

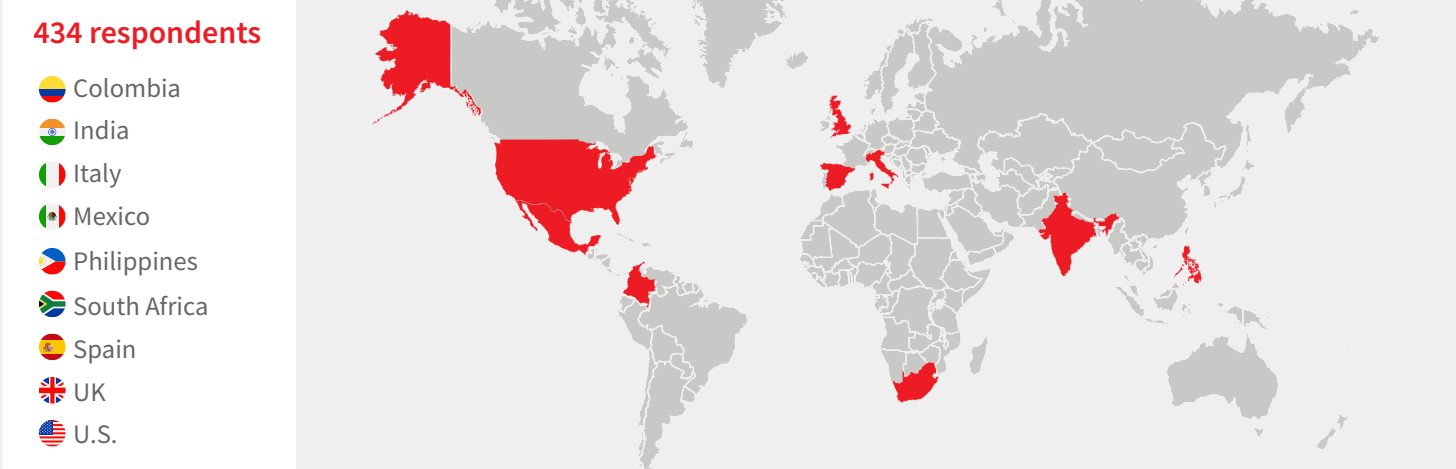
## 2024 Global Consumer Lending Confidence Report

A global perspective on confidence in traditional credit assessments and adoption of alternative credit data



**Lenders across the globe are finding it increasingly difficult to obtain a clear view of consumer credit risk using traditional credit data alone. Because of this, the use of alternative data is on the rise at every point in the customer life cycle.**

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



In Q1 and Q2 of 2024, LexisNexis® Risk Solutions surveyed lenders who work in financial institutions from nine different countries — identifying several new and noteworthy trends.



Shifting confidence in traditional credit data



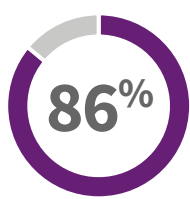
Top challenges across the customer life cycle



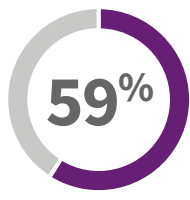
More confidence in alternative data inspires plans for further investment



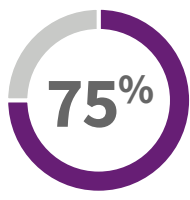
### Shifting confidence in traditional credit data



86% of lenders are more confident making lending decisions with alternative credit data compared to a year ago



59% of lenders are less confident making lending decisions with traditional credit data alone. Among the leading reasons is a lack of visibility into negative payment history.



75% of applicants with traditional credit data alone is what most lenders can evaluate, leaving a substantial portion of potential customers underserved.

