



EQUIFAX®



Best Practice

Financial institution could gain 80% lift in predicting delinquency by using alternative data risk score for origination

Financial institution

CHALLENGE

Explore if a risk score that included alternative data could better predict default risk compared to a traditional credit score for origination efforts.

SOLUTION

Test OneScore — a multi-data credit score that includes alternative data — to segment default risk.

RESULT

Analysis shows OneScore could achieve a 80%+ lift in predicting delinquencies over traditional credit score; demonstrates significant improvement in the near-prime and deep subprime segments.

Challenge

A leading financial institution wanted to improve its origination strategies across its loan portfolio. More specifically, the company wanted to explore if a risk score that includes alternative data and powered by AI could show more differentiation in predicting delinquency than a traditional credit score.

Solution

Equifax worked with the financial institution to test **OneScore** — a multi-data credit score that includes alternative data — to help better segment default risk for the institution's origination models.

OneScore goes beyond traditional credit scores to provide a broader view of consumers' creditworthiness because it:

- Includes alternative consumer credit data:
 - Telco, pay TV, and utilities account payment history gathered by our consortium from 160+ providers
 - Alternative finance data from DataX and Teletrack including payment history for more than 120 million borrowers that use services such as payday loans, installment loans, and lease-to-own
- Is fueled by Equifax AmplifyAI™ which leverages patented machine learning technology and cloud infrastructure to boost performance in predicting delinquency

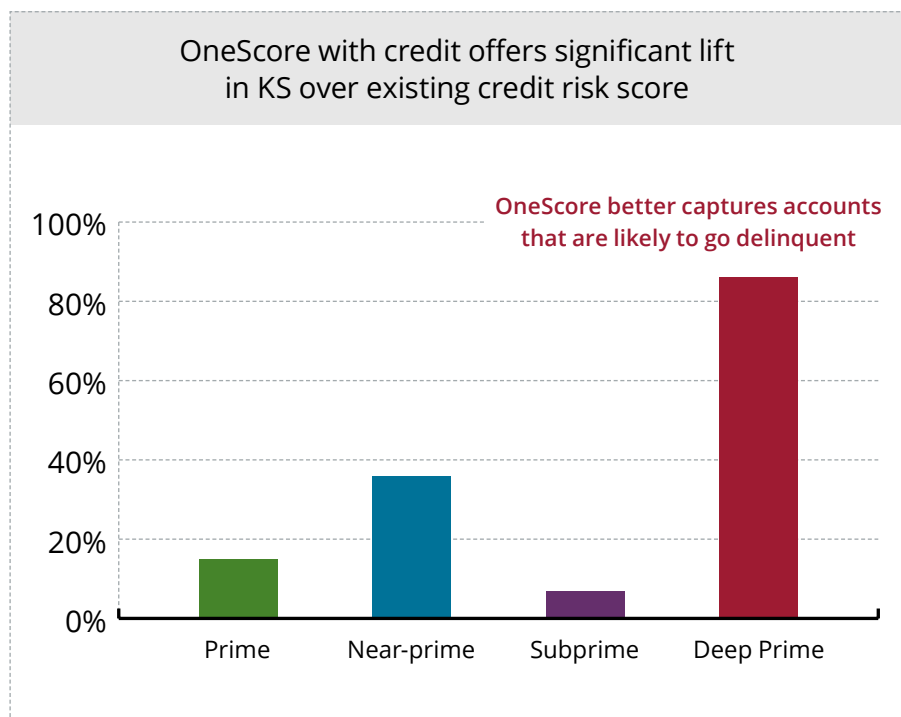
Equifax worked with the financial institution to test **OneScore** to help better segment default risk for the institution's origination models.



Results

An analysis was conducted to compare OneScore to the lender's traditional credit risk score. The analysis showed that OneScore could enable the financial institution to better segment consumers by the likelihood of 60+ DPD delinquency with up to a:

- 80%+ increase in KS for deep subprime consumers
- 35%+ increase in KS for near-prime consumers
- 15%+ increase in KS for prime consumers



More than 76 million consumers have thin files or are credit invisible. By using OneScore, the financial institution can use alternative data to gain insight into these and other consumers, thereby allowing it to more confidently approve more consumers for credit. Plus spot new opportunities within its applicant universe.

Learn more about how Equifax can help your business make more confident decisions with OneScore.

equifax.com/business/product/onescore

Best Practice. Results may vary based on actual data and situation.

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