

1st Quarter 2007

With the new year well under way, Decision Intellect has continued to expand. The latest recruit, Grant Donaldson, has joined the Technology team. Grant will be primarily focusing on the development of Inteflow, Decision Intellect's decisioning software. Inteflow provides a new option for decisioning solutions with the focus on the latest technology, advanced business model support, simple integration, multiple bureau support, fast processing times and reliable performance. April will bring up the 12 month anniversary of Inteflow within a production environment, and with many new projects underway, Grant will be kept very busy.

In addition, our commitment to providing a knowledgeable and focused support function for several application processing systems has seen Adam Kochevatkin move into a role specialising in services around the support and maintenance function. This will continue to be complemented by the existing client contacts. The business benefits that existing customers are able to achieve through much improved reliability, performance and understanding of their existing systems reinforces our belief in this function. Decision Intellect is looking to add considerable value to the service customers would traditionally receive from their support supplier, and will be positioned as the provider of 'real support' within the industry.

The Consumer Credit Bureau Environment

2006 saw a significant change in the credit assessment environment within Australia and New Zealand. During the year we moved from a single provider of consumer credit data, Baycorp Advantage (soon to be Veda Advantage), to an environment where credit providers now have a choice of consumer credit bureaus. This has come from the introduction of the Dun & Bradstreet Consumer bureau and the increasing acceptance that it is now providing valuable credit information.

Baycorp Advantage's consumer bureau remains the dominant credit database in Australia due to its long history and established links to existing credit providers. The ongoing use of their bureau, in turn, continues to grow the amount and value of data held. Baycorp Advantage have historically had a strong focus on the quality of the consumer data held and, through its publicised B³ program, looks to be trying to consolidate the number of credit bureau platforms and channels currently supported.

Dun & Bradstreet have rapidly established a user base for their Consumer bureau, and have been able to demonstrate that they can return additional value to credit providers. This occurs through the identification of some unique adverse data not picked up when sourcing files from Baycorp Advantage only. They have positioned themselves as either a complementary service provider or as a viable replacement option for organisations.

Data Coverage

Our experience with credit providers that are sourcing data from both bureaus has highlighted an interesting pattern. While there is a common set of data across both credit bureaus, there is a subset of credit data held only on the Baycorp Advantage bureau and, similarly, there is a subset of data unique to the Dun and Bradstreet bureau.

News

Oct 2006: The wealthiest homeowners in the UK are the most at risk from identity fraud, according to credit reference agency Experian. [more.](#)

Nov 2006: Baycorp reaffirms EBIT outlook. [more.](#)

Nov 2006: Baycorp Advantage Limited – Name Change to Veda Advantage Limited.

Nov 2006: Experian provides one source for global address data cleansing. [more.](#)

Nov 2006: Small firms fear rise in fraud cases. [more.](#)

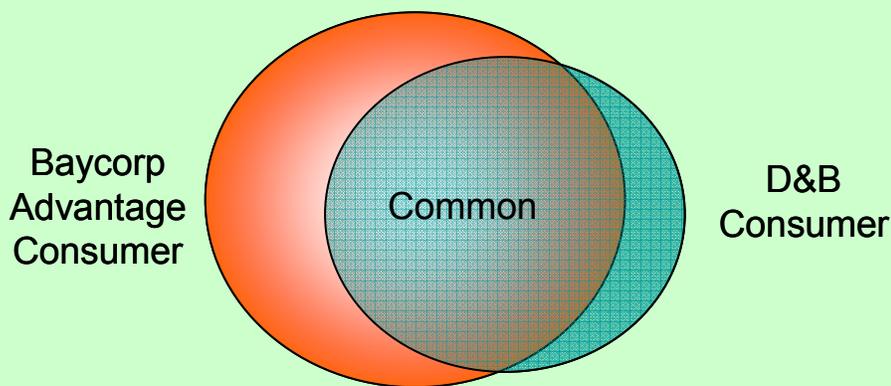
Dec 2006: How the banks rate you. Baycorp Advantage [more.](#)

Dec 2006: New year lay offs, price rises likely. [more.](#)

Dec 2006: Baycorp sued over losses on car loans. [more.](#)

Jan 2007: Failures second highest in UK [more.](#)

Australian Consumer Credit Bureau Coverage



The extent to which there are differences between the content of an individual's file on Baycorp Advantage and Dun & Bradstreet could be attributable to a number of causes. Possibilities include:

- 1) While defaults are commonly lodged with both bureaus, many credit providers use only one bureau for enquiries, so the content of the bureaus will differ, dependent on whom the current users of the system are.
- 2) As credit providers switch between bureaus to retrieve their credit reports the profile of the credit data held on each credit bureau may be more complete for certain industries.
- 3) Differences in the matching algorithms used by Baycorp Advantage and Dun & Bradstreet mean that identification of the correct applicant file could vary.
- 4) The vast number of files on the Baycorp Advantage database can potentially "hide" the real customer profile as several identities may exist for the same individual.

