

Evolution Money chooses LendingMetrics for its credit decisioning



Since it was founded in 2011, Evolution Money has been a leader in the unsecured and secured lending market.

Evolution Money have over 170 employees and have been named one of the fastest growing companies in 2016 and 2017 by The Sunday Times Fast Track 100. In 2017 Evolution Money also secured an additional £100 million in financing to help further grow the company and its loan book.

At its core, Evolution Money believe that consumer access to finance shouldn't be dictated solely by a credit score or an automated computer response alone. They pride themselves on reviewing each customer's application on a case by case basis and being able to treat all customers as individuals whilst providing flexible loans to those who may struggle to access finance from other lenders.

The Challenge

Evolution Money appointed LendingMetrics to support its continued growth by incorporating a much faster, flexible and openly connected decisioning platform that wasn't available within their current Loan Management Systems.

Evolution Money required a decisioning platform that could make immediate credit decisions within milliseconds, whilst allowing them the flexibility and functionality to build detailed and composite rules, scorecards and matrices, over a variety of data sources. Evolution Money also needed a platform with an extensive testing environment to champion challenge and evaluate new aspects of their decisioning, in order to finesse and improve their lending decisions over the coming years. As part of these credit risk plans, Evolution Money needed a significantly more open and accessible platform to integrate with, for the retrieval and utilisation of various additional data sources.

Origin of LendingMetrics

Since 2010 LendingMetrics, a credit reference agency authorised and regulated by the Financial Conduct Authority (FCA), has been a leading provider of unique real-time data to lenders to assist with the prevention of fraud and to assist with live credit risk decisions. In partnership with Equifax, LendingMetrics can also simultaneously deliver credit, bank, income verification and anti-money laundering checks to all spheres of lending, through its LMX platform. LendingMetrics also provides a groundbreaking, Open Banking platform - OpenBankVision. This combines 90 days of real-time granular applicant bank account data with unrivaled industry knowledge and analysis to deliver the most powerful affordability and anti-fraud product available.

Following 3 years R&D the company introduced ADP (Auto Decisioning Platform) in 2016 revolutionising the opportunity for the financial services sector to quickly deliver increased volume with reduced overheads using automated lending decisions. ADP utilises its proprietary data products alongside integration with all major Credit Reference

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Like many companies, Evolution Money had contemplated building its own automated decisioning platform in-house, however, after consideration they felt they did not have the technical resource to deliver a platform as flexible and robust as an “out of the box solution” in the required timescales. In any case, they wanted to focus on their core strengths and drive forward their successful lending operation.

...[ADP’s] quick decision response times and ‘Passive Engines’ environment, [will allow] Evolution Money to test new decision engines against real application data without affecting live lending decisions...

LendingMetrics’ ADP was chosen by Evolution Money due to its quick decision response times and ‘Passive Engines’ environment, which allows Evolution Money to test new decision engines against real application data without affecting live lending decisions. These features stood out in comparison to the other decisioning platforms in the market. Evolution Money was impressed by ADP’s flexibility to create and edit complex rules, formulae and variables all through its Graphical User Interface, which required little technical experience or knowledge on the part of the user. ADP’s open API’s will allow Evolution Money to utilise other data sources in the future due to its open connectivity (ADP is integrated with all major CRA’s as well as bespoke machine learning and fraud identification solutions).

As part of the implementation process, LendingMetrics assisted Evolution Money with the design of a multi-functional decision engine to cover all areas of credit risk. This included a risk-based offer matrix and an automated rule set over various data components/sources, including an affordability check. LendingMetrics are also assisting Evolution Money to implement a scorecard based decision engine.

The LendingMetrics ADP implementation team then took the lead, headed by a client-dedicated Project Manager and held several scoping and requirements sessions to provide a full project plan with timelines. Once all requirements were

Origin of LendingMetrics (continued)

Agencies (CRA’s) plus many other 3rd parties. ADP is a powerful decision engine builder that puts the lender in control of credit rule changes and allows operational/credit risk staff to control changes in real time through a simple user interface. Two years after the launch of ADP, LendingMetrics were awarded “Best Credit Risk Solution” by the “Credit and Technology Awards” for their ADP and OpenBankVision platforms.

gathered LendingMetrics built the agreed decision engine and completed the additional third-party integrations required by Evolution Money.

Results

Since the launch of ADP within Evolution Money, they have been able to utilise a decisioning platform which has produced a scaleable model within their online customer journey to automate their credit risk policies.

The solution was delivered within budget and on time, due entirely as a result of the collaborative and knowledgeable teams at Evolution Money and LendingMetrics. Following training, the Evolution Money team is now using the ADP interface to change their credit decisions in real time, “champion challenge” their rules and analyse the results within ADP.

Steve Daly, Evolution Money’s Programme Manager said that “we *have strong growth plans to expand*

the Evolution Money brand and further automate our current manual processes. It was important for us to secure a technology partner who possessed the solutions to facilitate our plans, whilst providing a fast and flexible platform”.

With the success of ADP, Evolution Money now has plans to roll out the platform across all their business operations. This includes implementing ADP into their manual underwriter processes, as well as automatically decisioning against applications they receive from brokers. As part of using an automated platform, Evolution Money did not want to detract from their company ethos of viewing each application - case by case. However, due to ADP's noteworthy task functionality, Evolution Money will still have the ability to view each customer's credit file allowing them to still review these on a case by case basis.

Summary

The combination of highly automated decisioning and industry experience has delivered a scalable solution.

The client has successfully migrated to ADP with minimal business disruption and is enjoying the benefits of being in control of managing their credit risk decisions in real time. The companies worked well as a team, growing their combined knowledge and are looking forward to cementing the relationship with further projects.