December 2024

Redefining risk management: Driving growth in financial services through credit, fraud, and compliance convergence

Enhancing efficiency, insights, and growth through integration to transform the future of risk strategy

Financial institutions are integrating fraud mitigation, credit risk assessment, and compliance, exploring the use of combined data or leveraging shared technology to minimise overall business risk while pursuing growth objectives. This report highlights the need for a unified strategy that addresses overlapping and distinct requirements across credit, fraud, and compliance. It emphasises the importance of convergence across operations to drive more efficient and effective risk management.

experian

Executive summary

Financial Institutions (FIs) are restructuring to improve alignment, data sharing, and resource allocation.

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Increasing complexity: As technology advances, businesses face the challenge of managing complex systems while simplifying processes for consumers.

- **Multiple tools and vendors**: Organisations use an average of 8 tools across credit, fraud, and compliance, with some using more than 10.
- **Fewer vendors**: 79% of respondents want to reduce the number of vendors.
- **Customer touchpoint recognition**: 64% of respondents say recognising customers and streamlining services across all channels is a key challenge.

2

Independent evolution: Credit risk, fraud risk, and compliance functions have evolved independently, leading to operational issues, technology management challenges, and increased fraud and credit losses.

- **Need for alignment**: Organisations realise the importance of aligning credit, fraud, and compliance functions to manage overall business risk better.
  - 57% of businesses say better alignment leads to improved risk management effectiveness.
- **Prioritisation**: Only 9% of organisations prioritise credit, fraud, and compliance functions equally, with most prioritising fraud.
- **Collaboration**: 87% of respondents report that these areas overlap and are working more closely together.

3

Regulatory demands: New regulations in the US, UK, and EU require FIs to reimburse consumers for losses due to scams, increasing the liability for both sending and receiving banks. Penalties for failing to implement effective Anti-Money Laundering (AML) solutions have also increased.

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Advanced fraud techniques: Technical advances in fraudsters' tools and access to stolen data have heightened the need for more complex countermeasures.

- **Fraud losses**: 69% of FIs see reducing fraud losses as the biggest issue with their current structure.
- **Evolving fraud threats**: 67% of respondents find the current structure challenging to keep up with the latest fraud threats, including those posed by GenAI.
- **Revenue vs. fraud prevention**: Two-thirds of businesses believe they are denying good customers due to fraud fears, indicating a struggle to balance revenue growth with fraud prevention.

5

Early stages of convergence: While the market is beginning to recognise the convergence of credit, fraud, and compliance, many FIs are still in the early stages of exploring the benefits of further integration.

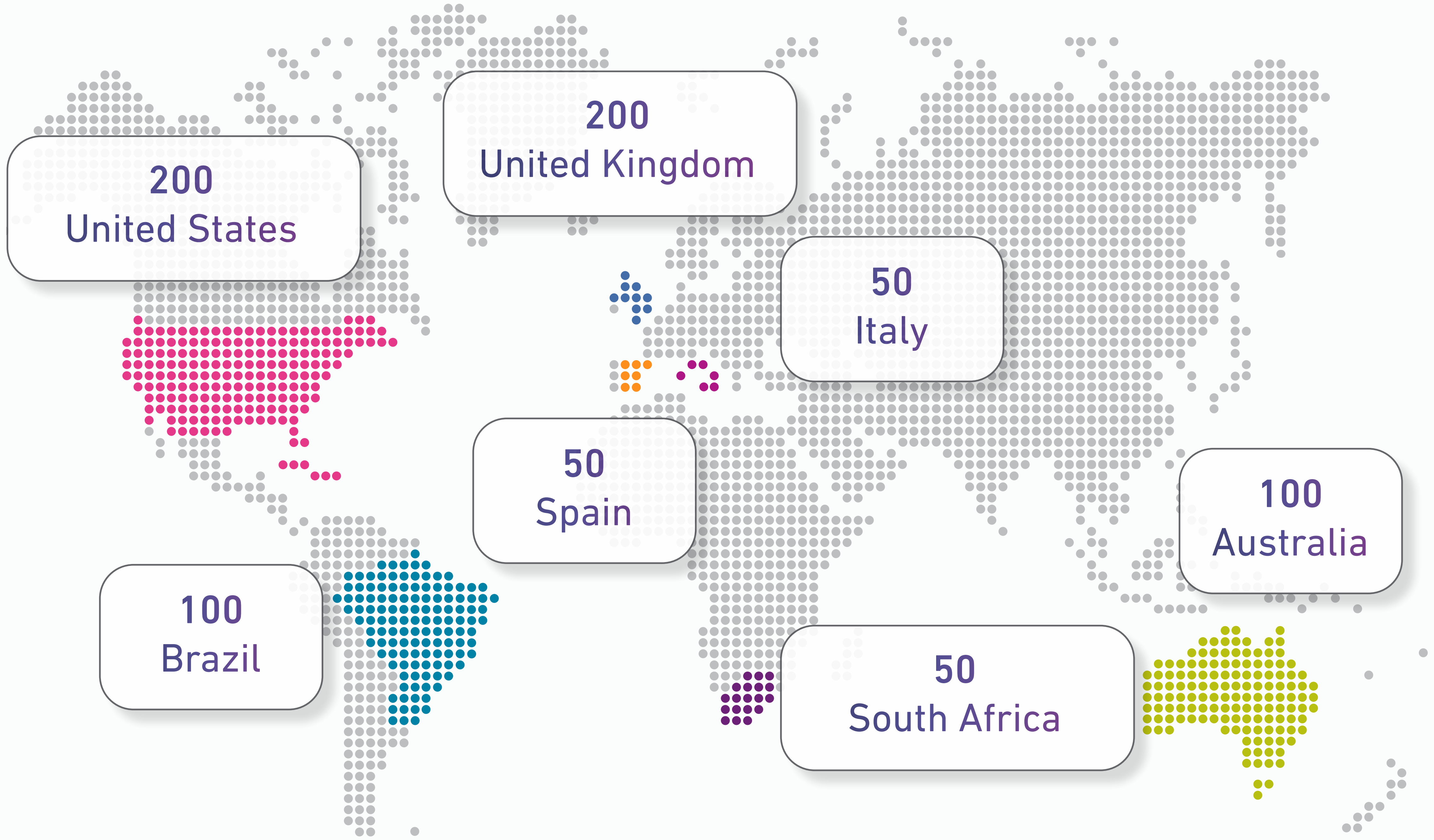
- **Speed**: The speed of convergence varies, but mature organisations have already started or plan to start the convergence process soon.
- **Centralisation**: 91% of respondents believe that forward-looking companies will centralise these functions within the next three years.
- **Solution architecture**: Only 15% prefer a 'point solution,' while 36% Favor a single integrated solution. The remaining 49% prefer modular integration.
- **Next-generation platforms**: Technology is crucial for integrating functions and managing risk. Banks see next-generation platforms as essential for adapting to market needs, delivering innovative products, and meeting regulatory requirements.

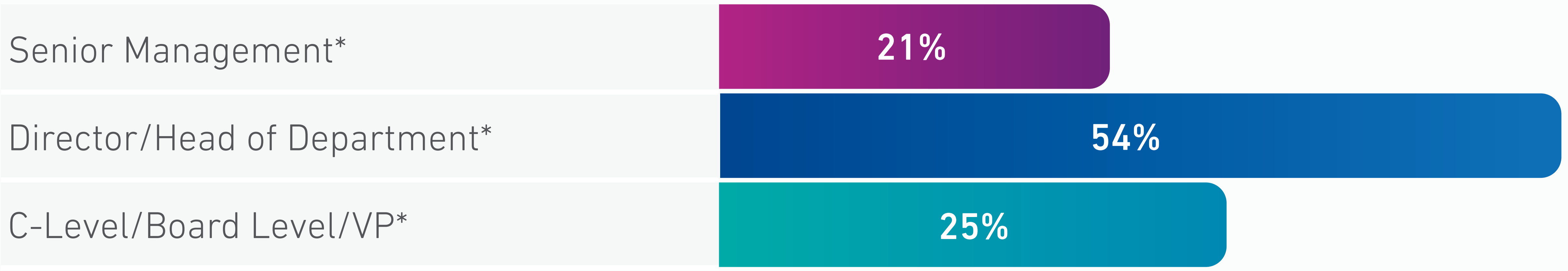
> The growing trend of financial institutions integrating their credit, fraud, and compliance functions allows them to succeed in the ever-evolving financial landscape. This convergence enhances risk management, streamlines operations, and drives growth. As technology advances and fraud becomes more sophisticated, a unified approach is crucial for staying ahead of emerging threats, meeting regulatory demands, and delivering a seamless customer experience.

