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The traditional challenges of credit portfolio management have been addressed using models based on cyclical data that summarize account or customer behaviour and predict performance , such as risk. Typically the data covers aggregate purchase and payment activity based on a billing period of some defined timeframe and typically no effort is made to understand how that prediction might change in response to a stimulus such as a credit limit increase or as a result of behaviour during the billing period.

It has long been recognized that there is a wealth of potentially important information in data such as transactions and unstructured data such as collector notes, yet implementation challenges initially prevented these sources from being fully utilized. The growing pressure under the guise of responsible lending to create some evaluation of how a consumer might handle additional credit, increases the need for both additional predictive lift from new data sources and new methods for evaluating consumer capacity.

This talk will review both of these topics covering the challenges that arise and will provide some proven results along with some current R+D.