

Credit union network uses ADP



My Community Finance gives savers and borrowers access to ethical lenders such as Credit Unions through the Community Finance Network. The network wants to give everyone access to fairly priced and ethical financial products.

Products

My Community Finance were looking to move away from a hardcoded in-house loan origination system that had very limited decisioning capability, to a system with much greater flexibility and automation capabilities. LendingMetrics were able to meet this requirement with their award-winning Auto Decisioning Platform (ADP).

When designing the decision engine, My Community Finance's main aim was to replicate the existing underwriting rules (eligibility, credit, affordability, KYC) into ADP as well as integrating with Experian as a new data source. They were also keen to make use of some of ADP's additional functionality, by passively testing new credit risk strategies to measure the potential effect on business.

Approach for delivery

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

Through weekly scheduled calls, regular updates and a focused project plan, both sides were able to ensure that the project remained focused and on track. LendingMetrics also provided a consultancy service to help document the current decision engine, so that the system was delivered with the engine fully configured and ready for use.

Origin of LendingMetrics

Since 2010 LendingMetrics, a credit reference agency authorised by the FCA, has been a leading provider of unique real-time data to alternative lenders to assist with the prevention of fraud and to enhance live credit risk decisions. In partnership with Equifax, LendingMetrics can also simultaneously deliver credit, bank, income verification and anti-money laundering checks. They also provide the "Free Forever" OpenBankVision platform, which delivers 90 days of real-time granular applicant bank account data with unrivaled industry knowledge and categorisation analysis to deliver the most powerful affordability and anti-fraud product available, free of charge.

In 2016, following 3 years of R&D, the company introduced ADP (Auto Decisioning Platform) revolutionising the opportunity for the financial services sector to quickly deliver increased volume with reduced overheads using automated lending decisions. ADP utilises proprietary data solutions and is also openly connected to all major 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.

A member of the LendingMetrics Project team was always available when needed and the technical advice and guidance that My Community Finance received was invaluable in the transition.

Result

My Community Finance have successfully launched ADP within budget and on time and are reaping the benefits of a system with the flexibility to make strategical changes quickly, without needing to process a lengthy change request with their IT team.

One of the biggest benefits that My Community Finance feel they have gained from the project is their much improved understanding of their application flow and the greater degree of transparency that they now have thanks to the data returned from ADP.

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Richard Pinch
Partner, Vestigo

The ability to make swift changes and integrate with new data sources seamlessly means that My Community Finance are confident that they can remain nimble in an ever-changing industry.

My Community Finance and LendingMetrics are both looking forward to working together on the next phase of the project, implementing LendingMetrics' award winning Open Banking product, OpenBankVision.

Neil Williams, Managing Director of LendingMetrics, said: *“Working with My Community Finance was a great example of a well run and swiftly executed project by all involved. Pro-active and regular dialogue very much helped keep momentum, and solve challenges before they became an issue.”*

Vestigo Partners, a credit risk consultancy firm, supported My Community Finance in the development and implementation of ADP. Richard Pinch – Partner – Vestigo *“LendingMetrics were very responsive with our requests, which we don't believe is what we would have experienced with a larger company. The speed with which we can change our underwriting rules is fantastic. ADP has also enabled us to easily introduce dual bureau capability which would have been much harder with the existing system.”*