Keith Little,
President, Experian Software Solutions,
Experian

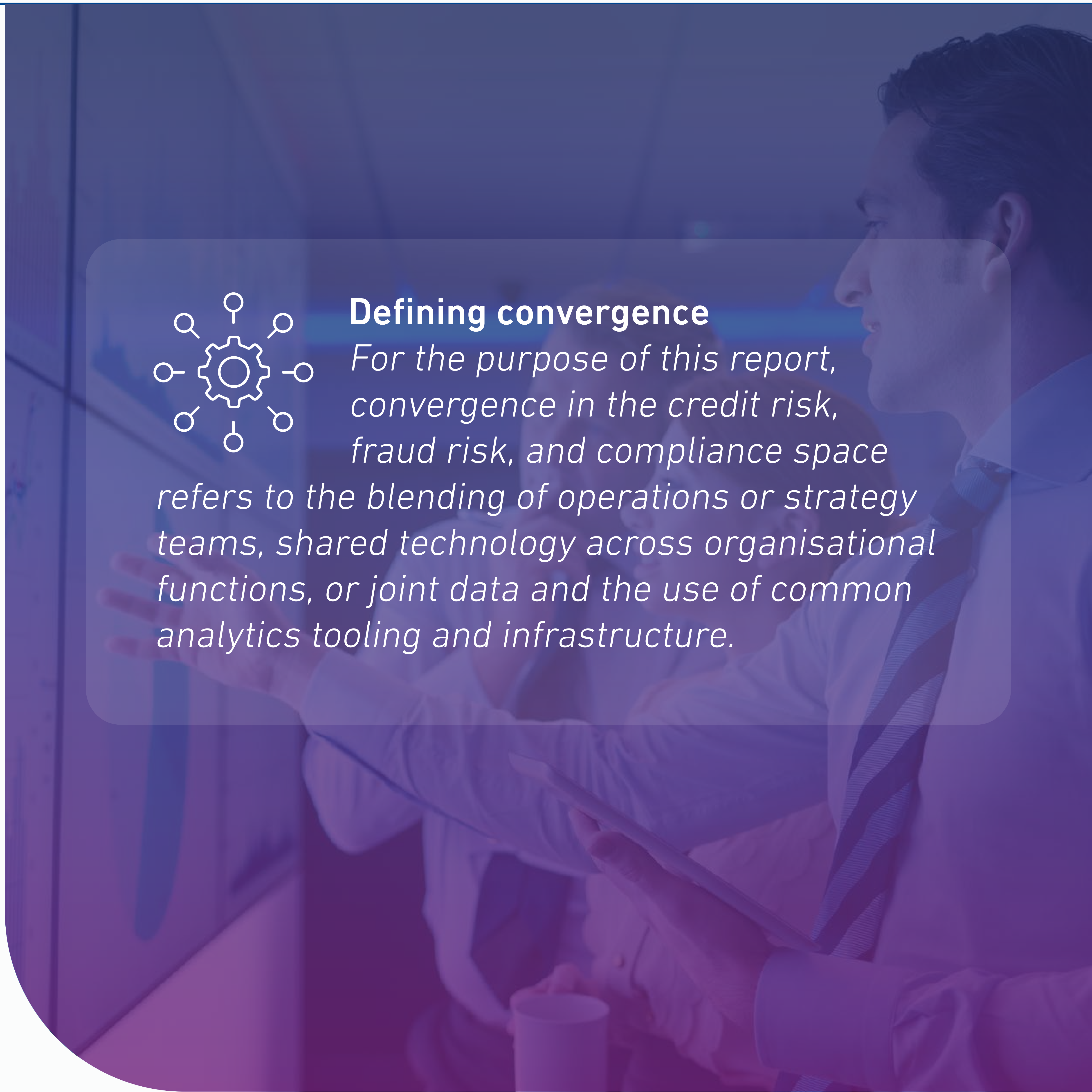
Research methodology

We surveyed **750** leaders in credit risk, fraud risk and compliance in financial services organisations across the world





Roles holding at least responsibility or influence in fraud risk, credit risk, or compliance



Defining convergence

For the purpose of this report, convergence in the credit risk, fraud risk, and compliance space refers to the blending of operations or strategy teams, shared technology across organisational functions, or joint data and the use of common analytics tooling and infrastructure.

The evolution of convergence

The concept of convergence is not new for businesses. As technology advances, the development of highly complex systems designed to meet consumer and business expectations continues to accelerate. As a result, businesses are challenged to manage increasing complexity while simplifying processes for consumers and operations teams.

Credit risk, fraud risk, and compliance functions have evolved independently to a level of increasing sophistication and complexity. This has led to operational issues, technology management challenges, complex customer experience management, and increased fraud and credit losses for businesses.

A shift in financial risk compliance has created additional demands for FIs. In the UK and EU, FIs are now liable under new regulations in the payments space to address scams such as Authorised Push Payment (APP) fraud. Organisations must reimburse consumers for losses due to scams, even if the victim was involved in sending the money. This liability extends to the sending bank and the bank receiving the payment into a mule account. The Electronic Fund Transfer Act in the US also provides important protections when consumers suffer unauthorised withdrawals from their accounts.

Additionally, penalties for failing to implement effective anti-money laundering (AML) solutions have increased significantly as regulators intensify their crackdown.

These challenges have been exacerbated by technical advances in the fraudster's toolbox, which, combined with a treasure trove of stolen data, has continued to accelerate the need for more complex countermeasures.

Our research shows that credit, fraud, and compliance are three points of convergence in financial services, and the market is starting to recognise this. But FIs are still early in the convergence journey, and many organisations are just starting to explore the benefits of further integration.

Navigating new threats and opportunities

FIs are operating in an ever-evolving technology landscape that presents opportunities and threats. Public access to generative artificial intelligence (GenAI) tools has allowed fraudsters to scale and personalise attacks on a level never seen before, leading to huge increases in fraud such as Authorised Push Payment (APP) fraud, synthetic identity fraud and identity theft. IDC predicts that synthetic loan applications will grow 100% by 2027 due to the availability of GenAI and personal data on the dark web. At the same time, businesses struggle to realise opportunities in credit risk management due to the need for transparency, monitoring, and automation to stay compliant and efficient.

FIs are starting to make major changes to their organisational structure to improve alignment and tackle these challenges collectively, allowing for better data sharing and resource allocation.

IDC predicts that synthetic loan applications will grow by

100% by 2027

IDC FutureScape: Worldwide Retail Banking 2025 Predictions, doc #US52634924, October 2024

> **FIs are operating in an ever-evolving technology landscape that presents opportunities and threats**

Businesses recognise the need for convergence

Convergence for fraud and credit risk:

By integrating insights from credit and fraud processes, institutions are better positioned to detect synthetic and traditional identity fraud and digital attacks including bot activity. This synergy leads to more accurate credit risk assessments and robust fraud prevention, ultimately creating a safer and more reliable risk strategy.

Convergence for Integrated Fraud and Anti-Money Laundering (AML) programmes:

FIs are increasingly merging their fraud detection and AML processes. This integration helps create a holistic view of suspicious activities, improving the efficiency of investigations and reducing redundant efforts. Many banks now use combined systems to monitor fraud and money laundering transactions, enhancing their ability to detect and prevent financial crimes.

The appetite among FIs for closing the gap between credit, fraud, and compliance functions is increasing:

In **2022**, Experian commissioned research with Datos and found that FI functional areas across credit risk, fraud and compliance were largely decentralised, each residing in its own silo. Integrating credit risk, fraud and compliance was a desirable but elusive goal. The research found that limited funding and changing needs prevented firms from realising their ultimate desired state.

In **2023**, commissioned research conducted by Forrester Consulting on behalf of Experian showed that the most important features for choosing a new technology solution to support the organisation's credit operations were fraud and identity checks. This signalled that FIs were starting to look at tools that helped them in both credit and fraud simultaneously.

Our **latest research** points to a further change in sentiment. As financial institutions increasingly seek convergence, the research shows that they are driven by multiple factors. The current siloed approach is creating challenges across fraud, credit, and compliance functions, impacting organisations' ability to reduce losses and stay on top of rapidly-evolving fraud threats. Most (69%) see reducing fraud losses as the biggest issue when it comes to structure, while 67% of respondents found the current structure challenging to keep on top of the latest fraud threats, including GenAI.

> "We need a 100% digital onboarding with a more robust anti-fraud system and focus on an anti-fraud and a credit score which is more robust than what we use today".
>
> Head of analytics, (Retail bank), Brazil

Challenges respondents state are impacted by current structure, resources and technology tools

69% Reducing fraud losses

67% Keeping on top of latest fraud threats

65% Reducing credit losses

64% Having a customer acquisition strategy that aligns with organisation's risk appetite

64% Recognising customers and streamlining service across all channels throughout customer lifecycle (i.e: onboarding, logging in, transacting, adding services)

***Source**: Survey insights from 750 FI leaders on the impact of current structures, resources, and technology tools*

As access to GenAI tools has increased, the point-of-entry for fraudsters has lowered, allowing for personalised attacks at a scale never seen before. This has resulted in costly fraud losses for institutions.

