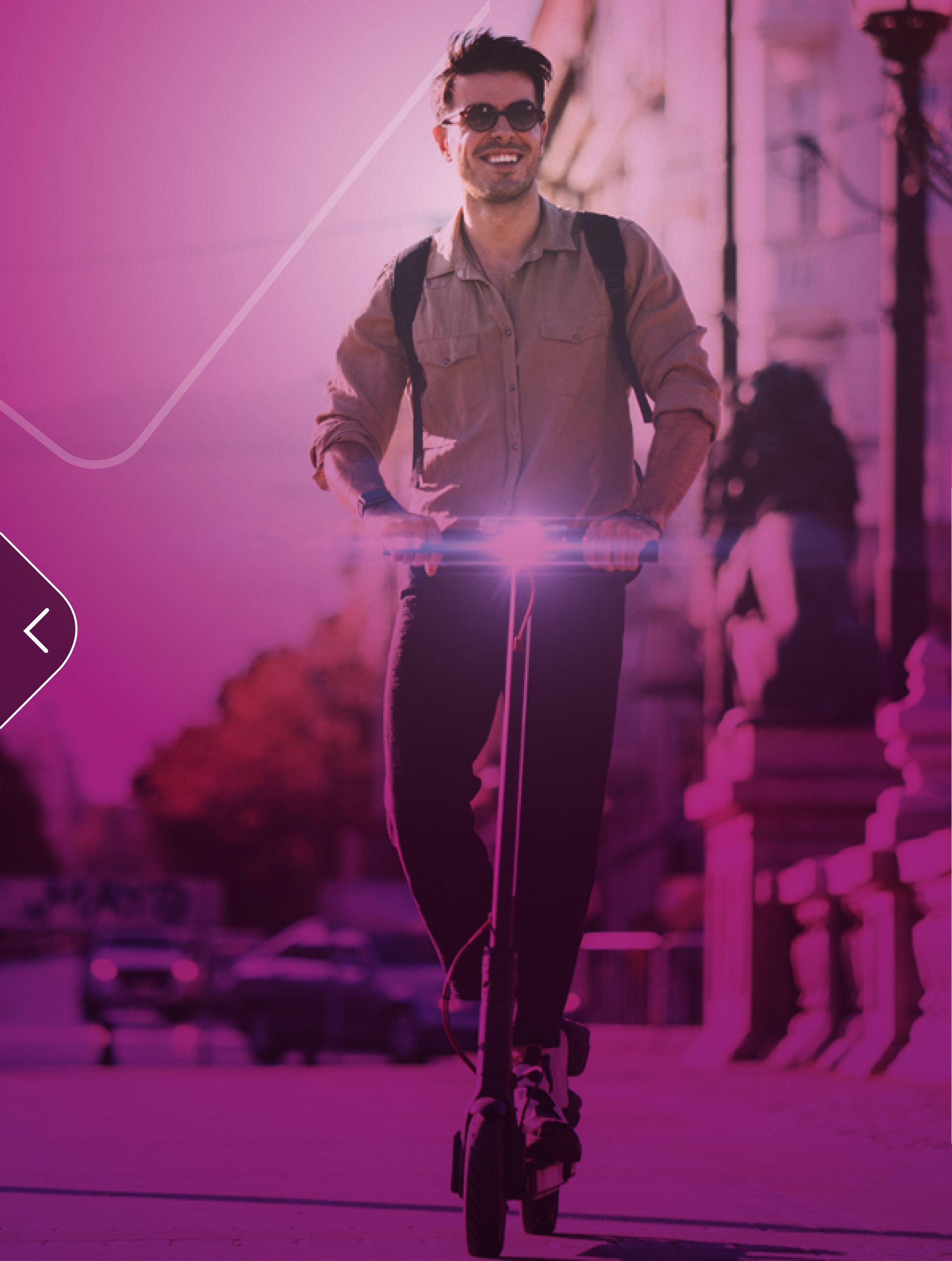
As savvy-consumers opt to do more and more online many are now only willing to share their information if it adds discernible value to them. They know their worth and fully expect digital interactions to be smooth, intuitive and fast, be it when they make online purchases, or apply for credit.

