Case Study

Ethical lender Fair Finance automate decisioning with ADP

Fair Finance offers a range of financial products and services designed to meet the needs of people who are financially excluded. Their mission is to design and deliver financial services that improve financial wellbeing and have a positive impact on their clients.

Choosing LendingMetrics

Fair Finance recognised that in order to continue their success, they needed to improve the consistency and quality of their underwriting and decisioning. They were keen to find technology that would enable them to automate the process, but also provide them with a future-proofed system that allowed for ongoing decisioning changes and new third party data suppliers.

LendingMetrics and Fair Finance had already been in contact for a number of years, developing a strong relationship based on a mutual interest in the developing technologies within the lending markets. As with many other lenders, Fair Finance were using a completely manual underwriting process and were interested in learning more about the different options available to update this process. As LendingMetrics have a range of products, including their Auto-Decisioning Platform (ADP), and Open Banking product OBV, they were able to demonstrate how they could support Fair Finance with their mission in a number of different scenarios, earning their trust as experts in this field.

Many businesses are conscious that automating processes may result in a journey or experience being dehumanised for the end customer and a threat to staff morale with the fear of job losses, and this was particularly important to Fair Finance as a socially conscious business. LendingMetrics were able to show that automation can be used to simplify the parts of

LendingMetrics Company Profile

LendingMetrics is a multi-award-winning financial technology and data specialist based in the United Kingdom and Australia. It leads the way in automated decision technology and is now one of the most recognised technology brands in the sector.

In 2016, following many years of R&D, the company introduced Auto Decision Platform (ADP), revolutionising the opportunity for financial services to quickly deliver increased lending volume, a better customer experience and reduced overheads using automated decisions. ADP utilises proprietary data solutions and is openly connected to all major CRAs, plus many other 3rd parties including Open Banking platforms. 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.

Additionally, LendingMetrics is a credit reference agency and AISP Open Banking provider, authorised and regulated by the Financial Conduct Authority. It's robust technology and data infrastructure and "blue-chip" partnership eco-system focus on delivering scalable and secure affordability, suitability and predictive solutions to the entire financial sector.

LENDINGMETRICS *It's your time*

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the process that involve black and white decisions, leaving the underwriting team to review the results for rules that might still need a human's touch.

After taking some time to discuss internal priorities and taking into consideration the advice and consultation provided, Fair Finance decided that they wanted to progress with implementing a software solution to support their decision making. Due to the importance of this decision, Fair Finance adopted a thorough tender process, using an external consultancy firm to perform an option analysis on the various providers with whom they had engaged. LendingMetrics were delighted to be selected, following the tender process, and quickly set about analysing the current underwriting model in readiness to support Fair Finance in the implementation project.

When designing their decision engine, Fair Finance's main aim was to replicate their existing underwriting process, but with some small improvements, particularly around automating the decline decisions. Fair Finance's future plans include rolling out a new strategy that includes scorecards, something which they believe would have been really challenging and cumbersome without using ADP.

It was great to work with Fair Finance as they set out on their journey towards a more simplified and consistent underwriting process. We look forward to continuing our partnership over the coming years."

Neil Williams
Managing Director of LendingMetrics

Approach for delivery

The implementation process followed LendingMetrics' well-established project plan, spanning across 4 independent phases, led by a client dedicated Project Manager.

The initial phase of every ADP implementation project is to ensure that all requirements have been gathered from the client, the most important of which is the design of the decision engine that will be delivered. LendingMetrics were heavily involved in this part of the process and maintained a strong line of communication with the team at Fair Finance to

Guillaume Foucaud, Chief Operating Officer of Fair Finance, said "ADP has brought immediate benefits by streamlining our decision process. It is also providing us with a scalable platform to deploy new decisioning approaches such as more complex application scorecards and using alternative data sources. We are very pleased we made the decision to work with LendingMetrics."

provide consultation and guidance on how best to design the various rules and decisions that made up their engine.

Fair Finance felt confident in the project team from the initial sales conversations through to delivery and were happy with the results of the consultation provided throughout the project. As a relatively small business, Fair Finance were pleased to find a company that was experienced in dealing with all sizes of businesses and that they weren't overlooked in favour of larger companies.

Result

Having completed the implementation of ADP, the first benefit that Fair Finance noticed was the significant improvement in efficiency thanks to the streamlined decisioning process. They no longer need to keep multiple spreadsheets updated; the only systems they now need to use are ADP and their internal CRM system, which has meant a much cleaner and simpler process that their underwriting teams "love".

As well as the immediate benefits of moving to an automated decisioning tool, Fair Finance were impressed with the scalability and adaptability of ADP. With a strong focus on continued research and development, the platform is always improving and client feedback is an important part of this process.

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