While organisations need to limit instances of fraud, they must strike the right balance with customer experience expectations. FIs are struggling to do this, with 64% of respondents saying that recognising customers and streamlining service across all channels in the customer lifecycle is another key challenge when it comes to the current structure.

Consumers today expect businesses to identify and recognise them seamlessly across all digital and in-person channels. The expectation for recognition extends across multiple product offerings for consumers in pursuit of a consistent and personalised experience regardless of the interaction point. Businesses that are unable to do this will increasingly lose good customers. Lack of alignment can lead to a point-in-time view of the customer and lost opportunities to assess risk and improve the customer experience across all points of engagement.

Balancing revenue growth with risk tolerance

As consumers now expect seamless digital experiences, businesses seek ways to grow their portfolios while mitigating the risk of fraud without causing unnecessary friction.

Our research shows that two-thirds of businesses believe they are denying good customers over fear of fraud while simultaneously reporting that fraud budgets have increased in recent years. 69% of respondents state they allocate a specific budget for fraud losses each year, with 70% reporting that budgets have increased in the last three years. As a result, businesses are struggling to balance the tradeoff between prioritising revenue growth and minimising fraud losses across the customer lifecycle, leading to excessive "good customer" declines.

The research shows a disparity between different stages of the customer journey, with variations on the level of customer friction deemed appropriate to mitigate risk across the lifecycle.

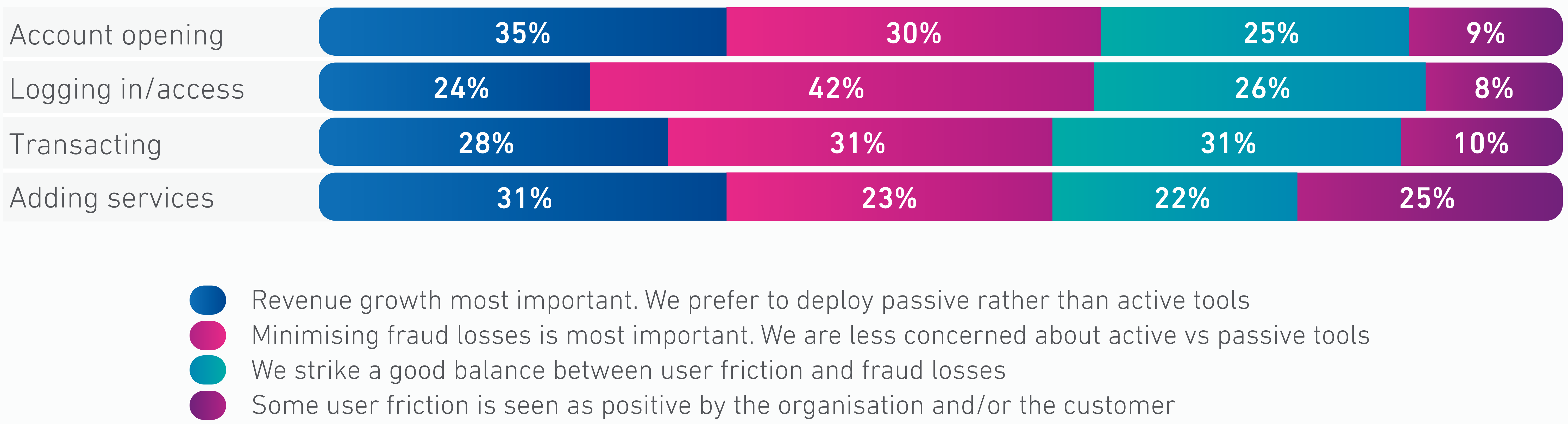
In account opening, businesses prioritise revenue generation over minimising fraud losses, with 35% citing revenue growth as the most important priority. Attitudes to friction change for the account login and account management stage, where minimising fraud losses becomes the top priority for organisations.

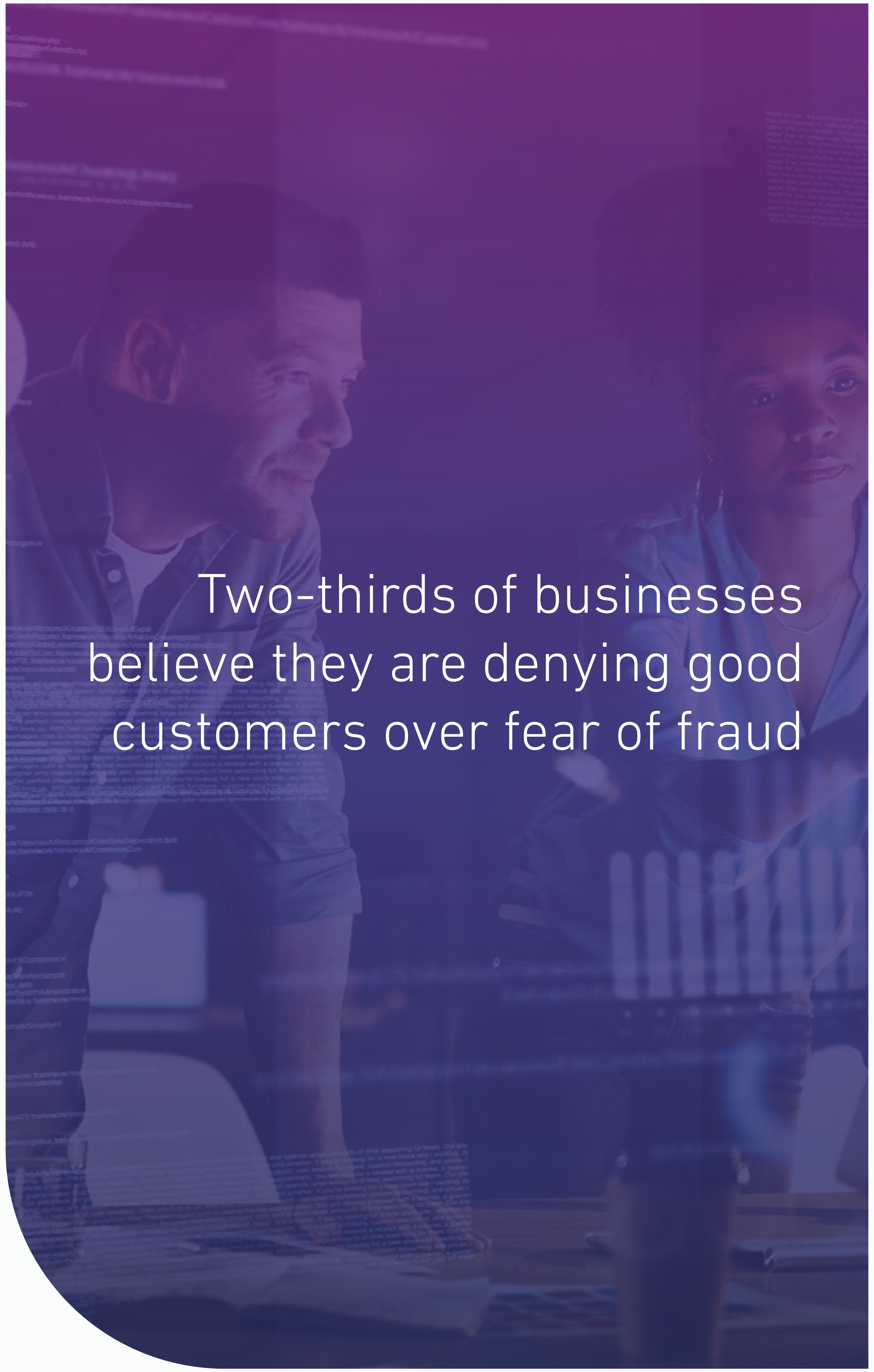
In transactions, organisations report a similar approach, prioritising the prevention of fraud losses over growth, while attempting to strike a balance between user friction and fraud losses. Finally, revenue growth retakes the top spot in adding services as the most important priority.

Most businesses surveyed see revenue opportunity in portfolio growth through gaining new customers via account opening and when consumers add more services. This explains why FIs report that minimising fraud losses is a secondary concern during these stages. The challenge businesses face is that consumers measure customer experience not just by the one-time event of setting up an account, but by the ease with which they can engage with their service provider over time.

Addressing the disconnect between fraud prevention and revenue growth is essential, and this is where business objectives and consumer expectations are often at odds. Organisations must rethink how combined data insights and technology across their credit, fraud and compliance practices can help them simultaneously achieve revenue growth, improved fraud prevention, and adherence to regulatory requirements. That starts with better alignment across departments and communication between functions.

