

# White paper summary

## Origination for unsecured lending



### The issues of unsecured lending

In today's unsecured lending marketplace customer expectations are increasingly high and competition is fierce. As competition increases customers have dozens or even hundreds of credit offers and lenders to choose from.

This proliferation of offers can reduce brand loyalty and lenders will have to work much harder to attract, acquire and retain customers.

As the origination process often handles the very first interaction with the applicant, it is critical for an applicant to have a positive 'buying experience', which essentially equates to a fast turnaround time for the decision to be made coupled with the offering of the appropriate products and services at the expected terms of business (e.g. interest rates, limits, facilities). A swift decision with the customer receiving their requested credit facility promptly is the first step in turning applications into loyal and profitable customers.

A variety of pressures (market, regulatory, competitive) will continue to force change in the unsecured lending arena. In response to these challenges the strategies being deployed by leading organisations are becoming increasingly sophisticated.

Risk based pricing enables organisations to improve acceptance rates, write more business and satisfy customers' demands. Regulatory developments have seen the presence of models to calculate the required elements of Basel II now featuring in origination systems.

This white paper discusses the requirements of an effective and efficient origination solution for unsecured lending covering the business model, application process and system set-up with the aim of enabling a rapid response to changing customer needs and market demands together with managing portfolio risk whilst delivering growth.

#### Want to read more?

This executive summary is taken from the Decision Analytics white paper [Origination for unsecured lending](#).

Access a copy of this, and other Decision Analytics white papers, at: [www.experian-da.com](http://www.experian-da.com)

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