Consequently, businesses must work far harder than ever to find, serve and retain customers in our hyper-connected digital world. At the same time, they also need to manage risk, adhere to strict internal policies and comply with regulations. Individuals and companies are also increasingly aware of opportunist fraudsters set on stealing personal data or carrying out identity theft.

Across our business, we have built direct relationships with more than 82 million consumers globally. We're also directly supporting thousands of strategic partners by developing and delivering new services to meet their customers' evolving demands, by helping them manage their finances more efficiently — on any device, at anytime, anywhere, and placing them in control.

Typical commercial onboarding benchmarks

1. **Less than 10 minutes to successfully complete a prospect's onboarding**
2. **Onboarding costs halved**
3. **Up to 90% of decisions are fully automated**
4. **Up to 40% increase in acceptance rates**



Adding value

The depth and breadth of our credit information databases, from other sources, including clients' own data, can be combined to develop predictive tools, sophisticated software and platforms.

It all adds to helping business manage and automate large volumes of decisions, processes, enabling improvements to the consistency and quality of their decision-making in critical areas including customer service, credit risk, fraud prevention, identity management, account processing and management.

We apply our expertise in analytics and software across numerous industries including financial services, retail, telcos, utilities, insurance and fin-tech. This includes:

- Assessment of creditworthiness, suitability and affordability of loans to further support responsible lending.
- Faster, frictionless and better-informed decisions for improved customer experience.
- Relevant insights into new and existing customers for more effective management and better engagement.
- Fast and smart authentication of customer identity helps prevention of identity fraud and related financial crimes.

Increase process automation

Identity verification

Automated doc verification (including NFC)

Remote identification through biometric parameter checks

Other info checks

Document ID

Address

Telephone number

Email

Bank account

Automated controls based on public or Experian data bases

Device verification

Identify potential frauds

Customer and application data

Identify potential frauds using information collected in real time from the user's mobile (over 160 parameters checked) and matching them with data provided within the application request

How open data drives value for our clients and consumers

Open data means we can introduce new services such as affordability checking tools, personal finance management and recommendation engines. In the UK, the Experian Open Data Platform (ODP) has a repository of over 150 Application Programming Interfaces (APIs) that can be used to power digital services by providing access to demographic, lifestyle, financial and non-financial product information.

With consumer consent, the ODP provides connectivity to any of their online personal and business current accounts, as well as to our consumer and commercial credit bureaux and other complementary services such as FraudNet for identity and verification. It also provides access to other sources for open data, such as management account information for SMEs sourced from the UK's 15 largest providers of this information. The ODP is already handling 52m successful API calls a month.