Attitude to friction in different processes





Experian perspective

Financial institutions need to balance the customer experience with risk tolerance, and that balance starts with understanding the diverse sets of data that businesses have about a customer across different functions. Businesses can benefit from aggregating these rich consumer data insights for deeper insights, whether it is identity data, transaction data, credit data, or other disparate data sets within the organisation.

Another area where data aggregation can be particularly useful is in distinguishing between credit losses and fraud losses. Currently, the separation of credit risk and fraud risk functions means that the tools used to identify these issues often operate in silos. As a result, teams may not fully understand the outcomes of credit or fraud risk decisions made by other departments. This separation creates ambiguity about the true nature of business challenges: is it a credit risk problem or a fraud risk problem? Without a unified view of the data and outcomes, risk categorisation becomes an arbitrary reporting exercise.

Credit decisions are often prioritised in most businesses over fraud decisions within the risk management process. Consequently, traffic declined due to credit risk is not assessed for fraud risk. This means that 30-50% of traffic never undergoes a fraud assessment, limiting visibility into potentially fraudulent activities such as credential testing, identity theft, and system threshold probing that may be hidden in declined credit traffic. Significant emerging threat patterns may be missed without a comprehensive view of all traffic through the fraud detection system.

Integrating credit decisioning and fraud detection solutions can provide improved data insights, ultimately changing the narrative from "balancing risk *against* growth", to "achieving *both* risk and growth goals simultaneously." However, this only becomes possible when different solutions can leverage data and insights in a combined way across functions.

- **Data aggregation:** Combine diverse data for deeper insights.
- **Credit vs. fraud:** Unified data helps distinguish between credit and fraud losses.
- **Risk assessment:** Credit decisions often miss potential fraud in declined traffic.
- **Integrated solutions:** Combining credit and fraud detection balances risk and growth.

Improving risk management through alignment

Correctly identifying consumers, managing fraud risk, making informed credit decisions, and ensuring compliance share common ground. The research shows that organisations believe they need to achieve alignment across the disciplines of fraud, credit risk, and compliance to better tackle overall risk to the business. 87% of respondents say credit risk, fraud, and compliance overlap and are working more closely to gain efficiency and effectiveness.

The speed at which businesses report that convergence is happening does vary. However, our data indicates that more mature organisations have already started the convergence process, or plan to in the near future.

Even where businesses still firmly operate across three individual functions, the message is clear. 91% of respondents say that forward-looking companies will centralise credit risk, fraud and compliance within the next three years.

Benefits of better alignment

Businesses recognise that better alignment between credit risk, fraud, and compliance leads to benefits and positive business outcomes. The main benefits cited by respondents were improving risk management effectiveness (57%) and operational efficiencies (52%), followed closely by increased data integrity and consistency. 48% see cost reduction as a potential benefit of the centralisation in credit, risk and compliance, and 41% see this as an opportunity to move to best-in-class solutions.

The research shows that organisations that have embarked on the consolidation journey are seeing significant benefits compared with those still working separately across functions without as much alignment. Businesses with more centralised practices had better overall risk management effectiveness, improved operational efficiencies, and better data integrity across the business. This allows them to mature around each practice with more sophisticated approaches to credit risk, fraud, and compliance.

Potential benefits and outcomes of centralising fraud, credit risk, and compliance

Improve overall risk management effectiveness	57%
Improve operational efficiencies	52%
Increase data integrity and consistency across business	50%
Fosters greater cross-team collaboration in protecting the organisation	49%
Reduce costs	48%
Move to best-in-class, integrated solutions	41%
Streamline opening new accounts	41%

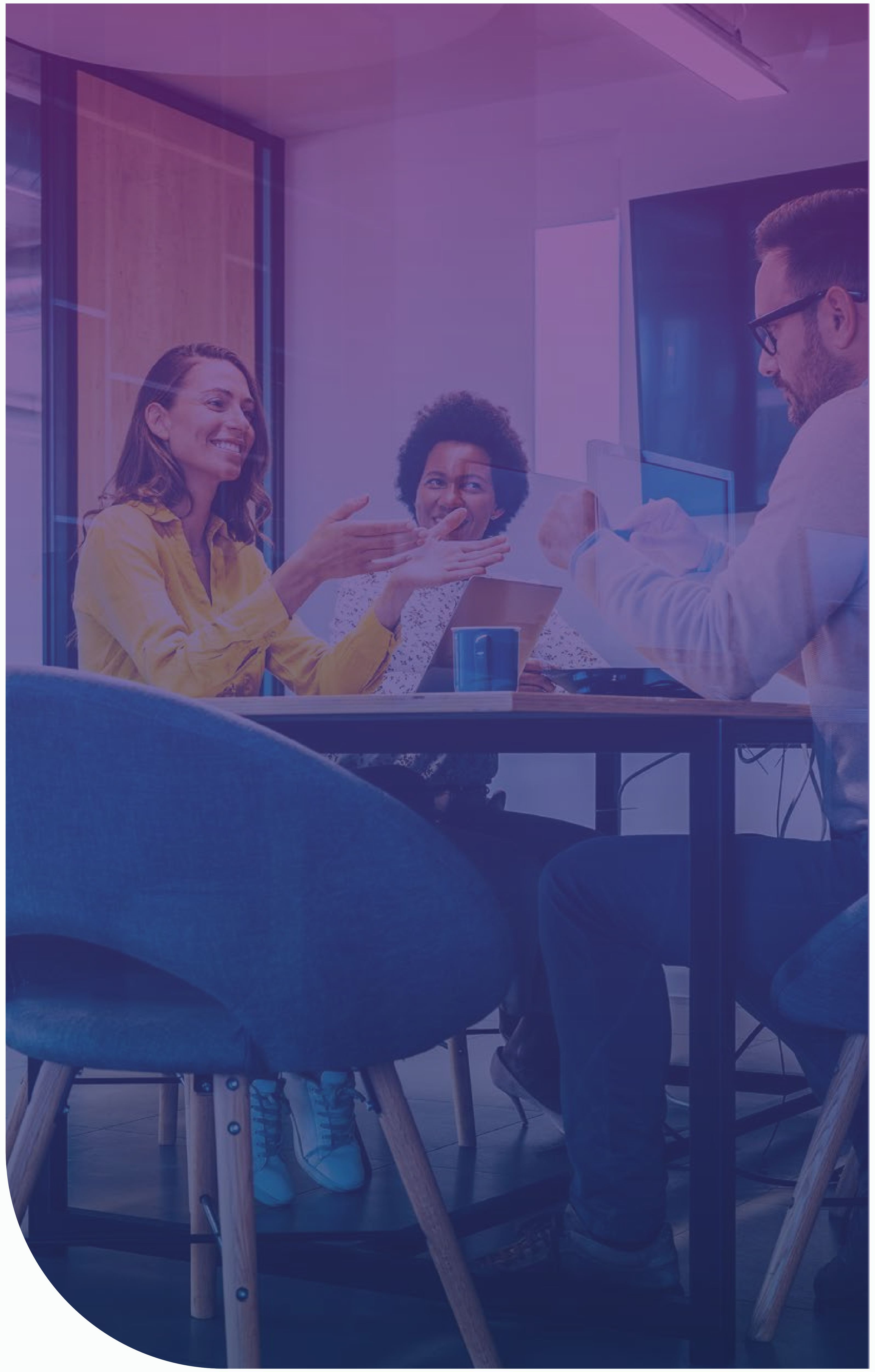
Alignment and maturity are correlated

Businesses want more integration, and our research shows that the maturity of each function within a business is closely correlated with how well-aligned they are across functions. Respondents were asked about management approaches across credit risk and fraud risk functions to assess maturity.

In credit risk, many organisations are still using scores from credit bureaus alone to assess risk, with the majority (41%) using a combined approach of both scores and alternative data. Only 22% of businesses reported using custom models/analytics alone.

