Open Banking Solutions

Expand access to credit with insights from bank transaction and cash flow data

Millions of consumers — from immigrants to young adults — have thin credit files or are credit invisible, making it difficult to assess eligibility for new credit. At the same time, many consumers with non-prime credit histories are striving to gain access to new credit. Even consumers with prime credit may be at risk of missing debt payments.

How can lenders better serve these often overlooked audiences? With Open Banking solutions.
Open banking solutions enable lenders to access consumer-permissioned bank data, attributes, and scores in order to enhance their traditional credit lifecycle strategies.

Just think of all of the information that bank account data can reveal — cash balances, income and payroll information, non-credit recurring expenses such as rent or utilities, as well as cash outflows on discretionary items. By adding bank transaction data to traditional credit and other data, lenders can better understand an applicant's ability to take on new credit and meet debt obligations. And, these additional insights can expand their view of a consumer's financial picture in order to make better underwriting and portfolio management decisions.

Consumer-permissioned bank data provides individuals the opportunity to share their banking records so that lenders have more information to make decisions about an applicant's request for new loans, from auto loans, to personal loans, to credit cards, and more. In fact, adding bank transaction data and other alternative data to traditional credit data reveals a better understanding of credit risk and capacity early, especially for consumers who are thin file, no file, unscorable, or subprime.[1]

Key benefits

Access consumer-permissioned bank data to help improve credit lifecycle decisions

Expand your view of a consumer's ability to pay

Confidently approve new borrowers for credit, including those who are thin or no credit file or that are credit rebuilding

Spot risk earlier, even amongst prime audiences

Reshape your lending strategies with open banking solutions.

Gain a broader understanding of a consumer's financial position and ability to pay for new credit

Approve more applicants, open more new accounts, and reduce risk amongst segments that may not have previously qualified for credit

Speed lending decisions and enable consumers to gain faster access to new loans

Support financial inclusion efforts and help consumers build their credit

Spot account risk earlier, even amongst prime segments

Support identity verification efforts

Industry-leading solutions to meet your goals

Our open banking solutions enable lenders to gain a deeper, more accurate, and up-to-date view of a consumer's financial profile. We offer solutions directly, as well as work with partners, in order to allow you to choose how best to integrate consumer bank transaction data, scores, and attributes into your current processes. If you already engage with Equifax or any of our partners, then implementation will be even easier.

Cashflow Insights

For lenders without an aggregator that are seeking attributes fueled by bank transaction data.

Cashflow Insights, through our partnership with Envestnet | Yodlee®, leverages 24 months of account balances, spending/payment history, and income data for about 99% of bank account transactions from over 21,000 global providers.

How it works: During the application process, lenders can give consumers the option to register and provide consent for a lender to access their bank account data. Lenders can then access a detailed report from Equifax including 1400 FCRA compliant attributes including data on cash flow, income, and assets to gain a more comprehensive financial picture of each consumer for enhanced lending decisioning. Data can also be used to support adverse action. Reports are available via JSON data package or PDF.

Cashflow Insights can enable lenders to:

• **Increase card approvals:** With bank data on 40% of a lender's credit card applicants, a lender could increase approvals by 8.2% without increasing its delinquency rate.[1]

• **Gain lift in predicting delinquent accounts:** Lenders can gain an average lift of 13.2% among thin-file and 8.3% among non-prime/subprime consumers in predicting accounts that will go 90 days past due.[1]

By adding bank transaction data to traditional credit and other data, lenders can better understand an applicant's ability to take on new credit and meet debt obligations.

VantageScore 4plusTM

For lenders that have bank transaction data and are seeking to align with a traditional credit score.

VantageScore 4plus combines the power of alternative bank transaction data with traditional credit data. It provides an actionable, real-time adjusted credit score based on attributes that leverage consumer-permissioned bank account information that is FCRA compliant. VantageScore 4plus uses the same scoring range as VantageScore 4.0 (300 to 850) and also has aligned score-to-odds ratios so most lenders will not need to adjust their credit/lending policies.

