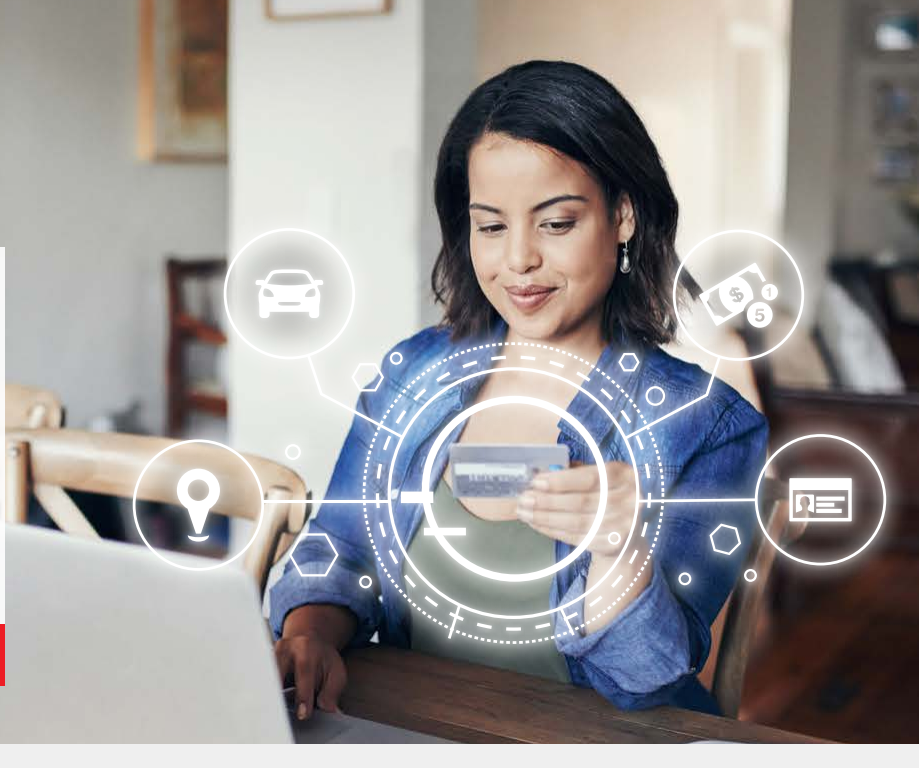


2024 Global Consumer Lending Confidence Report

LATAM Consumer Lending Confidence Insights

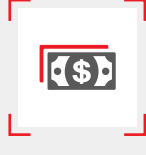
LATAM REGIONAL INSIGHTS



Finding opportunities with alternative data amid rising delinquency and economic uncertainty

Lenders across Latin America (LATAM) are increasingly turning to alternative data to bridge visibility gaps in consumer credit risk. Most lenders (92%) who responded to our 2024 survey are somewhat to far more confident making consumer lending decisions with the help of alternative data, compared with a year ago.¹

Nearly all the lenders surveyed also agree on the primary challenges they anticipate over the next two years:



Collecting on delinquent loans



Attracting new qualified borrowers



Retaining existing customers



Accessing and harnessing external data

LATAM RESPONDENT SNAPSHOT

38 consumer lenders surveyed about:



Industry challenges

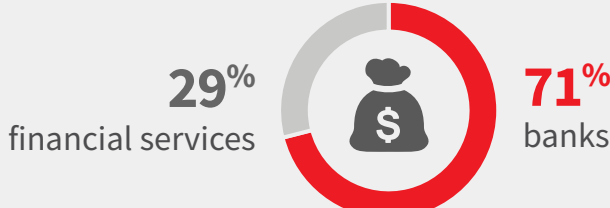


Confidence in traditional credit data



Use of alternative data insights

Credit segments served



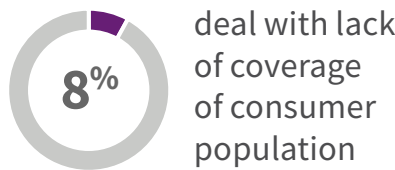
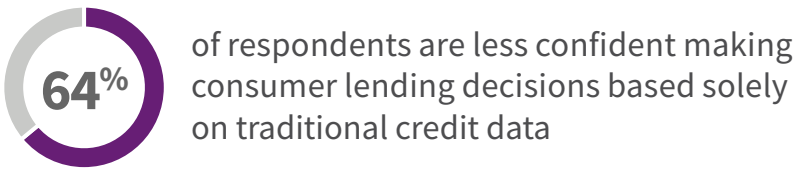
Market forces are leading to decreased confidence in traditional data



90%
OF LENDERS
can only evaluate up to



75%
OF THEIR APPLICANTS
with traditional credit data alone



KEY TAKEAWAY

Shifting reporting requirements have reduced the visibility lenders need to effectively evaluate consumer credit risk.