41% of credit risk organisations use a combined approach of both scores and alternative data

22% of businesses reported using custom models/analytics alone



Decentralised

- Often experience more challenges with the existing structure
- Are less mature on average for credit risk and fraud risk
- Are less likely to align in terms of priorities in terms of credit risk vs fraud compliance
- Are less likely to say their existing tooling is integrated well

Centralised

- Are likely to experience fewer challenges with current structure
- Are more mature when it comes to credit risk and fraud risk
- 61% of centralised departments say credit risk tooling decisions are made in unified and coordinated processes
- Are more likely to combat fraud and credit risk at every stage of the customer lifecycle

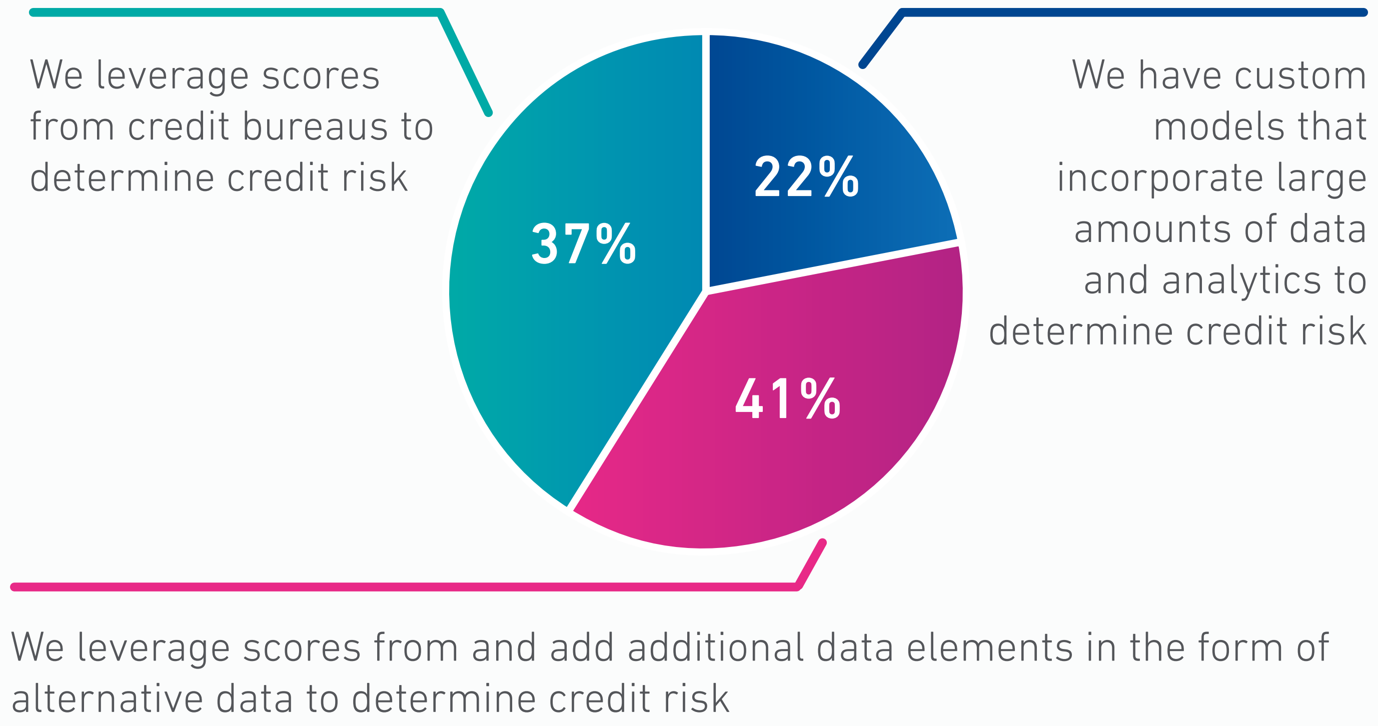
Organisations face significant challenges in moving machine learning models from analytics and data science environments to live decisioning. Building and deploying complex custom models can add significant costs and delays. The lack of scalable processes hinders financial institutions from advancing their use of analytics and custom models. Integrating decisioning and fraud software with models created using specialised analytical programs is the primary challenge. Re-coding models instead of using their original formats creates dependencies and extends testing, validation, and amendment cycles.

- Typically, the MLOps process requires two testing cycles: one with original test data to ensure consistency and another with live data.
- Further testing is required once the model is deployed into decisioning software.
- Data scientists may need to amend the model throughout these cycles, potentially restarting the process. Model governance requirements apply before and after deployment to ensure visibility, transparency, and explainability for auditors and regulators.

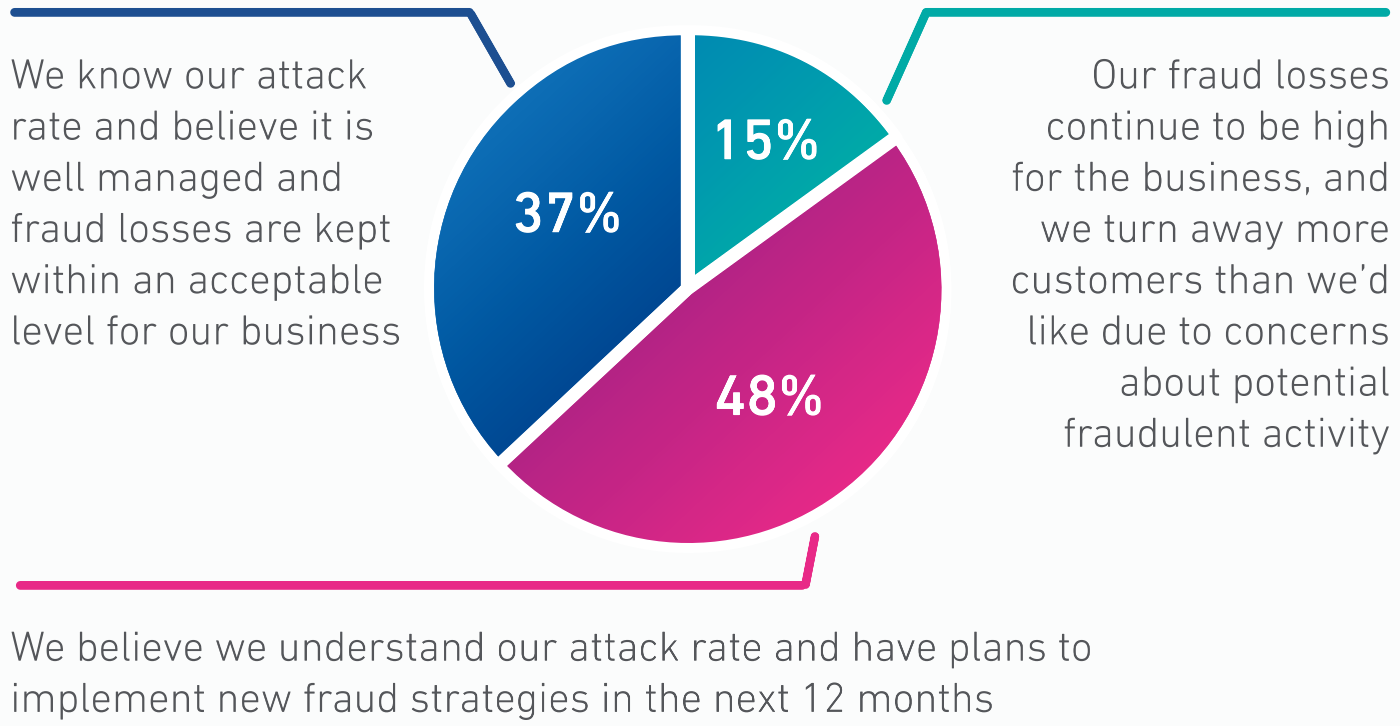
Only after meeting these requirements can the model drive customer decisioning strategies and generate a positive return on investment.

For fraud management, 37% of organisations report having control over fraud losses, and only 15% say that fraud losses are too high for the business. Most businesses have adjusted their budgets to account for both their fraud losses and the IT and operations costs needed to maintain fraud loss rates. Consequently, the research shows a fairly clear prioritisation across the three functions. Only 9% of organisations say that they prioritise these three disciplines equally. Most put the greatest emphasis on fraud.

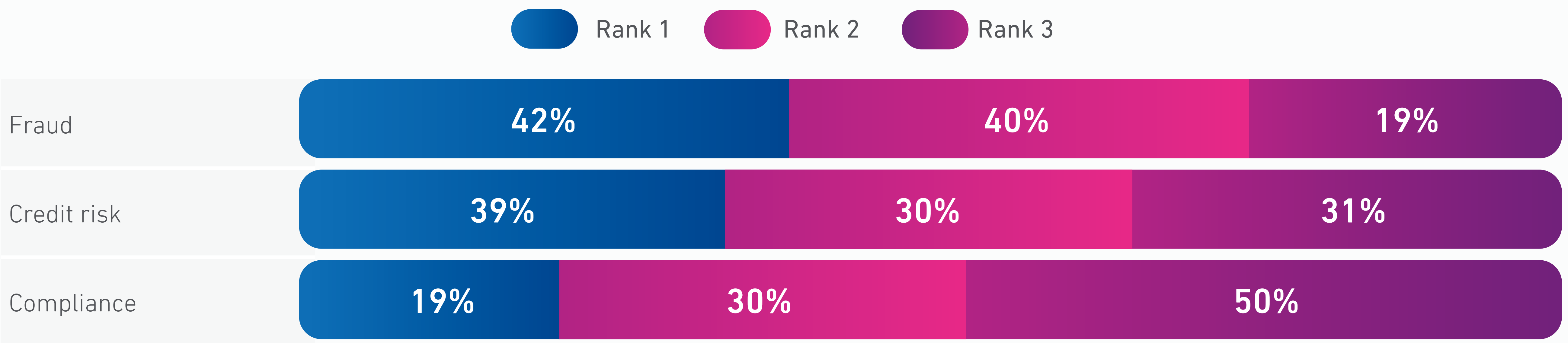
Approach to managing credit risk



Ability to manage fraud risk



How respondents prioritise investments across three functions



Convergence can help allocate resources where needed across these functions by removing duplication and improving alignment across technology. This will reduce costs and create efficiency.