Benefits to Customers:

Having a choice of bureau providers can provide significant benefits to credit lenders. A number of these are outlined below:

- 1) **Product Offerings:** Having competitive offerings in the market place provides an environment where each provider is attempting to distinguish their offering through product variations and data quality. This is highlighted by the number of different consumer bureau reports that can now be obtained and also the different options available for customer identification and verification.
 - Public Record enquiries (public record information only)
 - Adverse enquiries (default and public record data)
 - Standard Credit Enquiry (enquiry, default and public record data)
 - Consumer Bureau Scores (scores based on enquiry, default and public record data plus the raw data)
 - Consumer Application Scores (scores based on application, enquiry, default and public record data)
 - VeriCheck
 - IdentiCheck (FCS Online)
 - FraudCheck
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- 2) **Service:** As we now operate in a competitive consumer bureau environment, each provider will be aware that customer service can now have an impact on which bureau a credit provider uses.

Jan 2007: Kansas City-based UMB Financial Corp. is using Apple Computer's iTunes Store to educate consumers about financial facts. [more.](#)

Jan 2007: HSBC Commercial Bank's Asia Pacific business growing. [more.](#)

Jan 2007: Veda Advantage approached by private equity. [more.](#)

Feb 2007: Baycorp's new owner wants refund. [more.](#)

Feb 2007: Could "Freezing" your credit file become an option in Australia [more.](#)

Feb 2007: Consumer Confidence at a all time high. [more.](#)

Feb 2007: New BasePoint study (US) finds fraud linked to up to 70% of early payment defaults. [more.](#)

Feb 2007: Veda Advantage (ex Baycorp Advantage) boost first half profit [more.](#)

Feb 2007: Andrew Want to stay with Veda Advantage? [more.](#)

Events

23th Feb 2007: NAB cup kicks off with Port Adelaide v's Adelaide at Aami stadium.

24th -28th Feb 2007: ACUI National Conference in Brisbane. [more](#)

13th Mar 2007: Cricket World Cup starts with West Indies v's Pakistan in Jamaica.

17th Mar 2007: World swimming championships kick off at M.S.A.C.

- 3) Pricing: As a result of the two bureaus trying to gain and/or maintain the number of users, it is expected that competitive pricing structures and products will be offered to encourage the use of one or both bureaus.
- 4) Data Profile: The type of product offered by the credit provider may attract a specific profile of customer. One or other of the bureaus may hold more in-depth and complete data for that profile of customer. This means that a user could go to one bureau for specific product offerings, and the alternative bureau for other products or customer profiles. This means that the credit provider will be getting the best possible total solution.
- 5) System Redundancy: With most high volume users having the bureau call integrated into their business process, the unavailability of the credit bureau service can have a major impact on a customer's business. By setting up a secondary bureau, customers can remove any impact caused through bureau outages. From our recent experience, this configuration has provided significant benefits for customers. In the event of bureau unavailability, the customer's system can automatically switch to the other bureau, preventing any down time or disruption to business.

[Continue Article at Decision Intellect web site.](#)

Note: The ongoing monitoring of portfolios and decisioning strategies may be more complex depending on the strategy applied. It should be noted however, that a systematic approach to testing dual bureau data can bear excellent results and should be included in any scorecard review. For further information regarding the strategy, implementation and monitoring of multiple bureau solutions you should contact your local bureau representative or Decision Intellect to assist with the

18th Mar 2007: Grand Prix at Albert Park in Melbourne.

26th Mar 2007: Conference - Fundamentals of Credit Risk Analysis. UK.

27th - 28th Mar 2007: Mobile Content Australia Summit 2007. [more.](#)

27th-29th May 2007: Credit Scoring and Risk Strategy Association (Canada). Annual Conference [more.](#)

29th-31st Aug 2007: University of Edinburgh Management School. Credit Scoring and Credit Control 10 Conference [more.](#)

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