![LexisNexis RISK SOLUTIONS]

LexisNexis® RiskView™ Credit Misuse

Obtain actionable insight into applicants who may intend to misuse credit

Reduce misuse of credit

Risk managers already have access to a wealth of solutions which seek to stop fraudsters misrepresenting their identity to obtain credit, in addition to existing tools designed to assess the ability of a consumer to manage credit responsibilities.

However, financial institutions still lack the tools to protect against applicants who can all too easily slip through the cracks — individuals who don't misrepresent their identity, but apply without the intention to repay. These applicants are practicing misuse of credit — sometimes referred to as first-party fraud — and they can be extremely difficult to stop before they harm your business.

It's not your run-of-the-mill deception

Credit misuse is a consumer behavior typically driven by recent financial hardships. Perpetrators are not professional criminals; they apply using their own identities and often have healthy credit profiles.

Because they own the identity they assert, the consumer knows all the information needed to sail through step-up authentication when traditional fraud tools detect a risk. And because traditional credit scores aren't built to assess misrepresentation of intent, a sufficient credit standing at the time of application is enough to get them approved.

RiskView™ Credit Misuse uses alternative data to help identify applicants who may be seeking to abuse requested credit or services. These high-risk consumers can breeze through a traditional account opening process because they use their true identities rather than pretending to be someone else.

Misuse of credit can result in different painful outcomes:

Never-pay/first-payment defaults

A consumer opens their account, immediately utilizes the full credit line and never makes a single payment

Bust-outs

A consumer who has a history of making payments on small purchases suddenly ramps up purchases to max out their credit cards or credit line

Over-utilized charge-offs

A consumer makes a few payments, then rapidly increases their credit balance well above the assigned line, then straight-rolls into default

LexisNexis® RiskView™ Credit Misuse

RiskView Credit Misuse fills a gap at the application stage, enabling lenders to decline these applicants vs. placing them into remediation.

Leveraging a variety of alternative credit data signals, RiskView Credit Misuse analyzes an applicant's near real-time credit seeking behaviors, and compares that pattern to their credit-seeking history to create a highly predictive, three-digit credit score with reason codes that enable you to explain the key factors that led to the score or subsequent lending decision.

For example, because these perpetrators are knowingly destroying their long-term ability to access credit in exchange for short term gains, they often attempt to execute this scheme at as many lenders as possible in a short period. Applicants who show this sudden and dramatic increase in credit seeking may be identified by RiskView Credit Misuse as very high risk.

Detect credit misuse at origination

Identify applicants who intend to straight-roll into default or bust-out

Take adverse action with risky applicants

Increase portfolio performance by reducing open-to-buy on account holders showing signs of potential misuse

FCRA-actionable risk assessments

RiskView Credit Misuse is an FCRA adverse actionable solution — an important feature when dealing with high-risk applicants who intend to misuse credit and will easily pass authentication measures.

Works with your existing LexisNexis® RiskView™ products

RiskView Credit Misuse can be used with LexisNexis® RiskView™ Attributes or LexisNexis® RiskView™ scores to add another layer of protection to your credit risk assessment process — helping you evaluate all credit-seeking applicants, not just those identified as marginal or high risk by other tools.

Detect signs of credit misuse and make more confident lending decisions

Contact your LexisNexis® Risk Solutions representative to learn more:
866.528.0780 | risk.lexisnexis.com/creditmisuse