



## Case Study

# Equifax One Score

Only Equifax can provide you with deeper data and cloud-native tools that help improve risk and approval rates

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### CHALLENGE

In a rapidly changing market, businesses need better predictability to reduce risk, increase acceptance rates, and ensure that credit decisions are fair, informed, and compliant.

### SOLUTION

Equifax One Score, available in the Australia/New Zealand region, combines access to the largest credit reporting bureau with the largest source of alternative data to provide new levels of predictiveness that enables businesses to grow their portfolios.

### RESULT

By leveraging the robust, cloud-native data and analytics of One Score, businesses can increase application approval rates and reduce the risk of future bad debt — all while meeting regulatory obligations.

To succeed today, businesses need access to data and analytics that will help identify new customers and minimize the risk of default. Only Equifax® One Score takes a unique, multi-data approach that leverages traditional and alternative data, explainable AI (xAI), machine learning, and cloud-native efficiencies to create a new generation of credit scores. With One Score, lenders can extend credit to underserved audiences, while protecting themselves from potential loss and preventable exposure.

### The multi-data advantage

As the only cloud-native credit bureau, Equifax is able to draw upon multiple sources of data to offer more predictive insights in real or near-real time. Built on the Equifax Cloud™ and analytics capabilities, One Score offers a substantial step up in functionality by incorporating multi-data elements:



Access to the largest credit reporting bureau and the widest array of proprietary data assets



The most Comprehensive Credit Reporting (CCR) contributor



The largest source of alternative and “Buy Now Pay Later” data

The result is a more holistic view of customers’ true risk — and a more accurate level of predictability that means businesses can generate measurable results, like:

Lenders approving applicants in a low-risk portfolio like residential mortgages could **reduce their default rates by 11.54%** using Equifax Score (based on an acceptance rate of 80%).<sup>1</sup>

The number of applicants above the cut-off threshold could **rise by 7.5% without changing the default rate** — resulting in an **86% approval rate** for the same risk.<sup>1</sup>



Improved predictability can help lenders increase ROI in two ways: By maintaining the same rate of approvals at a reduced risk of default, or by increasing approval rates without escalating their level of risk.

	Applications	Current Accept Rate	One Score Accept Rate	Incremental Loans with One Score	Average Loan Value	Average Loan Margin	Incremental Value for Lender
Home Loan	48,000	60.20%	<b>63.79%</b>	1,723	\$300,000	0.5%	<b>\$2,584,800</b>
Credit Card	17,009	54.00%	<b>57.24%</b>	551	\$8,200	1.0%	<b>\$45,190</b>
Auto Loans	55,187	56.60%	<b>59.98%</b>	1,865	\$21,600	2.0%	<b>\$805,818</b>

<sup>1</sup>Data and Analytics from Equifax



### **Innovation at the speed of now**

Equifax® One Score is the first solution in the Australia/New Zealand market to utilize the new A2P (analytics-to-production) deployment model, which significantly improves flexibility and agility while ensuring stability, performance, and automation.

By applying NeuroDecision™ Technology (explainable AI), One Score improves the customer experience by offering greater transparency and explainability. One Score fosters trust in the validity and fairness of credit scoring by identifying the specific credit behaviors that influence the score outcome. This enables lenders to readily respond to consumer inquiries and clearly explain how and why a decision was reached.

### **Smarter insights for smarter action**

Because of the recent spike in payment deferrals, up-to-date CCR records alone may not capture an accurate view of a consumer's risk. By enhancing CCR data with longer-term repayment trends and up to five years of credit inquiries, One Score delivers an improved level of predictability that makes it possible to reduce risk and default rates, while increasing their approval rates.

Only Equifax can give businesses better predictability and more measurable results by leveraging cloud-native multidata solutions. For more information about Equifax One Score, contact us today.