

2025 Alternative Credit Data Impact Report

A global perspective on evolving alternative credit data use in financial services

Lenders across the globe are recalibrating how they assess and manage credit risk in response to shifting regulatory expectations, consumer behaviors and economic pressures. Many are taking proactive steps to strengthen decision making by applying alternative credit data across a wide range of risk management use cases and objectives.

For the purposes of this document, alternative credit data (sometimes referred to as alternative data) is credit decisioning data that incorporates life event insights like professional licenses, asset ownership and public records, as well as credit-seeking behaviors from markets like online lending and short-term lending. Alternative data is not credit tradeline information.



In Q1 and Q2 of 2025, LexisNexis® Risk Solutions worked with Datos Insights to survey individuals responsible for lending and/or risk operations at financial institutions across 10 countries — identifying several new and noteworthy trends.



Top lending challenges across the customer lifecycle



Traditional credit data gaps are reshaping decisioning models



Improved portfolio performance inspires increased lender confidence in alternative data



Top lending challenges across the customer lifecycle*



collecting on delinquent loans



mitigating first-party fraud



improving default prevention/managing delinquency rates



assessing credit risk at origination

KEY TAKEAWAY

Collecting on delinquent loans remains the most significant challenge for lenders, reinforcing the need for earlier and more predictive insights.

As pressure points emerge earlier in account life and lenders seek to reduce exposure, many are prioritizing proactive strategies to strengthen initial decision making and enhance end-to-end risk management. This shift represents a substantial opportunity for the application of alternative data.

*Top challenges were calculated by combining “extremely challenging” and “challenging” survey responses.

Leveraging alternative data earlier in account life can help lenders mitigate growing delinquency and default risks — and address pressing challenges throughout the credit lifecycle.



Traditional credit data gaps are reshaping decisioning models

20–49% of applicants remain unscorable for many lenders using traditional credit data alone



are or plan to enhance financial health assessments by integrating new data sources and real-time indicators of creditworthiness



cite more precise risk assessment and pricing for high-credit-score borrowers as their top priority



are focused on identifying borrowers whose credit profiles are improving or declining

KEY TAKEAWAY

While traditional data remains a foundational consideration in assessing financial stability, YOY data suggests global confidence in it as a growth driver may be reaching a plateau — with no market currently prioritizing it for expansion.

As financial institutions focus on more precise credit risk assessments of both thick- and thin-file consumers, many are adopting more agile approaches that layer richer alternative data sources on top of established credit information.

Alternative data use presents the greatest opportunity for evaluating thin-file and no-file populations across the globe, helping lenders unlock richer insights to better assess risk and expand credit access for traditionally underserved populations.



Improved portfolio performance inspires increased lender confidence in alternative data



attribute clear and measurable improvements across their portfolios to alternative data use



cite increased confidence in alternative data-driven decisions



are developing more sophisticated analytics to apply alternative data more broadly

49% are exploring new technology platforms to better leverage alternative data, and 42% are increasing the weight of data in existing decisioning models.

KEY TAKEAWAY

Enhanced risk assessment, operational efficiency and pricing optimization are among the top global drivers of alternative data adoption today.

In addition to seeing meaningful improvements in portfolio performance, lenders currently using alternative data reported specific business benefits ranging from initial application through ongoing account management. These benefits are prompting many to further their data investments in the next year.

An increasingly complex global lending landscape demands greater precision and more complete insight into financial stability than traditional credit data alone can provide. As confidence in the value of alternative data continues to rise, organizations that deepen and refine their strategies will be better positioned to compete effectively in saturated markets and responsibly drive growth.

To read more about evolving lender perspectives on alternative data, including individual country breakdowns, download our 2025 Alternative Credit Data Impact Report.

Find out more at risk.lexisnexis.com/alternative-data

Sources

1. LexisNexis® Risk Solutions 2025 Alternative Credit Data Impact Report findings are based on a global survey of 875 financial services professionals across 10 countries to assess the confidence in traditional credit reporting and adoption of alternative credit data.

About LexisNexis Risk Solutions

LexisNexis® Risk Solutions includes seven brands that span multiple industries and sectors. We harness the power of data, sophisticated analytics platforms and technology solutions to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit LexisNexis Risk Solutions and RELX.

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