

# Nextcredit upscale their online lending operation, through LendingMetrics' credit decisioning platform



Nextcredit is an established credit provider offering, affordable loans from a £100 to £1000 over periods ranging from 14 days to 12 months, with a representative interest rate of 292% per annum.

Nextcredit is owned by Precise Predictions, an advanced analytics provider. It offers competitive and varied consumer credit products to the UK market through the use of customer-friendly internet and mobile technologies. Nextcredit's aim was to grow their online lending operations without increasing overhead costs.

## Approach

LendingMetrics were appointed by Nextcredit to support the growth of their online lending operation by providing a more automated process as well as an underwriting tool. Alongside this, Nextcredit also required credit referencing and anti-money laundering checks, which LendingMetrics provided through their LMX platform.

LendingMetrics' ADP platform, along with credit risk advice was provided to assist NextCredit in designing their first decision engine. In order to maximise the effectiveness of credit data, it was combined with credit risk and analytical expertise. To do this LendingMetrics analysed Nextcredit's CRA retro, which provided a useful insight into customer behaviours. This led LendingMetrics to design a multi-functional decision engine to cover all areas of credit risk. As such, proprietary scorecards, 3rd party data services, affordability, credit and anti-fraud checks were all utilised alongside an automated rule set. This mitigated the need for manual checks and excessive documentation, allowing customers a smoother journey.

## Origin of LendingMetrics

Since 2010, Lending Metrics an established CRA, has been providing the credit market with affordable and effective credit risk solutions. Since their launch, LendingMetrics have been working closely with alternative lenders to assist with live credit risk decisioning. In partnership with Equifax, LendingMetrics simultaneously deliver credit, bank, income verification and anti-money laundering checks, to help lenders protect against fraud, through their LMX platform.

LendingMetrics launched their Auto Decisioning Platform (ADP) in 2016 after 3 years of R&D. ADP has revolutionised the opportunity for the financial services sector to quickly deliver increased volume with reduced overheads by putting the lender in control of credit rule changes in real time through a simple user interface. One year later LendingMetrics were awarded "Best Credit Risk Solution" by the "Credit and Technology Awards" for their ADP and OpenBankVision platforms.

Once LendingMetrics had gathered Nextcredit's requirements and supported the design of their decision engine, the implementation team took the lead, which was headed by a client dedicated project manager. They held several scoping and requirements gathering calls to provide a full project plan with timelines. Once all the necessary requirements were gathered LendingMetrics then sought to complete the build of the decision engine and pass it to Nextcredit for UAT.

**“We have growth plans to expand the Nextcredit brand and to utilise our deep data analytics background to help us get there. It was important for us to secure a technology partner who possessed the solutions to facilitate our growth, whilst giving us the tools to fully leverage our data intelligence and incorporate our rule modifications into our credit decisions, on demand. ADP and Laps were exactly what we were looking for.”**

**Clare Brown**

Operations Director at Nextcredit

Regular calls took place with lead developers on both sides so that the implementation was seamless and straightforward. LendingMetrics delivered the project on time, within the 4-week time frame as agreed.

Once ADP was set up, LendingMetrics activated their LMX integration, thus ensuring that Nextcredit had access to all the necessary and compliant credit referencing checks from Equifax, without having to do any additional integration work.

**Results**

Since the launch of the ADP and LMX platforms, Nextcredit has enjoyed solid performance and growth but most importantly their decisioning model is now highly scaleable. The ADP solution was delivered within budget and on time. Following ADP training the Nextcredit team are now using the ADP interface to autonomously manage their credit decisions in real time, champion/challenge their rules and analyse results in order to inform future rule changes. Nextcredit has benefited from LendingMetrics' knowledge and continue to be supported by LendingMetrics on their credit risk activities.

**Summary**

Both companies worked well as a team, growing their combined knowledge and expertise. LendingMetrics and Nextcredit are both looking forward to cementing the relationship with further projects, with Nextcredit looking to implement LendingMetrics OpenBankVision and TrueTime platforms.