

ABSTRACT

Multi-bureau decisioning in a tri-bureau environment

In recent years the clients of UK credit bureaux have seen considerable changes arising from third party data regulations, increased depth and breadth of available data and the arrival of a third credit bureau. This has resulted in an increased requirement for multi-bureau decision processes by Financial Services.

This paper looks at the methodologies and techniques required to effectively develop these processes. It will consider the optimum solution and the adjustments necessary to provide a more operationally practical solution. In particular, an approach will be presented that identifies the benefits that can be derived from understanding how the three credit bureaux differ and how their individual strengths can be harnessed into a comprehensive multi-bureau decision process.

In addition this paper will demonstrate approaches for identifying the most appropriate statistical segments of applications (or customers) for whom multiple credit bureau searches will reveal further predictive data. This addresses the fundamental problem that exists across the three credit bureaux of differing bureau scores, data items and delivery mechanisms.

In summary, a statistical approach to resolving the problems of developing multi-bureau decision processes will be presented. This will show how estimates from predictive models change across the three UK credit bureaux.

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