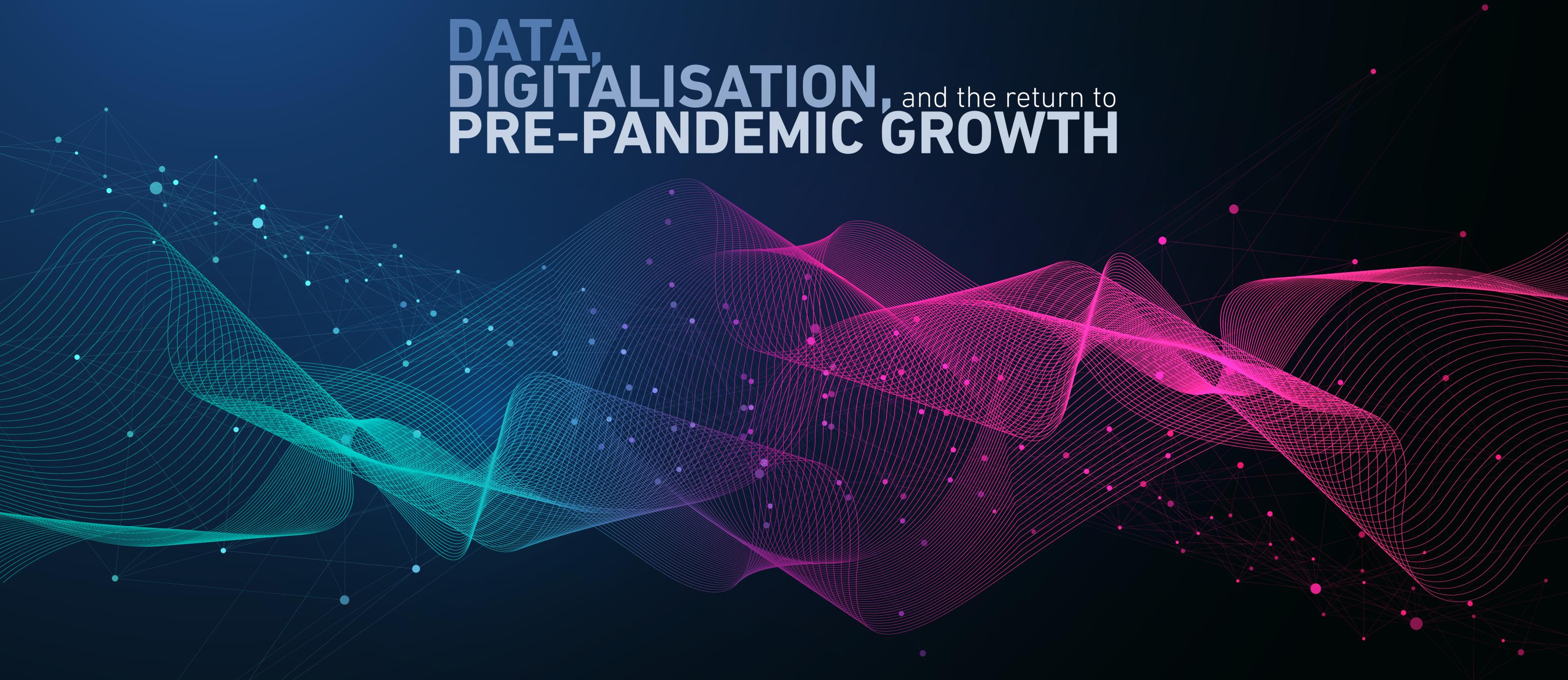


DATA, DIGITALISATION, and the return to PRE-PANDEMIC GROWTH



CONTENTS

CUSTOMER EXPERIENCE (CX) AND ACQUISITION

DATA, CONSENT, AND MAXIMISING OPPORTUNITY

OPPORTUNITIES AND CHALLENGES IN THE NEXT 12 MONTHS

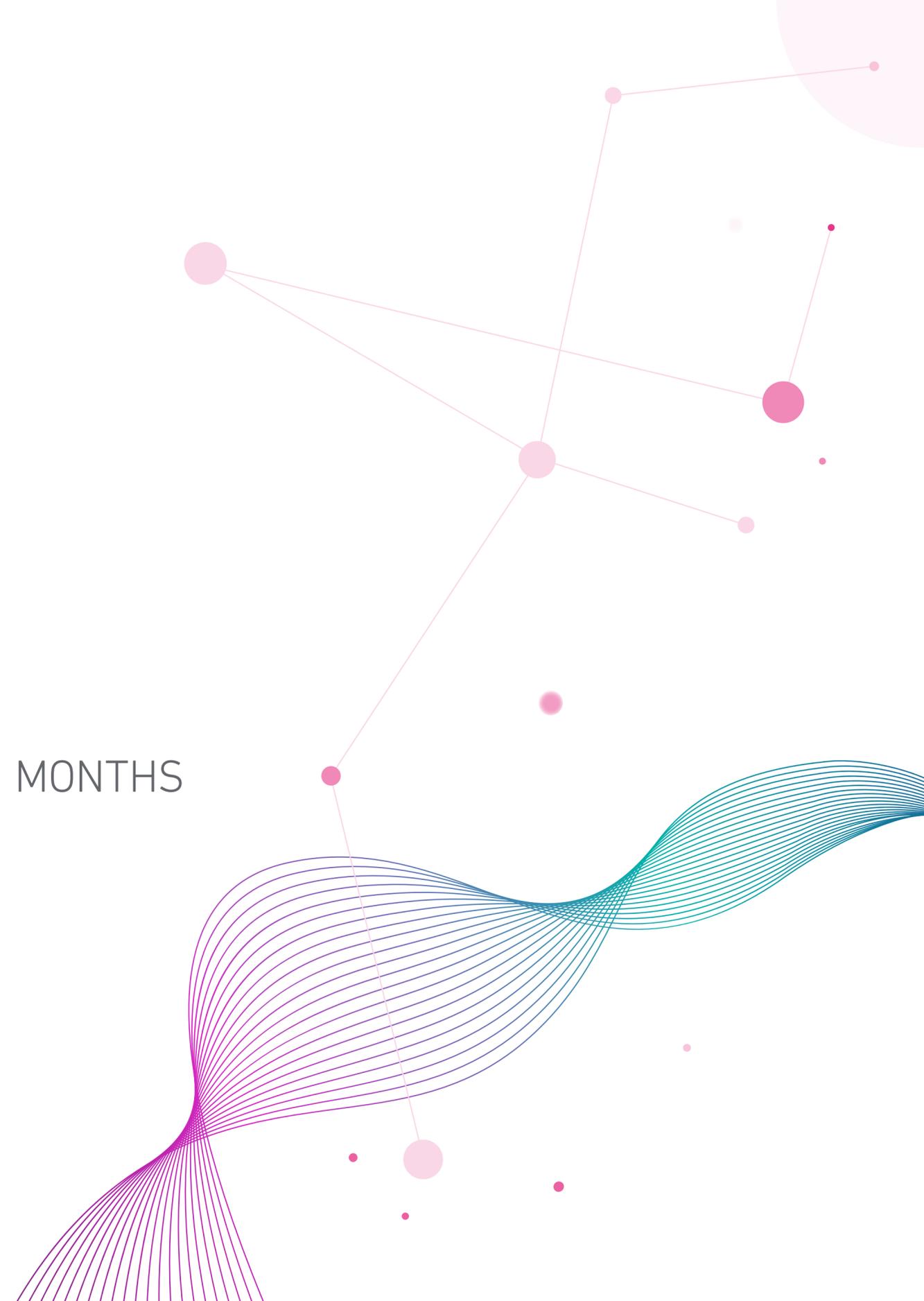
Please note:

B
598

C
3,123

You'll find these icons next to each chart or graph, they are clarifying to which base, business or consumer, and how many they are referring to.

To qualify for our consumer study, all respondents must have completed an online or in-branch credit application in the past 12 months.

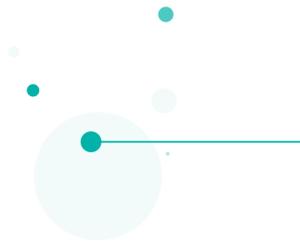




WELCOME TO EXPERIAN'S 2021 BUSINESS AND CONSUMER REPORT



Data, digitalisation, and the return to pre-pandemic growth



Andrew Hadji-Hannas
Marketing Director, EMEA

2020 was tough on businesses and consumers. 2021 offers many businesses and consumers an opportunity to return to something approaching normality, with some countries more advanced than others in terms of recovery. The pressures of the pandemic accelerated the trend of digitalisation. This was already a primary focus for most organisations before the pandemic hit. Still, over the past 12 months, there has been further adoption and usage of digital services with the physical world for long periods shut down or significantly restricted.

So, what will this mean going forward? The need to deliver an exceptional customer experience online is paramount. Many businesses have had to shorten their digital transformation roadmaps to take advantage of the new normal, or at the very least, stay competitive. This report covers businesses within the broader financial services and telecoms sectors. And given both those sectors operate in a price-sensitive marketplace,

customer experience can be a key point of differentiation against the competition. From a credit perspective, it is about understanding affordability, credit risk, and fraud risk as accurately as possible without adding friction that will impact conversion.

