Case Study: Fair For You

Increasing approval rates in new lending

Infact's Affordability Engine is a cutting-edge affordability assessment product accurate lending decisions. Using advanced data science and machine learning, the Affordability Engine provides granular, individual-level expenditure predictions to enhance existing credit risk models.

The challenge

What problems was Fair For You trying to solve?

As a part of continued new lending decisioning improvements Fair For You was looking for a way to reduce the number of affordability-based declines by replacing and improving on ONS-based expenditure estimates. Their goals were to:

1. Increase their approval rates without compromising on risk

2. Reduce the time spent on manual underwriting

3. Streamline their operational processes for maintaining their affordability models

They needed more accurate affordability assessments to responsibly extend credit to a broader customer base while maintaining their risk appetite.

The solution

How did Infact help to solve these problems?

Infact's Affordability Engine was integrated into the lender's existing decisioning process, providing:

- Granular, applicant-level expenditure predictions

- Enhanced affordability assessments using declared income and other relevant data points to personalise expenditure estimations for each applicant

- Comprehensive coverage with predictions for 100% of applicants

- Seamless integration with existing credit risk models following a short period of dual processing

The outcome

How is the lender benefiting?

1. Fair For You achieved a **16% increase in approval rates,** materially reducing affordability-based declines

1. Maintained their risk profile with **default rates reducing by over 40%** as a part of a larger decisioning improvements

2. 48% reduction in manual underwriting time

3. 75% reduction in time spent maintaining affordability model

Regulatory compliance

The solution supported the lender in meeting regulatory requirements for affordability assessments, a critical consideration in the non-prime sector.

Customer benefits

How are the lender's customers benefiting?

✓ Increased access to credit

More applicants are being approved for loans, with a **16% increase in approval rates**. This means more borrowers can access the credit they need.

✓ Faster decisions

With **48% reduction in refer rate**, borrowers receive decisions more quickly, improving their overall experience.

✓ Responsible lending

Despite the increase in approvals, the default rate remained slightly lower than the incumbent model, adding an additional layer of insight to help protect vulnerable customers from over-extending.

Testimonial by Fair For You

"Infact's Affordability Engine has improved our expenditure assessments beyond what we could achieve with ONS, which has delivered meaningful increases in acceptances and automated decisioning while keeping application friction low."