Experian perspective

Businesses recognise the benefits of convergence across credit risk, fraud, and compliance. The potential value of reduced costs from combined teams and technology, as well as operational efficiencies gained from data sources, digital interactions, and clarity around outcomes, is clear.

Beyond this, better collaboration enables proactive customer management and deeper consumer insights. Improved data intelligence helps identify risk signals, fine-tune models, and make better decisions, leading to fewer customers declined for potential fraud or credit risk, alongside increased customer acquisition and retention.

Additionally, shared AML and fraud risk data will become a core data asset for FIs and the key to maintaining up-to-date customer views. Creating a centralised view of this data will support the growing desire for collaboration across the financial services ecosystem, which will help eradicate blind spots and facilitate optimal data sharing. This combined approach would remove operational silos and enhance criminal network countermeasures.

Integrating AI into these converged processes can provide a more holistic view of the customer, enabling personalised customer experiences and improved automated responses. By using AI to manage the increased complexity of combining various data sets, organisations can gain deeper insights and make more accurate predictions. Enhanced data and insights, alongside cohesive technology, will foster collaboration, elevate individual disciplines, and support business customer commitments.

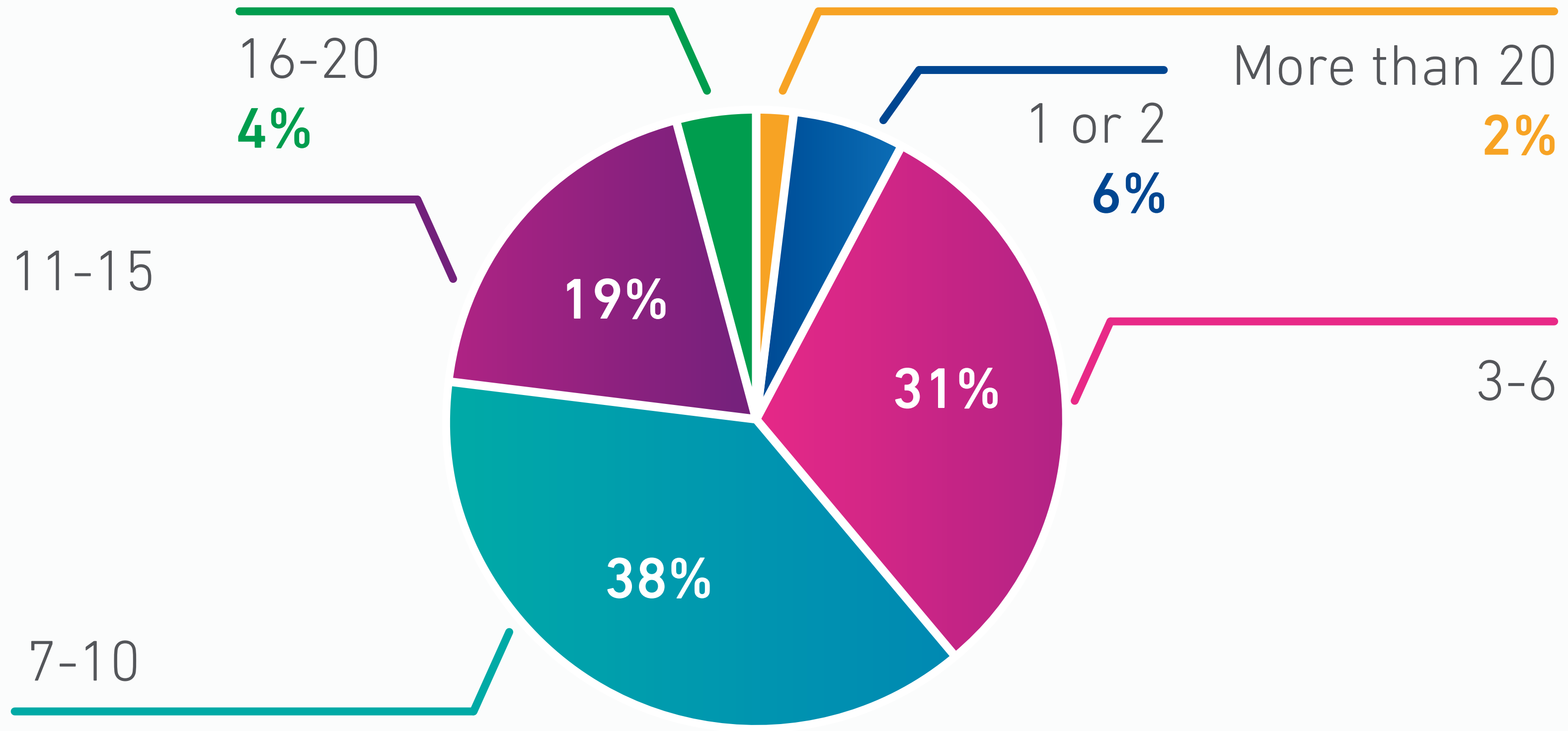
- **Convergence benefits:** Reduced costs, operational efficiencies, and clearer outcomes.
- **Collaboration:** Proactive customer management and deeper insights.
- **Data intelligence:** Better risk signals, improved decisions, fewer declines, increased acquisition and retention.
- **Shared data:** AML and fraud data as core assets, supporting up-to-date customer views.
- **Regulatory framework:** Single national fraud and economic crime database to eliminate blind spots.

Holistic risk management and technology integration

Technology is vital to the seamless integration of functions and comprehensive risk management. According to Forrester's 2025 Banking Predictions, ***'Banks increasingly see the adoption of next-generation platforms as necessary to rapidly adapt to market needs and deliver innovative products and personalised customer experiences, while improving operational efficiency and meeting expanding regulatory requirements.'***

According to our data, organisations use multiple tools and vendors across functions and the customer lifecycle. While a layered approach to technology is necessary for achieving an effective solution, most businesses report having duplicate and overlapping technology in place.

Number of different tools currently used across fraud, compliance, and credit risk



Our research shows that organisations use an average of 8 tools across credit, fraud, and compliance, while one out of four companies surveyed reports using more than 10 tools across these functions.

Respondents indicate that some integration between tools exists but can be limited. While 58% say there is good integration between the solutions, managing this level of integration between multiple tools and vendors can prove challenging.

FIs report spending significant time and resources managing vendors and want to reduce this number. 79% of respondents say they want to work with fewer vendors to manage credit risk, fraud and compliance.

According to the survey, building tools internally isn't the ideal solution, given the high development and maintenance costs. 82% report that they prefer to buy credit risk, fraud, and compliance technology rather than build it themselves.

79% of respondents say they want to work with fewer vendors to manage credit risk, fraud and compliance

With FIs reporting the use of multiple tools and technology across functions, the likelihood of overlap is extremely high. One major challenge businesses are likely to face with so many systems is managing the data. With numerous applications, data is often tagged inconsistently, making it difficult to consolidate into a single view. As these areas become more complex and there is increasing reliance on GenAI to keep up with rapid changes, the importance of data connectivity grows. If the data isn't integrated, it will hinder an organisation's ability to move swiftly and leverage this technology effectively.

Achieving technology integration

Companies seeking a solution that encompasses credit risk, fraud, and compliance highlight that the top requirement is the ease of building a business case to prove the Return On Investment (ROI) of more integrated tools (53%).

Another key characteristic that FIs consider important is that the combined solution must accommodate the complexities of their business, such as structure and geographic distribution, as reported by 53% of respondents.

