

2024 Global Consumer Lending Confidence Report

APAC Consumer Lending Confidence Insights

APAC REGIONAL INSIGHTS



Finding opportunities with alternative data amid rising delinquency and economic uncertainty

Lenders in the Asia Pacific (APAC) region are growing more confident making consumer lending decisions with alternative data. Most lenders (88%) 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 Given the substantial visibility gaps in traditional credit risk reporting, the market for alternative data should only grow in the near future.

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

APAC RESPONDENT SNAPSHOT

40 consumer lenders surveyed about:



Industry challenges

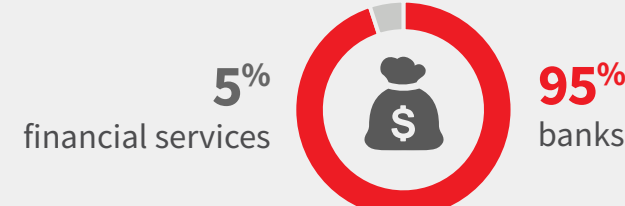


Confidence in traditional credit data



Use of alternative data insights

Credit segments served



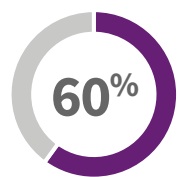
Market forces are leading to decreased confidence in traditional data



81% OF LENDERS can only evaluate up to



75% OF THEIR APPLICANTS with traditional credit data alone



60% of respondents are somewhat less confident making consumer lending decisions based solely on traditional credit data



100% have experienced reduced visibility into negative payment history

KEY TAKEAWAY

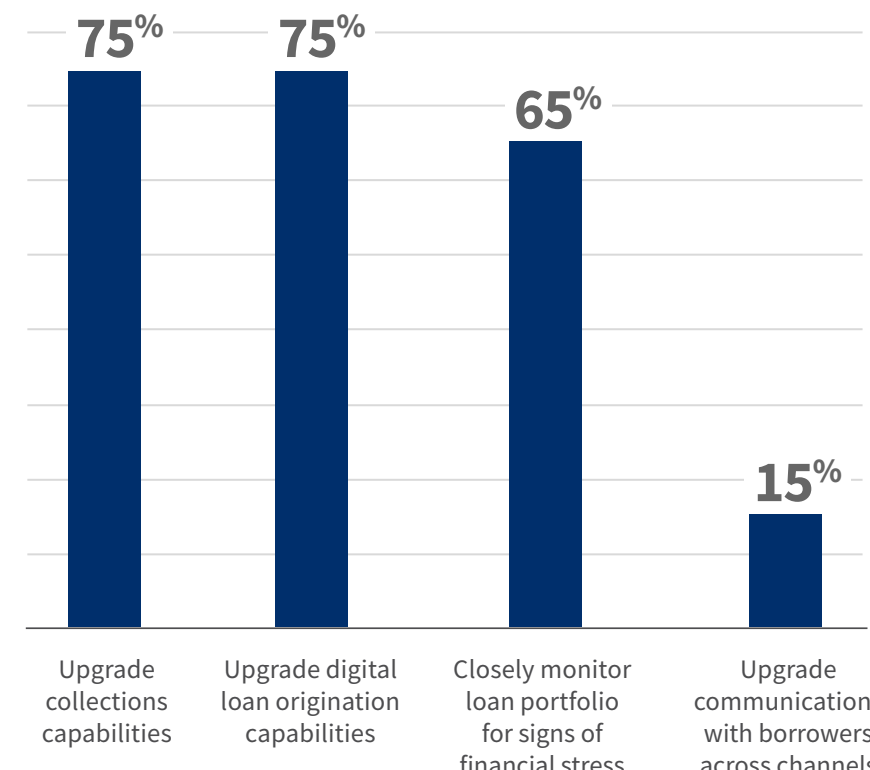
Declining confidence in traditional credit data can be traced to two primary trends. First, a growing number of consumers can't be evaluated with traditional data.

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



Financial institutions look to upgrade and modernize

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



KEY TAKEAWAY

Lenders realize that maintaining a competitive advantage requires vigilance and long-term planning. As a result, many of them are looking to enhance their abilities across the customer journey:

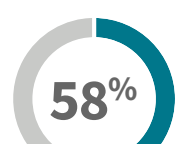
Digitized loan origination and insights-based collections strategies can support long-term growth.

Enhanced loan servicing and customer communication can also help lenders balance risk and growth across their portfolios.



Alternative data adoption is poised to grow

Current applications of alternative data



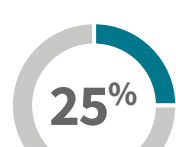
Pre-screen marketing



Loan origination



Portfolio management



Collections

KEY TAKEAWAY

Lenders are finding value in the use of alternative credit scores and are planning to invest in new types of data as well as opportunities to incorporate that information across the loan life cycle.

Earlier application of insights can provide a competitive advantage

Alternative data can improve visibility into consumer creditworthiness.

75% 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



63% seek to use at additional points of loan life cycle



35% looking for new types of alternative data

Alternative data can help APAC lenders operating amid regulatory changes and economic volatility

Economic uncertainty has become the norm for financial institutions and regulations continue to evolve in unpredictable ways. 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 this new information 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.

This document is for informational purposes only and does not guarantee the functionality or features of any LexisNexis Risk Solutions products identified. LexisNexis Risk Solutions does not represent nor warrant that this document is complete or error free. LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. Other products and services may be trademarks or registered trademarks of their respective companies. Copyright © 2024 LexisNexis Risk Solutions. NXR16708-00-1124-EN-US