#### KEY TAKEAWAY

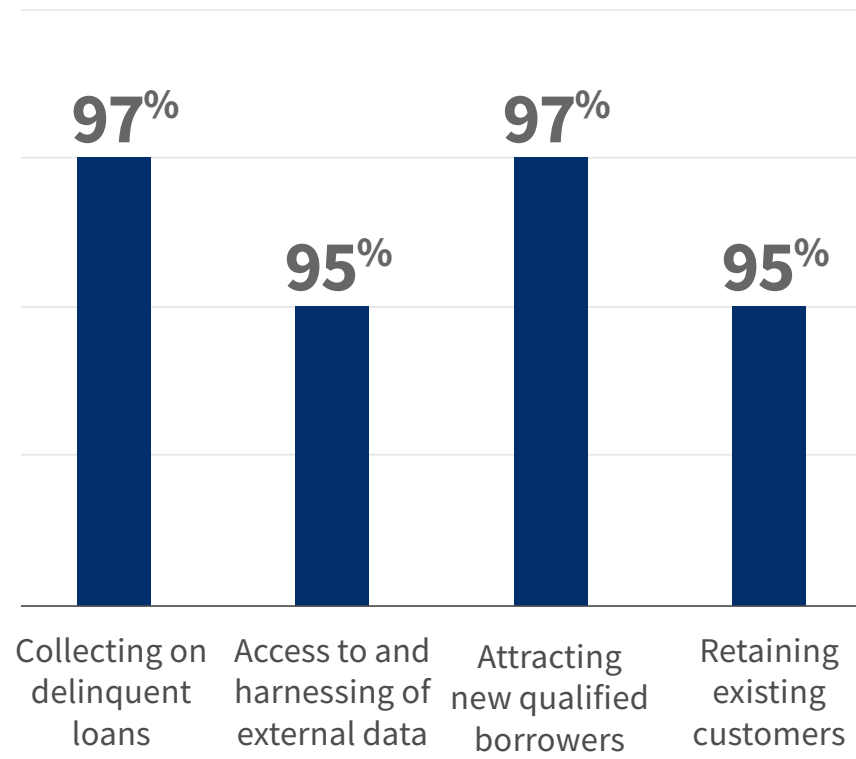
Changing regulations, consumer borrowing behaviors and reporting practices are driving credit risk visibility challenges across the globe.

Lenders are increasingly turning to alternative credit data to gain a clear view into consumer credit risk and help fill the gaps in traditional data.

Without a clearer view into consumer credit risk, lenders are unable to make confident lending decisions. As a result, lenders are increasingly prepared to supplement traditional credit data with alternative data insights across the customer life cycle.



### Top challenges across the customer life cycle as reported by lenders



#### KEY TAKEAWAY

Respondents agree that debt recovery will be the foremost challenge they face in the next two years, representing a substantial opportunity for the application of alternative data.

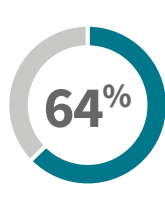
As they struggle to find reliable data partners and navigate decreasing predictiveness of traditional credit data, lenders seek new insights to improve decision making, increase profitability and reduce default rates.

Lenders across the globe face an increasingly competitive marketplace. Many are looking to upgrade their digital loan capabilities to streamline lending and improve customer satisfaction. They are also monitoring portfolios for signs of distress, which can help alleviate client retention pressures associated with such a crowded and competitive sector.

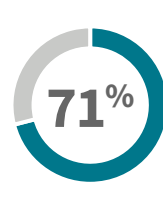


### More confidence in alternative data inspires plans for further investment

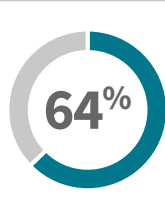
Stage of customer life cycle where alternative credit scores are used



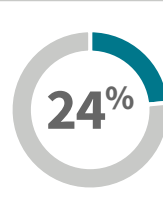
Pre-screen



Origination



Portfolio management



Collections

#### KEY TAKEAWAY

Lenders are already using alternative data at every stage of the customer life cycle, and many are planning to invest further. The low usage rate for collections, 24%, represents a clear opportunity for lenders aiming to stay ahead of rising delinquency rates.

These trends reveal an industry prepared to adapt to visibility challenges by embracing the predictive potential of alternative credit data.

34% considering investment to obtain new types of alternative credit data



66% considering additional investment in leveraging alternative data across loan life cycle

Declining visibility into consumer credit risk, and the specific challenges associated with traditional credit data, are clearly global concerns. Given the rising confidence in the use of alternative credit data, lenders who incorporate these insights into their workflows can remain competitive and profitable.



To read more about evolving lender perspectives on alternative data, including individual country breakdowns, download our **2024 Global Consumer Lending Confidence Report**.

Find out more at [risk.lexisnexis.com/regain-visibility](https://risk.lexisnexis.com/regain-visibility)

#### Sources

1. LexisNexis® Risk Solutions Global Consumer Lending Confidence Report findings are based on a global survey of 434 financial institutions across 9 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 risk 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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