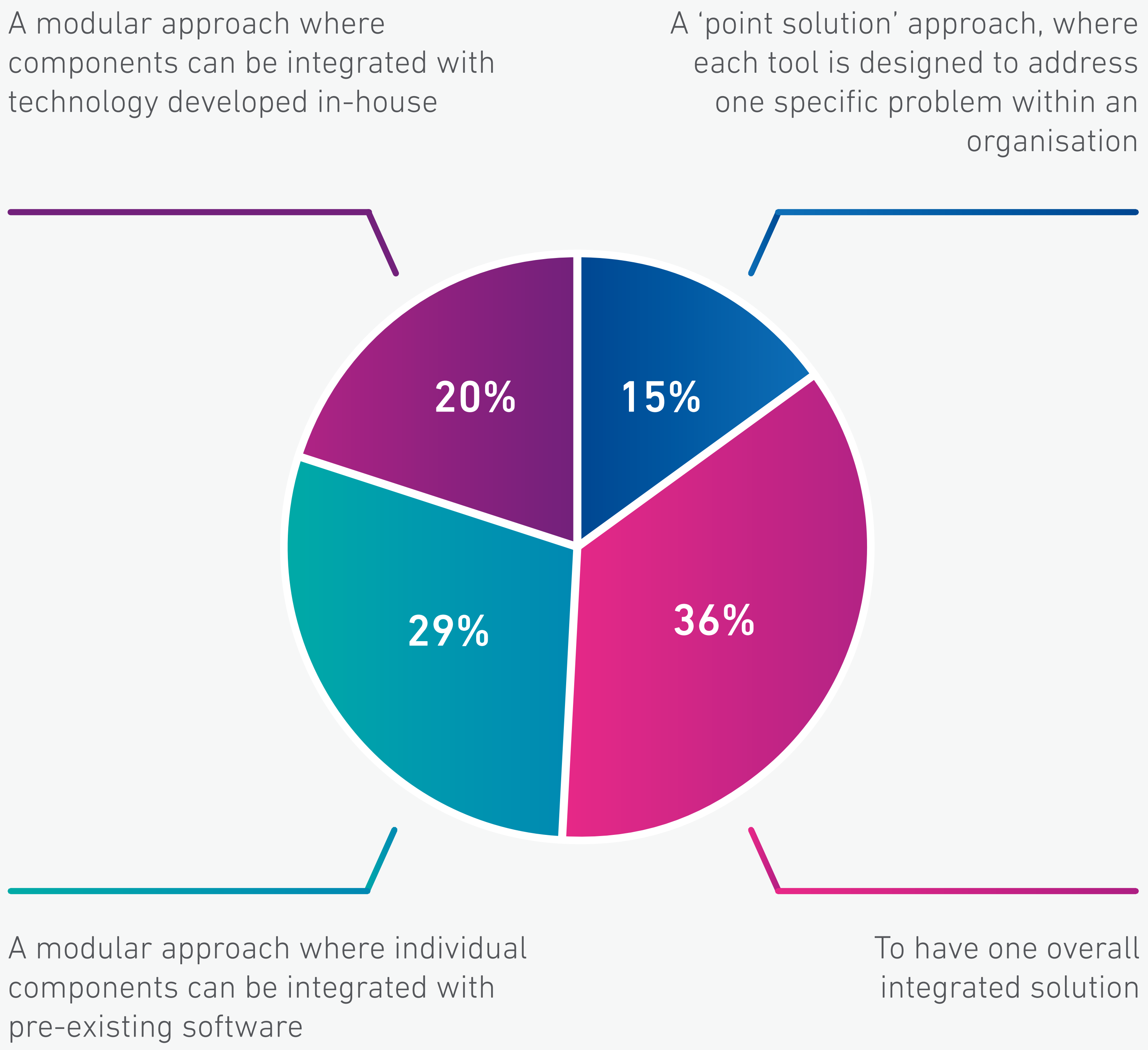
Additionally, just over half of the respondents indicated that integration with existing systems in credit risk, fraud, and compliance is also critical.

In terms of implementation, only 15% of respondents stated that they preferred a 'point solution,' while 36% preferred a single, overall integrated solution. The remaining 49% favoured some form of modular integration with existing or in-house systems. 49% prefer a modular approach where components can be integrated with in-house technology (20%) or with pre-existing software (29%).

Key considerations for a converged solution

Ease of building a business case for integrated tools/ROI	53%
Ability to work with complexities in our business (e.g: structure/geographies)	53%
Measuring effectiveness of more integrated tools	51%
Integration with our existing systems in these areas	51%
Offers cloud or hybrid deployment option	48%
Supports a more holistic risk management approach with clear ownership/roles	47%
Machine learning capabilities	42%
Provision of usable insights into credit risk, fraud and compliance	41%
Optimises operations across the three functions	39%

Implementation preferences for new technology to support fraud, credit risk and compliance management



Experian perspective

As organisations move towards technology integration across data and tools such as credit risk assessment, fraud detection and analytics, it is important to establish key metrics and set baselines before advancing with further collaboration or software implementation. This approach ensures that the added value can be effectively measured and demonstrated over time. Without these baselines, showing that investments have led to significant improvements becomes challenging. To demonstrate the ROI of such integration, consider reviewing these key benefits:

Productivity — New and modern solutions offer time improvements from automation and transparency to faster processing times. With more consolidated data and integrated technology, organisations can expect faster application response times and better model building, leading to more automated decisions. To ensure these productivity gains, it is important to work with a vendor that can scale over time and integrate with existing systems. Models can be readily monitored for drift and adjusted accordingly.

Revenue growth — These combined improvements can lead to better customer experience and revenue growth. By processing applications faster, consumer experience improves, and with it, competitive positioning. With better data, organisations may be able to improve marketing campaign performance and targeting. Improved risk assessments can mean fewer false fraud flags and increase new account openings.

Scaling — Measure the ability of a new solution to scale across the business and work with its complexities. Organisations often need to work with different systems around integration and testing, complex software upgrades, and third-party licensing. A modern cloud infrastructure, where an integrated solution is delivered out of the box through a single API, helps to further scale solutions.

Business agility — With better data insights, organisations can be more flexible and respond faster to market changes. This can improve an organisation's ability to react to new fraud threats or adjust credit risk assessments based on evolving market conditions. With more powerful technology and modern model-building practices, organisations can launch new products and lines into the market faster.

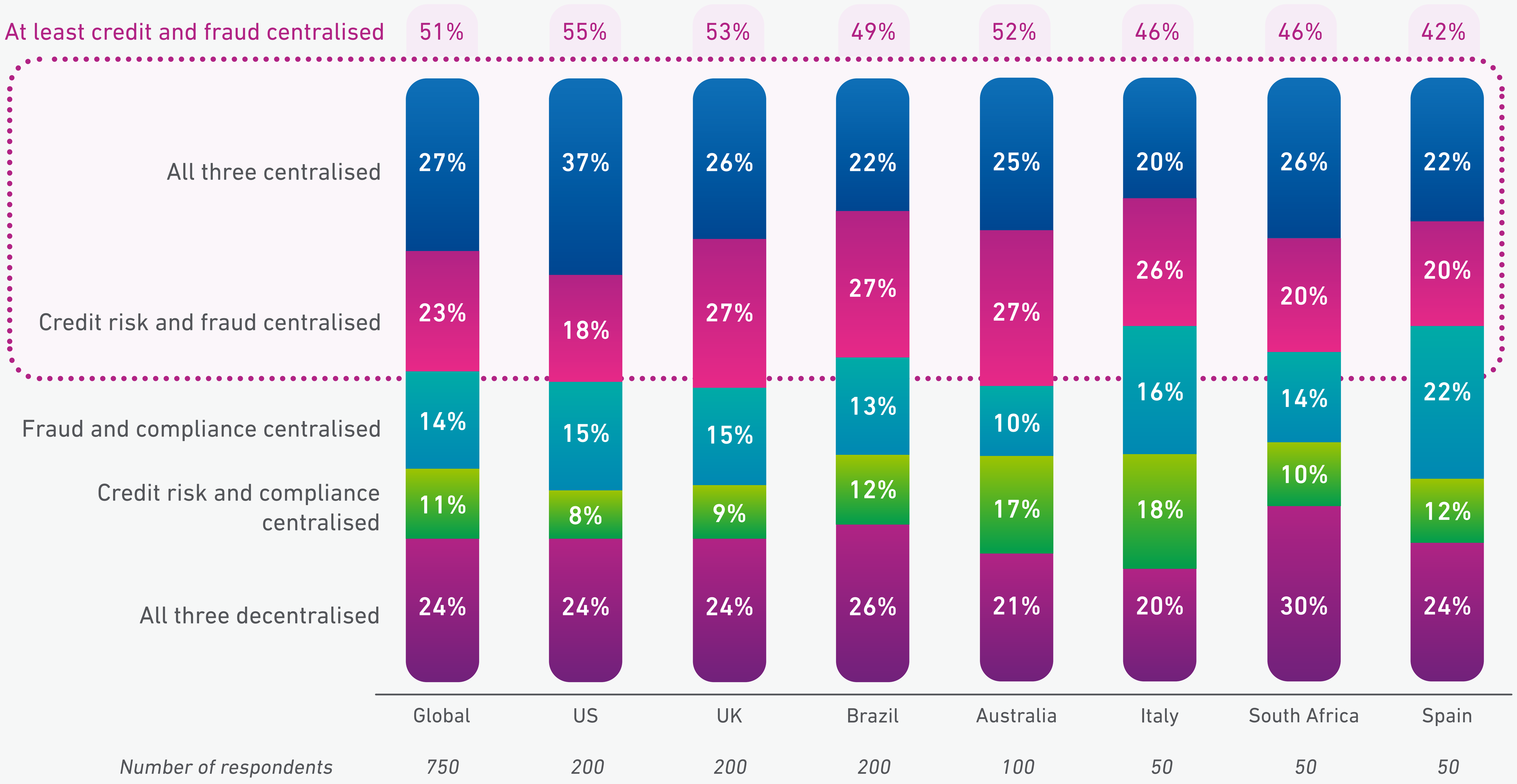
Cost savings — Review what potential cost savings can be gained from an integrated solution. Are there fewer API calls or better volume discounting by consolidating vendors? Can you move from an on-premise product to cloud and benefit from cost savings around infrastructure? From a credit risk and fraud perspective, improved decisioning and models in this area could lead to fewer charge-offs and reduced fraud losses. In addition, potential technology efficiencies can be gained with fewer vendors to manage, fewer technology updates to make and lower maintenance costs. Convergence, especially when delivered through a single cloud-based platform, promises reduction in total cost of ownership.

