

# Introducing Infact's Affordability Engine



Accurate affordability assessments are more important than ever. With our Affordability Engine, you can harness personalised predictions to make more accurate, cost effective and proportionate decisions.

## THE PROBLEM



### Traditional affordability assessments don't cut it

Traditional approaches to assessing affordability either aren't enough or add friction to the consumer journey. Lenders rely on self-declared income, Open Banking, Current Account Turnover Data (CATO) and ONS expenditure estimates; they all have their own unique challenges whether that is accuracy, friction, or completeness.

- ✗ Incomplete picture of income and expenditure
- ✗ Inaccurate processes leading to compliance risk
- ✗ Categorisation accuracy and drop-off with Open Banking
- ✗ Delays that can damage customer experience

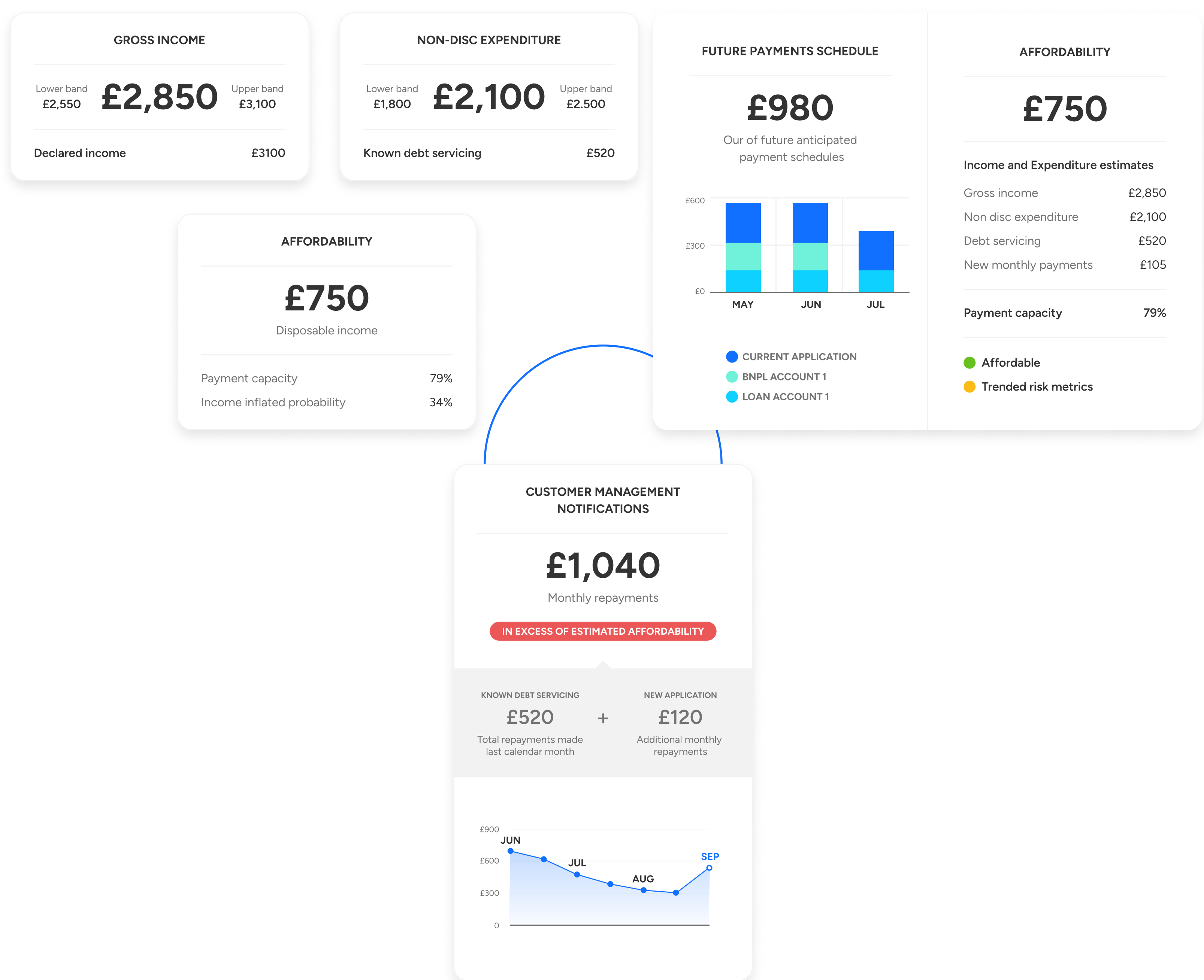
## OUR SOLUTION



### Affordability Engine

With our Affordability Engine, you can personalise a prediction to make more accurate, cost effective and proportionate decisions. It is designed to deliver accurate predictions for income and expenditure while not adding friction to an originations journey or customer management.

- ✓ Predicted expenditure and disposable income
- ✓ Incorporates application amount and future payments as well as any other known credit payments
- ✓ Leverages historical self-declared income, expenditure and Open Finance verified data
- ✓ Suggested and adjustable thresholds for affordability assessments



## Features

Optimised for automated decisioning

## Affordability Metrics

Our Affordability Metrics are a suite of data points lenders can use to more accurately assess if an applicant can afford the product they are currently applying for. It combines our predictions for an individual's expenditure and income with application data such as amount applied for and future payments.

