



Early Default Risk Solution

Promote portfolio growth and enhance risk management while safeguarding near-term, distressed customers.



Foster consumer resilience by swiftly addressing early signs of financial stress and providing timely assistance



Sharpen risk segmentation for more proactive and profitable engagement with prime and subprime customers



Secure smart growth by attracting risk-aligned customers – even amidst economic fluctuations

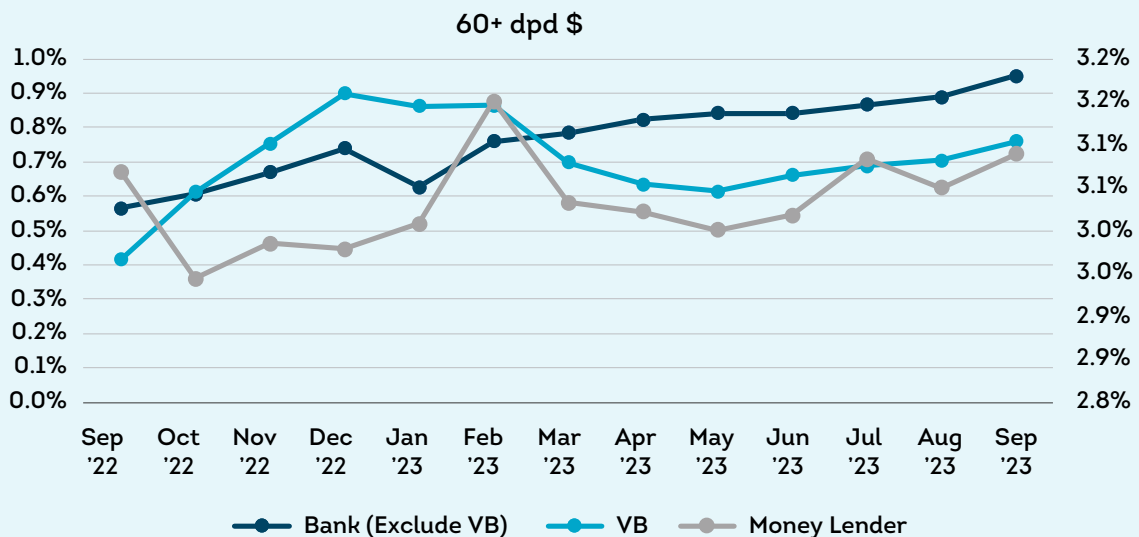
Navigate rising delinquencies earlier with dual scoring

Delinquency rates in the financial industry had been rising in 2023 — noticeable was the peak of 60+ days past due (DPD) dollar figures at 3.2% in February for money lenders, and a gradual increase to around 0.9% for traditional banks by September*. This trend highlights a growing need for more effective predictive risk management tools and preemptive solutions.

The Early Default Score works in tandem with the CreditVision® Risk Score specifically to meet the need of identifying high-risk accounts which may default earlier than usual.

By leveraging these insights in your acquisition strategies, you can enhance risk assessment, streamline processes and mitigate credit loss — more effectively protecting the financial interests of your business operation in a dynamic economy.

Delinquency rate trend from September 2022 to September 2023*



*TransUnion Hong Kong consumer credit database

HARNESS MACHINE LEARNING FOR ENHANCED RISK PREDICTION

FEATURES

Augments risk management capabilities

Enhancing your risk management suite, the Early Default Score works in tandem with the CreditVision Risk Score, offering a more detailed view of potential risks. This dual-score approach allows for a more nuanced understanding of account behaviours, combining historical insights with predictive analytics.

Integrates machine learning with trended credit data

The solution is powered by a sophisticated, machine-learning-driven model that scrutinises trended credit data to more reliably forecast near-term delinquencies. This predictive element is crucial for early identification of accounts that may pose a higher risk, enabling more effective and proactive interventions.

Leverages enriched credit report data analysis

Beyond traditional metrics, this combined solution also delves into enriched credit report data. It examines the subtleties of balance fluctuations and utilisation patterns and scrutinises payment histories for emerging trends to paint a fuller picture of creditworthiness.

BENEFITS

More nuanced risk assessments

Built on a broad and diverse sample of loan originations, the score provides a robust representation of varied credit backgrounds, ensuring its insights are applicable across a wide spectrum of the lending market.

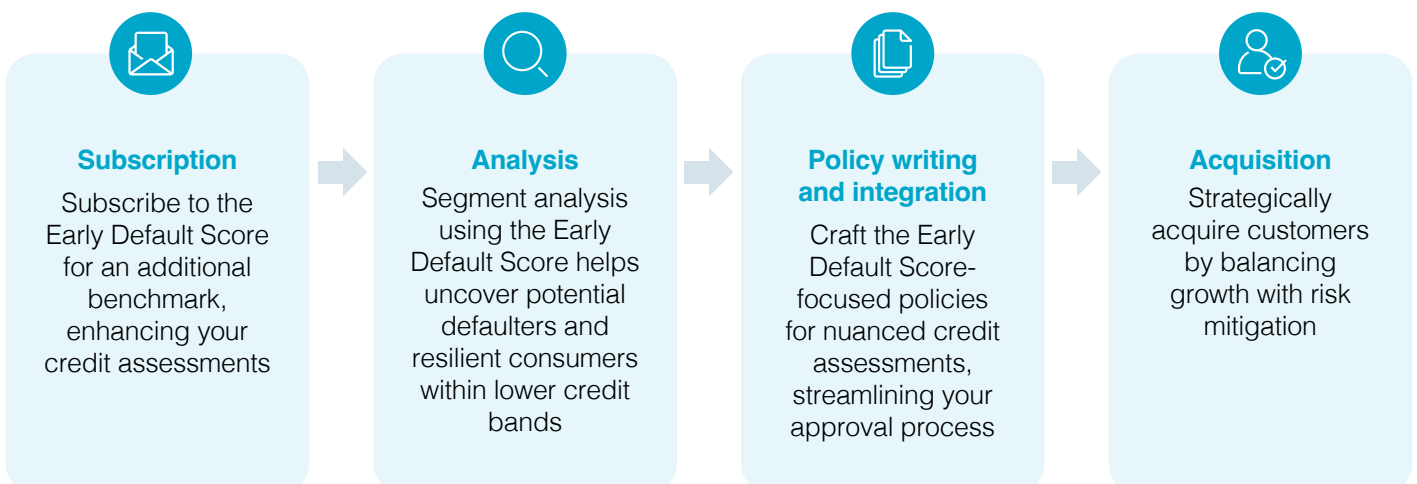
Deeper engagement through insight

By leveraging additional insights and adopting a short-term perspective, you can offer consumers more meaningful interactions, providing essential services like credit education and targeted debt restructuring advice.

Empowered acquisition strategy

Assess applicant potential using predictive insights to connect with creditworthy individuals who match your lending criteria, confidently expanding your customer base and help reduce delinquency risk for long-term success.

A demonstration of the user journey: uncovering 'hidden' business opportunities



Interested in knowing how the Early Default Risk Solution can help your business?

Contact your TransUnion representative to learn more.