Real-time Decisioning in a Digital Environment

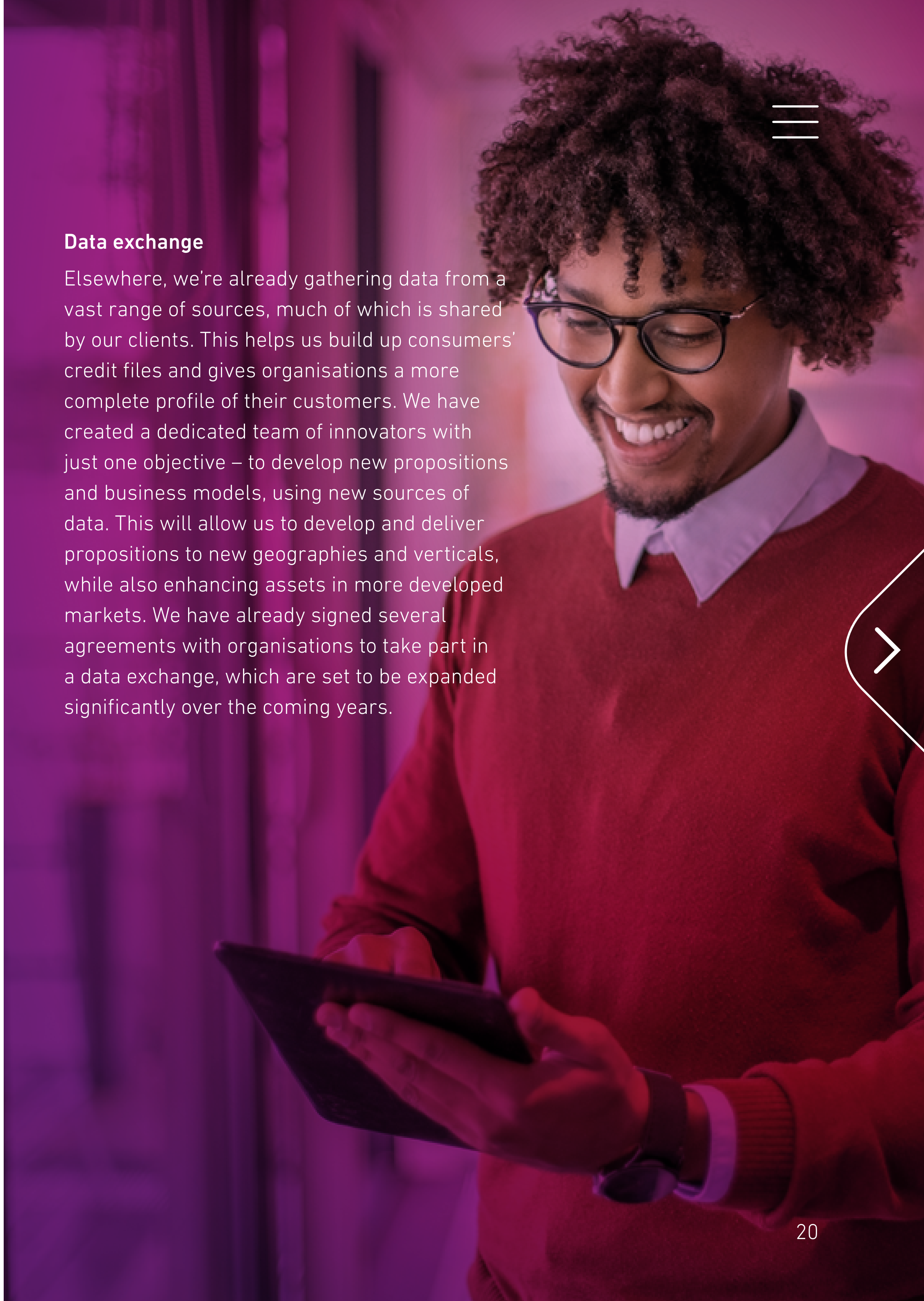
Alternative Data and Advanced Analytics

TRADITIONAL DATA SOURCES

- **Banking Account cashflow**
- **Behavioural data**
- **External Data:** Credit Bureau, Business Information, ...
- **In-house transactional data**

NEW DATA SOURCES

- **Open Banking & PSD2** Data on an individual's transactions, from accounts that they hold with another lender (consent required)
- **Web Data** Freely available data that is captured from the web
- **Socio-demographic Data** Data related to an individual's socio-demographic characteristics



Data exchange

Elsewhere, we're already gathering data from a vast range of sources, much of which is shared by our clients. This helps us build up consumers' credit files and gives organisations a more complete profile of their customers. We have created a dedicated team of innovators with just one objective – to develop new propositions and business models, using new sources of data. This will allow us to develop and deliver propositions to new geographies and verticals, while also enhancing assets in more developed markets. We have already signed several agreements with organisations to take part in a data exchange, which are set to be expanded significantly over the coming years.

Open Banking and PSD2 (TRX) Data

Income check

Accelerating data to insight to action

Client consent
2 factor authentication

Categorisation and KPI calculation

ScoreBoost and decisions

Stable Income
Regular salaries, benefit payouts, private pension payouts, property rent, etc.

Other Income
Other forms of payouts or irregular payouts

Essential Expenditure
Food, gas, electricity, heating, water, telephone, buildings insurance

Living Standards
Clothing, home expenditure, all expenditures contributing to setting living standards

Committed Expenditure
Credit and contractual commitments that will continue after the new purchase or loan

Other Expenditure
Any other irregular/exceptional expenditure

- Affordability / Income
- Wealth & Vulnerability
- Forecasting
- Credit Risk
- Marketing Propensities
- ScoreBoost
- Early warnings

How Experian can help

1 SMART PLUG-AND-PLAY PLATFORM

- Combine a flexible and scalable API with a powerful work flow and strategic decision making capabilities.
- Allow fraud teams to connect and optimize a portfolio of best-in-class solutions - from Experian and other partners - in concert with existing systems.

