

CASE STUDY

Advantage Finance have improved decisions and driven efficiency benefits using Cifas data and services within the LexisNexis® RiskNarrative™ platform.

Ageas, one of the leading insurers in the UK, gains a clearer perspective on identity authentication and fraud prevention with LexisNexis® Risk Solutions.

Background

Advantage Finance is a leading UK supplier of specialist automotive finance, both direct and via the dealer network. Their finance products provide credit to those who may otherwise be underserved by other lenders.

Since they were established in 1999, they have grown from 20 people to currently employing over 160, processing over 1 million car finance applications per year, and holding one of the highest profit-per-employee figures in the industry.

The Cifas National Fraud Database

As with any lender, Advantage Finance makes use of third-party data sources to onboard and verify their new customer applications, control risk and mitigate fraud.

One of these data sources is the Cifas National Fraud Database. Cifas maintains the UK's leading fraud database, making them an essential part of Advantage Finance's risk mitigation and fraud prevention strategy.

Challenge

Advantage Finance needed to be more sophisticated in their use of the rich data available through the Cifas National Fraud Database.

False positives and recording new fraud cases

Without the ability to employ sophisticated rules in their analysis of Cifas data, Advantage Finance was incurring costs and inefficiencies through manual referral processes to determine which applications were fraudulent and which referrals were false positives.

Additionally, Cifas requires their members, including Advantage Finance, to report instances of fraud back to the Cifas database. This process requires human attention and traditionally, filings are done on a separate system to what lenders use to manage their applications and referrals.

Overall, Advantage Finance's previous method of accessing and decisioning on Cifas data represented significant operational inefficiency, a much slower journey for their customers, and another step in the process when meeting their SLAs with their introducer network.

“We were looking for a modern and agile partner that could deliver timely results to reduce our false positive fraud alerts, whilst at the same time giving us control, together with meaningful MI.

RiskNarrative offers the flexibility within their product to tailor it to individual company requirements whatever the size of the company. That ease of fine tuning simply didn't exist prior to their arrival.”

– **Alan Tuplin**, Director of Credit Risk, Advantage Finance

Solution

LexisNexis® Risk Solutions have a relationship with Cifas dating back to the inception of the RiskNarrative™ platform.

Cifas was one of the first data providers to be integrated into the RiskNarrative App Store and the team have completed extensive development work to offer their customers the ability to build customisable rules and decisioning around the Cifas National Fraud Database.

By building highly targeted rules around Cifas data, Advantage Finance is now able to automate more decline decisions based on actual matches to the National Fraud Database and reduce the number of false positive matches against good customers.

Advantage Finance is now able to focus their Referral Management Team on those applications that actually required review and automate decisioning for those applications that could be immediately decided.

As a result, this allowed Advantage Finance to:

- Reduce operational costs
- Reduce overall volume of manual referrals
- Reduce number of false positive results
- Auto-file fraud cases to Cifas' database in order to meet their reciprocity obligations without employing manual processes

Outcome

Overall, the RiskNarrative platform has automated 20% of fraud decisions, and 20% of the accept decision. This resulted in a 40% reduction in the volume of applications being manually decided by the referral team.

This meant reduced risk of fraudulent applications being accepted through human error and a faster customer journey for the top 20% of applications from good customers.

Fraudulent applications can also be automatically filed to Cifas through the platform, removing the need to manually input data when reporting fraud cases back to Cifas.

Next steps...

Using the RiskNarrative platform, Advantage Finance is able to continually refine rules and decisioning around their application. This is done by a subject matter expert entirely through the TruNarrative interface and requires no input from IT/Dev teams.

Advantage Finance and LexisNexis Risk Solutions will continue to refine their process with an aim to further reduce manual referrals by another 10%.

“Whilst we were initially reluctant to bring in a third-party service, the capabilities offered by the RiskNarrative platform would have required extensive resources and time to develop in-house, and LexisNexis Risk Solutions already had a relationship and integration with Cifas.

I look forward to working with LexisNexis Risk Solutions for years to come, as we have already seen the benefits of partnering with the agile and forward thinking third-party they are.”

– **Alan Tuplin**, Director of Credit Risk, Advantage Finance

Automated Financial Crime Management

With unified onboarding, ongoing screening and transaction monitoring, LexisNexis Risk Solutions can help banks, challengers and credit lenders to gain market advantage by deploying our cloud platform.

Seamlessly automate financial crime management.



To find out how we can help you and your business,
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