**Affordability Metrics** are based off Infact's Single Customer View which leverages all known bureau data on an individual and are designed to be highly configurable to empower lenders to better assess whether an individual can repay the product currently being applied for.

### Affordability Metrics

- ✓ Predicted Essential and Non-essential Expenditure
- ✓ Configurable Metrics
- ✓ Payment Probability
- ✓ Stress-Test Income

### Prediction is contextualised

Using application data our Affordability Engine considers the consumers affordability against the specific transaction or credit application.

### Proprietary Matching Enhances Prediction

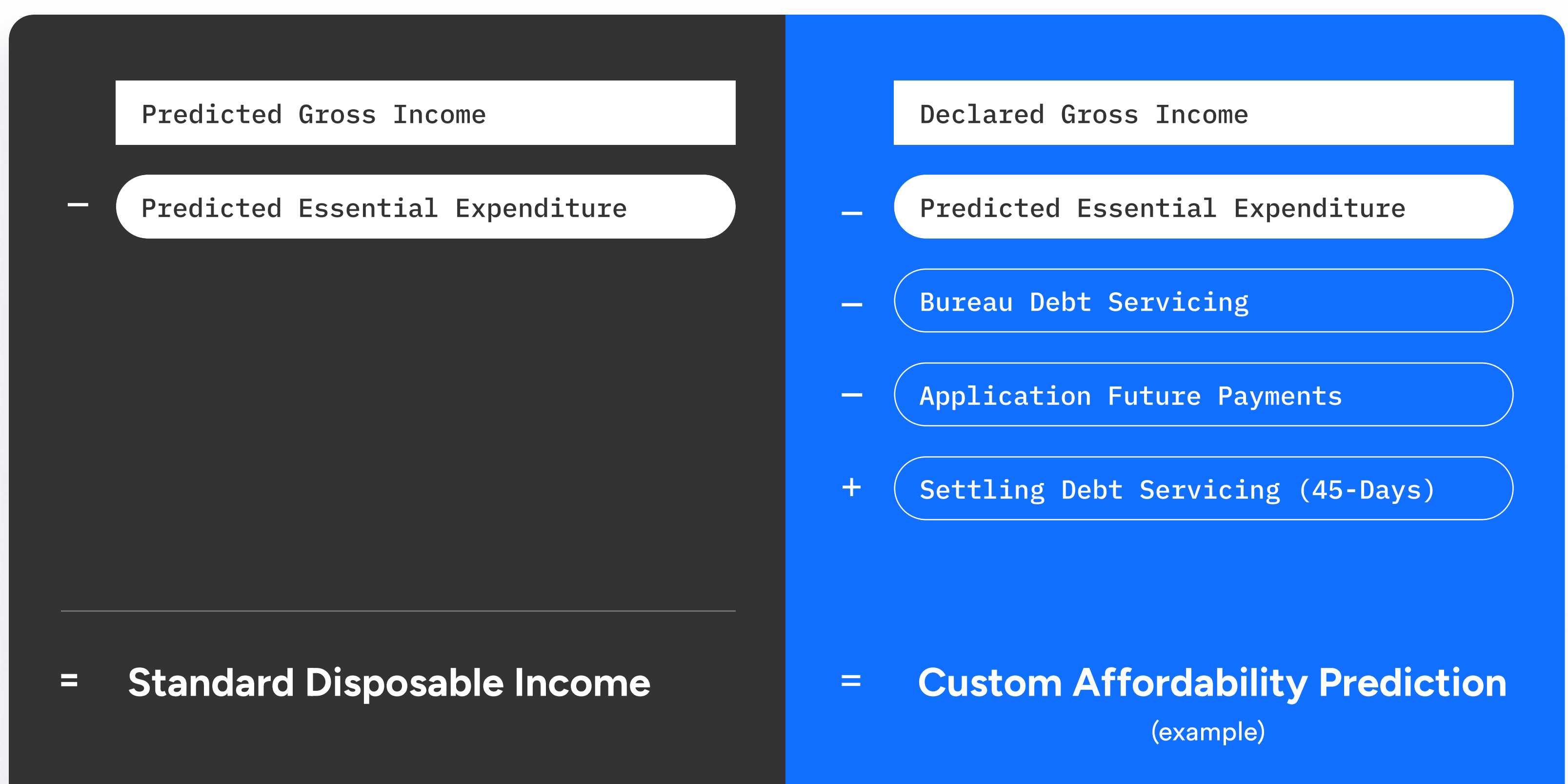
Proprietary matching algorithms allow us to build a Single Customer View, incorporating all known influencing metrics on an individual including future payments, Open Finance Verified Income and more.

### Income & Expenditure Prediction

A baseline prediction is created from age and location using explainable regression-based modelling.

## Configurability

The Affordability Engine is designed for automated decisioning and provides a full breakdown of the Affordability Metrics available on an individual to make a fair lending decision. These can be configured to your risk posture giving you flexibility to build a customised assessment for every product or population as well as a means to provide detailed evidence of your decision.



Get in touch to book a demo

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