In recent years, credit providers have reported significantly less payment and delinquency data, further clouding the picture of credit risk associated with many consumers.

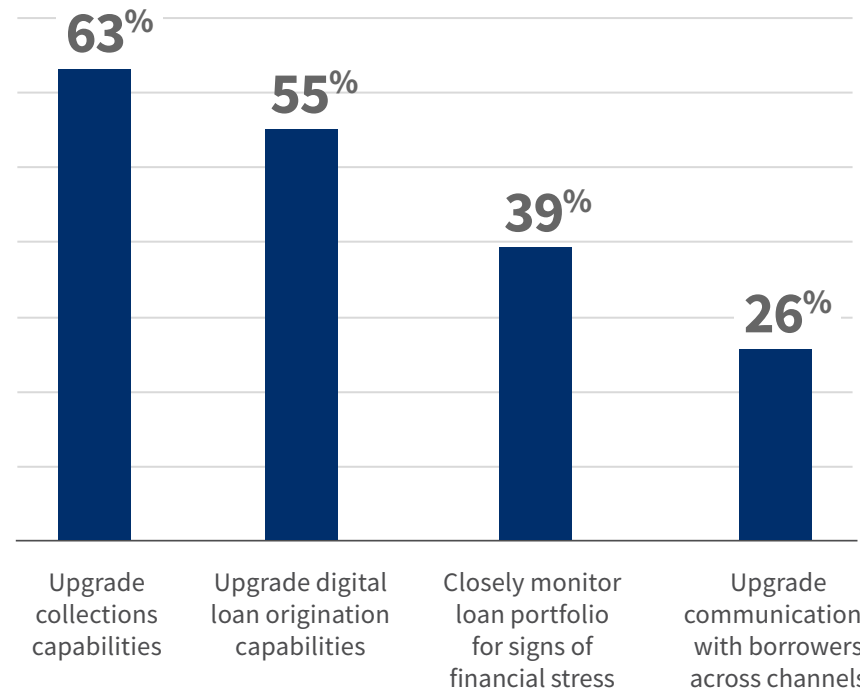
Add persistent inflation and high interest rates, and it's clear that lenders need new tools to regain visibility into creditworthiness.

Furthermore, many Latin American countries face rising fraud rates, compelling them to use security measures that can add friction to the customer experience.



Financial institutions look to upgrade and modernize

Changes made in the past year or planned in the next 6 months



KEY TAKEAWAY

Lenders are looking to improve their abilities across the customer journey, from digitized loan origination to insights-based collections strategies.

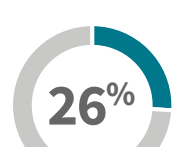
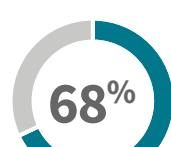
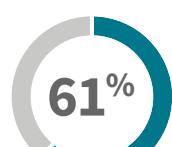
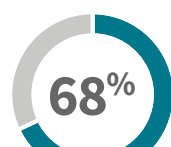
They are also taking new approaches to loan servicing, paying closer attention to signs of financial stress and communicating with their customers across a range of platforms.

Given the common challenges faced by many lenders, these upgrades will play a critical role in helping them balance risk and growth across their portfolios.



Alternative data adoption is poised to grow

Current applications of alternative data



KEY TAKEAWAY

Many lenders are looking to build a foundation of alternative data insights to stabilize their consumer credit risk strategies.

Alternative data can add visibility into consumer creditworthiness across the customer life cycle.

Incorporating these insights earlier can help lenders gain a competitive advantage.

74% of lenders are not using alternative credit scores for collections

In addition to streamlining operations this could help them:

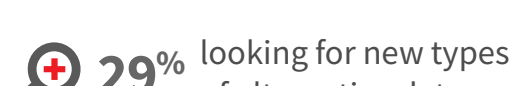
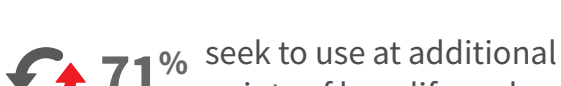


find right-party contacts sooner



improve collections outcomes

Planned investments in alternative data



Alternative data can help LATAM lenders navigate regulatory changes and economic volatility

Economic uncertainty has become the norm for financial institutions and regulations continue to evolve in unpredictable ways. Other challenges facing these lenders include rising rates of fraud, which can hinder efforts to provide a frictionless experience for customers. To find clarity on consumer creditworthiness — and gain a competitive edge — more lenders are turning to alternative data insights.

From pre-screen marketing and origination decisions to loan servicing and collections, the insights made possible with alternative data are helping lenders regain visibility into consumer credit risk, driving portfolio growth and supporting risk mitigation along the way.



To learn more, read the full report.
Download the 2024 Global Consumer Lending Confidence Report
risk.lexisnexis.com/regain-visibility

Sources
1. LexisNexis Risk Solutions, Global Consumer Lending Confidence Report, 2024

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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