2 MODULAR CUSTOMER JOURNEY

- Documents acquisition
- Device verification
- Credit and anti-fraud checks
- Remote identity verification
- Income check
- Digital signature

3 INTERNAL AND EXTERNAL TRANSACTIONAL DATA

- Leverage Open Banking and PSD2
- Optimise assessments and scores related to risk and affordability
- Generate more precise insight on the entire credit cycle
- Increase the effectiveness of cross-selling operations between small and medium-sized companies

4 FAST RESULTS

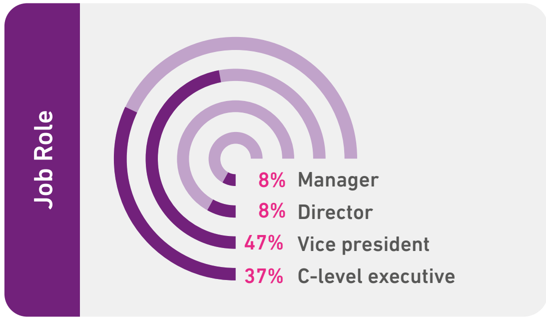
- Successfully onboard a new prospect in under 10 minutes
- Boost acceptance rate while keeping fraud and risk under control
- Reduce onboarding costs through automation
- Provide a frictionless customer experience

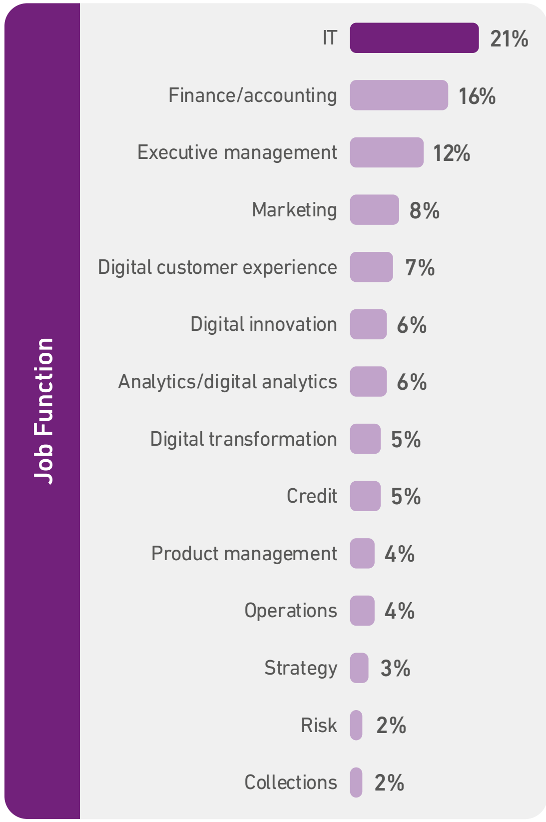
Methodology

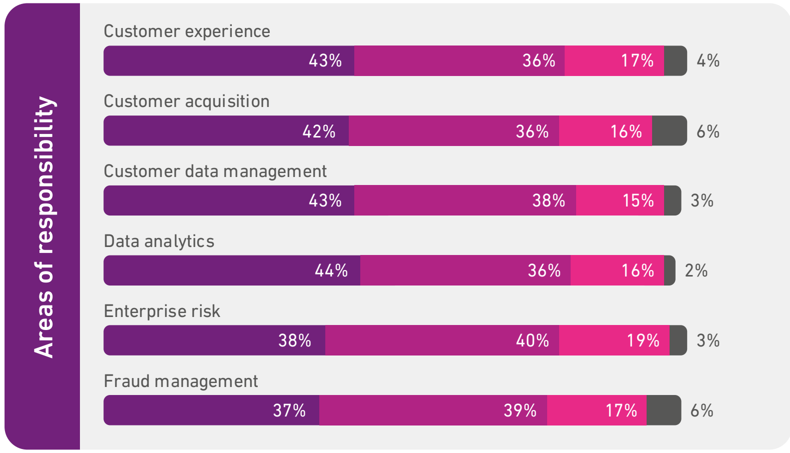
This commissioned study was conducted by Forrester Consulting on behalf of Experian, during June 2020.
Results are based on findings from more than 1,000 global managers and above with responsibility or influence over customer data, analytics, risk, and SME services. A summary of the regional and demographic mix of respondents is below.

