

Case Study

Propensio Finance implement assisted decisioning in preparation for anticipated growth in volume



Propensio Finance is a specialist lender in the aspirational lifestyle sector and aim to help customers spread the cost of their purchase with a range of borrowing requirements and credit histories to suit prime and non-prime borrowers alike.

With over 20 years' experience in the industry, Propensio can often accept applications that other lenders may not, for projects as diverse as buying a static caravan or installing a garden office or solar panels, with an emphasis on treating their customers like people.

Why LendingMetrics?

Propensio had already been working with financial technology provider LendingMetrics since 2019, utilising their Open Banking product OBV to access bank statement data in order to accurately assess the affordability of their customers. They enjoyed working with LendingMetrics, and liked how the company operated, so when they recognised that there was a need to enhance their underwriting process, LendingMetrics' competitively priced Auto Decision Platform (ADP) was the clear solution.

The specialist lender had been hesitant about automation in the past but wanted to prepare for an anticipated growth in volume, and make their underwriting process more consistent, robust and scalable. Having used manual underwriting for 9 years, Propensio were apprehensive about moving away from this, but LendingMetrics demonstrated how ADP could be used to assist decisioning, not only fully automated it, and this made the decision to adopt the underwriting platform much simpler.

About LendingMetrics

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 universally 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 comprehensive 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.

ADP can be used alongside manual underwriting processes and Open Banking solutions, in order to increase lending volume without increasing head count. What's more, ADP has the ability to test improvements to a credit policy using passive engines, allowing testing of new logic and scorecards without effecting the consumer journey. In addition, Propensio wanted to use a platform separate to their loan system in case there was a need to move things in the future, and ADP was able to provide just that.

The experience

Propensio's existing relationship with LendingMetrics meant they knew the financial technology company would be able to meet their contact requirements. The lender was able to have 1-to-1 conversations with the team and communicate with the people directly involved with the build of ADP, which were important factors in their choosing of a technology partner.

Following a swift requirements gathering stage, Propensio used the UAT environment to run real-time champion/challenge scenarios and retro analysis, and after testing were able to rapidly move to the production environment.

The implementation process was smooth, and although the first phase was a bit daunting for the lender, with the support of the LendingMetrics Project Management team they were able to get to grips with everything and after that it was a very straightforward process.

"We can change things within minutes – it's brilliant!"

Dave Hindle

Chief Executive Officer at Propensio Finance

The result

Propensio saw huge success with ADP; it not only gave them an immediate increase in capacity but made their affordability and sustainability assessments more robust and consistent, meaning that they could continue to provide a great service to their customers and give them access to a range of funding options that might not have been available to them from other lenders.

Using ADP's innovative Engine Editor, Propensio were able to make quick changes to their decisioning, rather than having to wait months to deploy a small change. They were pleased to be able to build, edit and maintain multiple decision engines without the need for technical or IT-qualified personnel, allowing them to remain dynamic and agile. The underwriting team really liked the product as it allowed them to cope with increased volume and best prepare for an anticipated growth in applications.

David Wylie, Commercial Director at LendingMetrics, commented: *"We were delighted to be able to continue working with Propensio after seeing their previous success with our OBV platform. By choosing ADP to assist their decisioning, Propensio have been able to construct a highly consistent underwriting process, and we look forward to continue working with them as they see the benefits of assisted decisioning."*

Summary

Propensio continue to use ADP to create complex, powerful or simple policies, and include proprietary scoring algorithms and complex affordability matrices in order to provide the best possible service to their customers.