How it works: VantageScore 4plus works for any credit report from Equifax and is compatible with all major aggregator APIs. To produce VantageScore 4plus, a consumer must provide permission to link their bank account to VantageScore.

Based on analytics from VantageScore®:

- VantageScore 4plus can give lenders a substantial predictive lift of up to 7% compared to the industry leading VantageScore 4.0 credit score.[2]

CashScore® by Prism Data

For lenders that have a bank transaction data aggregator seeking scores or attributes.

Equifax has partnered with Prism Data to offer cash flow underwriting scores and attributes. CashScore v4 is a score-based assessment that enables lenders to automate cash flow underwriting and better assess credit risk using near real-time financial transaction history. The solution leverages thousands of financial data points that are missing from traditional credit reports, such as income, assets, expenses, financial stability, Buy Now, Pay Later (BNPL) activity, and ability-to-pay and is built on consortium data sets of millions of customer records covering a spectrum of products, lenders, and credit profiles.

There are three CashScore options available, as well as attributes, depending upon your needs:

CashScore	CashScore Extend	CashScore FirstDetect
Measures the relative probability of delinquency across the full credit spectrum — from superprime to deep subprime	Measures the relative probability of delinquency for subprime borrowers	Measures the relative probability of early payment default or never-pay

How it works: In order to leverage CashScore, lenders access deposit account data through any data aggregator or directly from client systems and submit anonymized data to Prism. Prism then processes the data to produce FCRA-compliant scores (0-999 where 999 is best scenario) that ranks the relative probability of default. More than 15,000 attributes are also available. CashScore can be used to determine credit approval, pricing, or portfolio management, either on its own or in conjunction with traditional credit models and scores.

Based on analytics from Prism Data:

- CashScore has shown to provide an average of 30% lift in predictive performance above traditional credit scores on a stand-alone basis, and is orthogonal to those scores, leading to even better predictive results when they are used in tandem.[3]
- A lender adopting CashScore v4 could increase the number of loans they approve by 28% without increasing risk, or reduce the number of defaults in their portfolio by 16%, compared to the prior version of the CashScore.[3]

We offer solutions directly, as well as work with partners, in order to allow you to choose how best to integrate consumer bank transaction data, scores, and attributes into your current processes.

OneScore from Equifax plus CashScore from Prism Data
For lenders seeking a layered approach with two best-in-class scores

In order to strengthen a view of a consumer's ability to pay, lenders can supercharge their decisioning with the combined power of multiple scores, each powered by alternative data:

- **Bank transaction data** — used to fuel CashScore from Prism Data.
- **Telco, pay TV, and utilities payment data**, as well as payment history for alternative finance accounts — both used to fuel OneScore.

Utilizing both scores can help lenders better assess consumers using their bank account transaction data, AND their history of payments for everyday bills and alternative finance accounts.

How it works: Lenders can use CashScore and OneScore as standalone scores, and combine them in their decisioning waterfall with their existing credit score of choice. Or, they can access a version of OneScore that already has built-in credit information and combine that with CashScore in their decisioning process.

OneScore can help lenders realize up to 21% more scorable applicants, 10% KS lift in predictability, and 15.5% more approvals without increasing bad rates.[1] CashScore has shown to provide an average 30% lift in predictability when compared to traditional credit scores alone.[3] Combining the predictive power of these scores can help lenders achieve even higher performance in capturing new qualified customers while maintaining risk.

How to work with Equifax
Our suite of open banking solutions provides you with a range of options to help you integrate bank transaction data, attributes, or scores into your lending and portfolio management strategies. Whether you prefer to analyze detailed attributes or rely on ready-made scores that leverage bank transaction data, we can help. Options include conducting a proof of concept or validation based on existing data or implementing an in-market pilot.

Contact us to explore strategies to leverage open banking solutions and grow your business.

equifax.com/business/product/open-banking-solutions/

OneScore can help lenders realize up to 21% more scorable applicants, 10% KS lift in predictability, and 15.5% more approvals without increasing bad rates.[1]

1   Equifax analytics
2   VantageScore analytics
3   Prism Data and analytics