FIs are moving towards convergence but have a way to go

The findings illustrate that convergence is a journey, with financial institutions at various stages of the process.

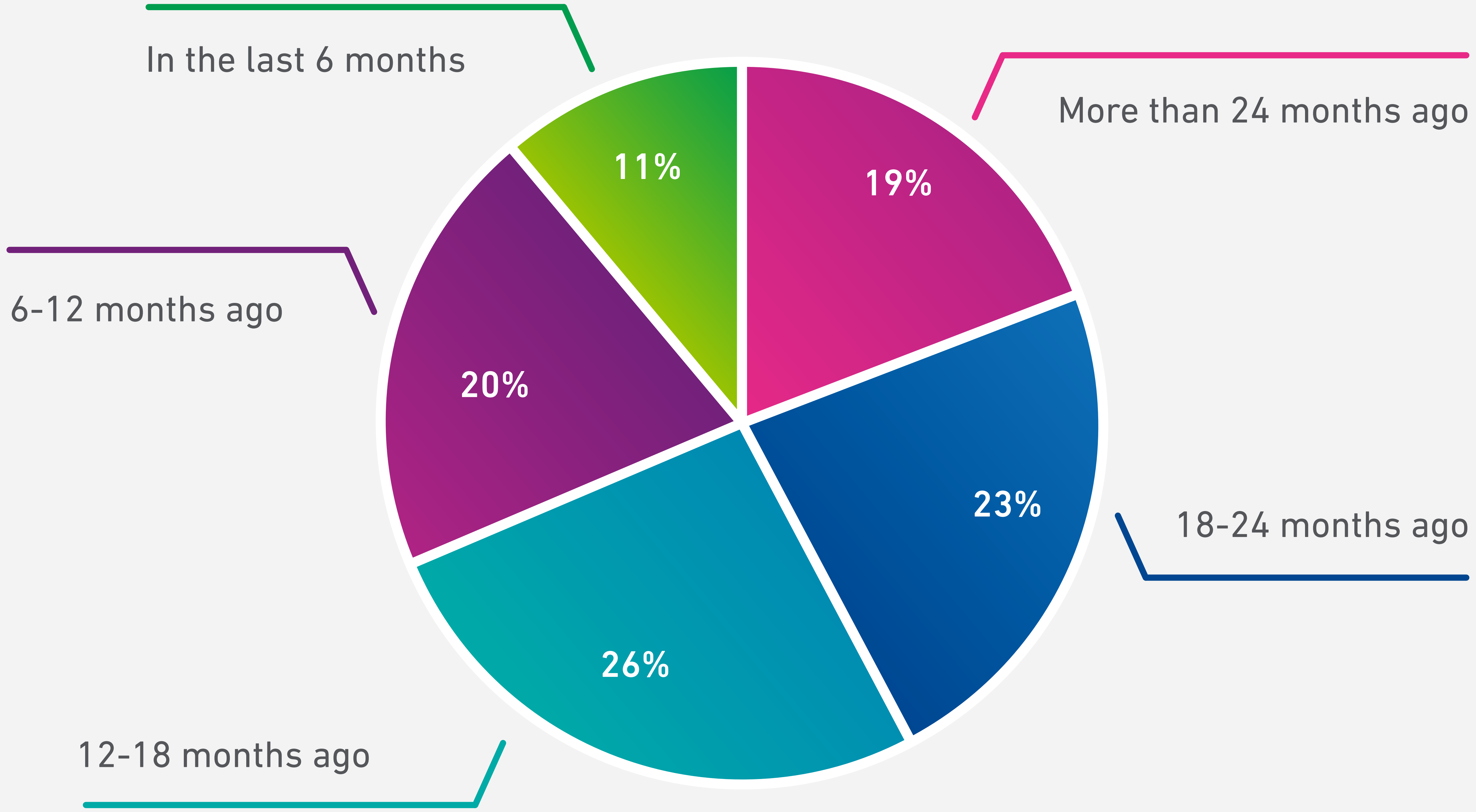
Many organisations are pursuing convergence where it aligns with their goals. While some are actively moving towards an integrated approach, others may not explicitly discuss convergence but are focusing on better alignment

51% of the organisations have at least centralised credit and fraud, while 27% have all three functions centralised. The findings also show that there aren't significant regional differences. The US exhibits the most convergence between credit, fraud and compliance, while Spain is still mostly decentralised and managed by different departments. Of the companies that have centralised their functions, 57% have done so in the last 18 months.



	Global	US	UK	Brazil	Australia	Italy	South Africa	Spain
At least credit and fraud centralised	51%	55%	53%	49%	52%	46%	46%	42%
All three centralised	27%	37%	26%	22%	25%	20%	26%	22%
Credit risk and fraud centralised	23%	18%	27%	27%	27%	26%	20%	20%
Fraud and compliance centralised	14%	15%	15%	13%	10%	16%	14%	22%
Credit risk and compliance centralised	11%	8%	9%	12%	17%	18%	10%	12%
All three decentralised	24%	24%	24%	26%	21%	20%	30%	24%
Number of respondents	*750*	*200*	*200*	*200*	*100*	*50*	*50*	*50*

How long ago fraud, credit risk, and compliance were centralised



91%
of FI respondents stated that forward-looking companies will centralise fraud, credit risk and compliance

90%
of respondents would personally prefer to work for an organisation where fraud, credit risk, and compliance are centralised and tightly integrated

> FIs indicate that they are at different stages of evolution, but most see the benefit across these facets of convergence. Some are aligning technology convergence to their platform re-architecture activities, while others are using new regulatory guidelines as the impetus to initiate activities. And then there are the businesses that are moving towards operational convergence as they combine and upskill their internal data science and analytics capabilities and teams.

David Britton,
Vice President of Strategy,
Global Identity & Fraud, Experian

Key takeaways

The need for convergence between traditional fraud mitigation and credit risk operations and tools has never been more pressing. Where these historically may have been siloed operations groups and tools, businesses must converge tools, data, analytics and philosophies to mitigate overall risk to the business.

An integrated view starts with a cohesive strategy across credit, fraud and compliance. Complex businesses in the financial services market offer multiple products across credit, deposit, savings and brokerage accounts, each with different target customers, profitability objectives, outcomes, regulatory guidelines and levels of risk. The first step is to clearly understand where these products and offerings have overlapping needs and where explicitly different needs exist. When meaningful overlap is identified, businesses can lay out a strategy that gives them the best suite of tools to meet those needs.

Vendors need to ensure that their solutions have unified underpinnings related to data and technology while also incorporating a level of flexibility to meet the varying needs of businesses. This requires great innovation, and extensive subject matter expertise to ensure that the solutions meet the market demands.

Proving the value of integration

Productivity: Automation and integrated technology improve processing times, model building, and decision-making.

Revenue Growth: Faster application processing and better data improve customer experience, marketing, and risk assessments.

Scaling: Ensure new solutions can scale across the business, integrating with existing systems and leveraging cloud infrastructure.

Business Agility: Enhanced data insights allow for quicker responses to market changes and new fraud threats, enabling faster product launches.

Cost Savings: Integrated solutions reduce costs through fewer API calls, better vendor consolidation, and lower maintenance, leading to reduced total cost of ownership.

Discover the Experian Ascend Platform

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