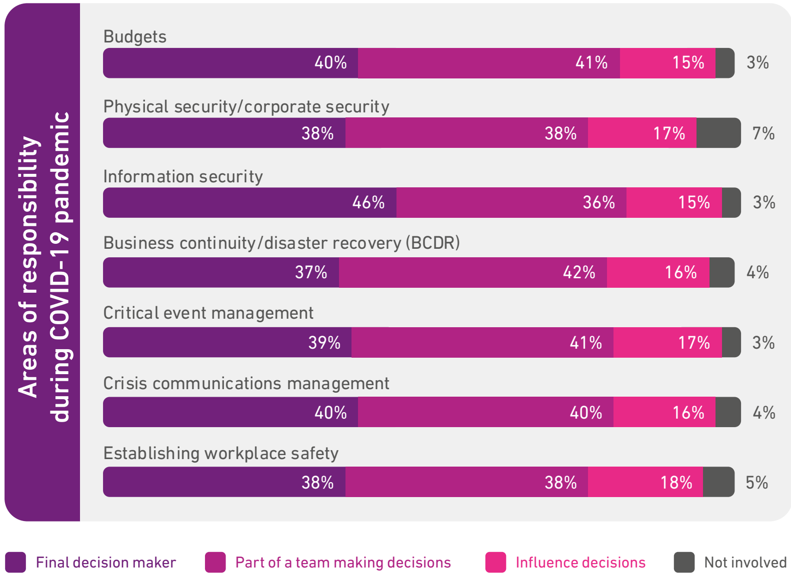
DEMOGRAPHICS

TOTAL	N=1052
Denmark	N=100
France	N=102
Germany	N=101
Italy	N=100
Netherlands	N=63
Norway	N=60
Poland	N=61
Russia	N=103
Spain	N=100
South Africa	N=101
Turkey	N=61
United Kingdom	N=100



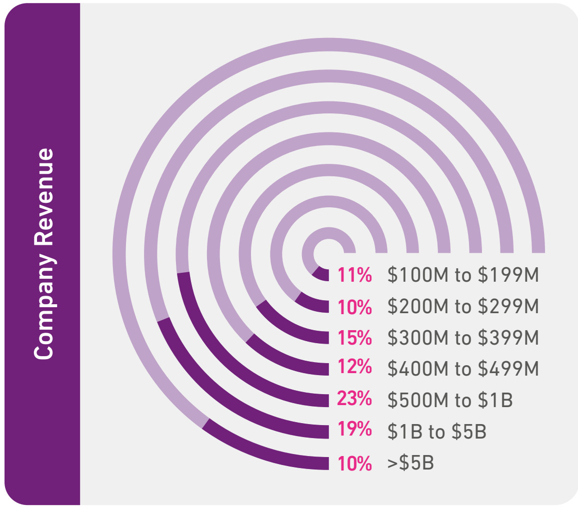


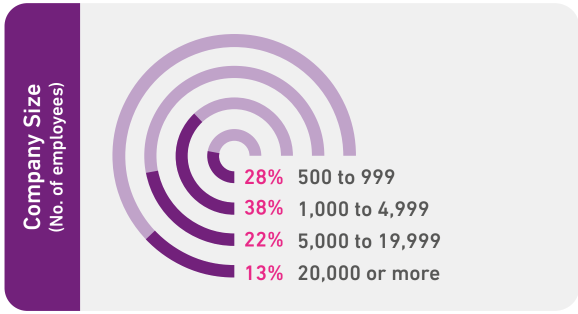


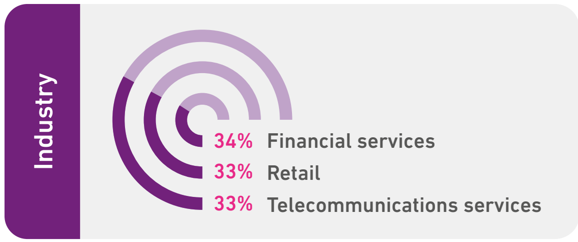


Base: 1,052 senior decision makers in financial services, retail, and telecommunications firms globally.

Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, June 2020







About Experian

Experian is the world's leading global information services company. During life's big moments — from buying a home or a car to sending a child to college to growing a business by connecting with new customers — we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime.

We have 17,800 people operating across 45 countries, and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

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