With that in mind, we wanted to find out how organisations are performing in regards to customer experience and investigate the value data has in helping them understand and better serve their customers. This year, we have added a new dimension to our research by also surveying consumers to understand how their attitudes and perceptions align or differ as businesses look to return to pre-pandemic growth levels. How do they rate the current customer experience? How do they view sharing data with organisations, and what do they expect in return? Balancing the value exchange will be vital for businesses to succeed in the digital environment.

We hope you find the insights valuable as you drive your business forward.

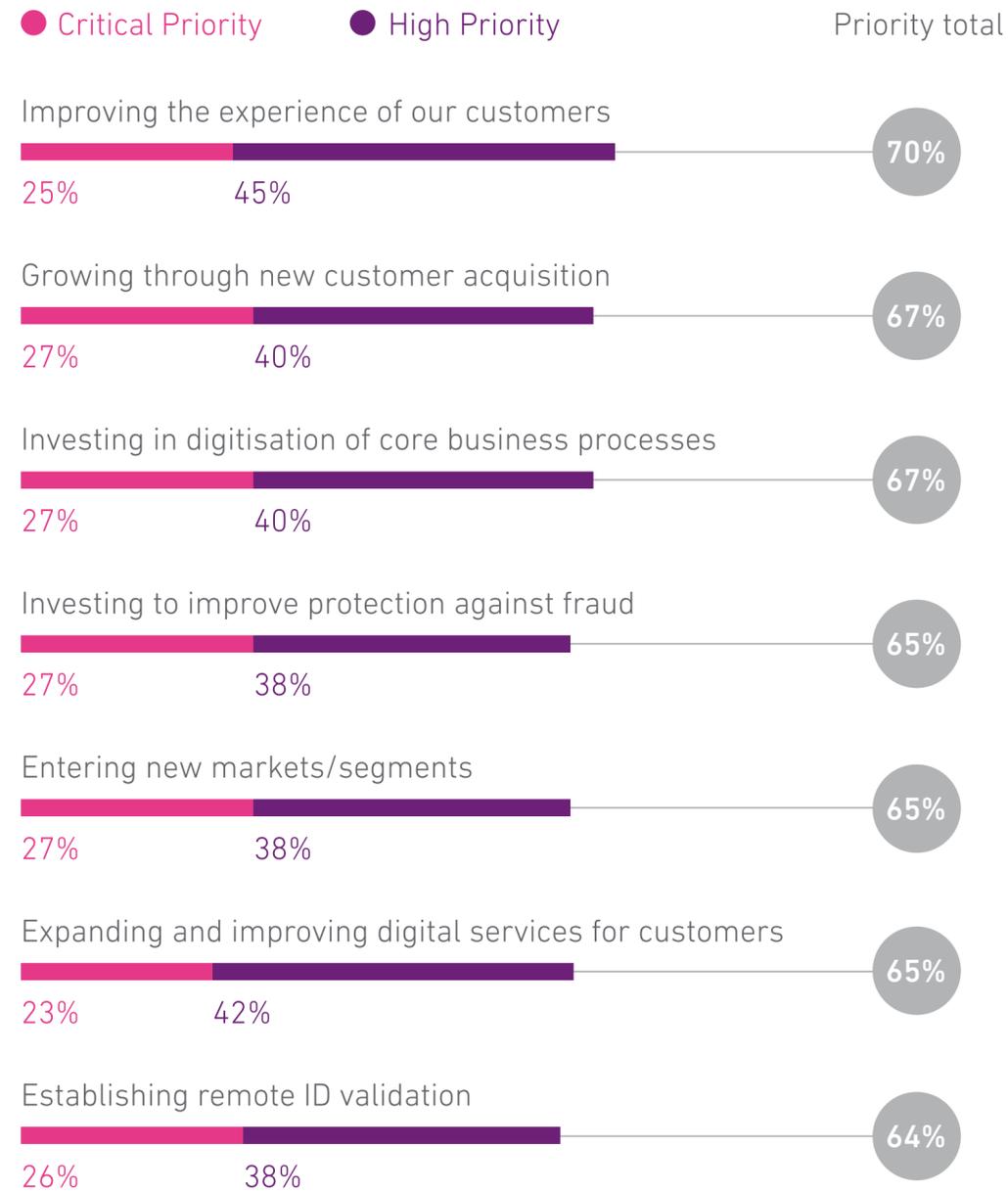




CUSTOMER EXPERIENCE (CX) AND ACQUISITION



IDENTIFYING THE TOP BUSINESS PRIORITIES OVER THE NEXT 12 MONTHS



Base: 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

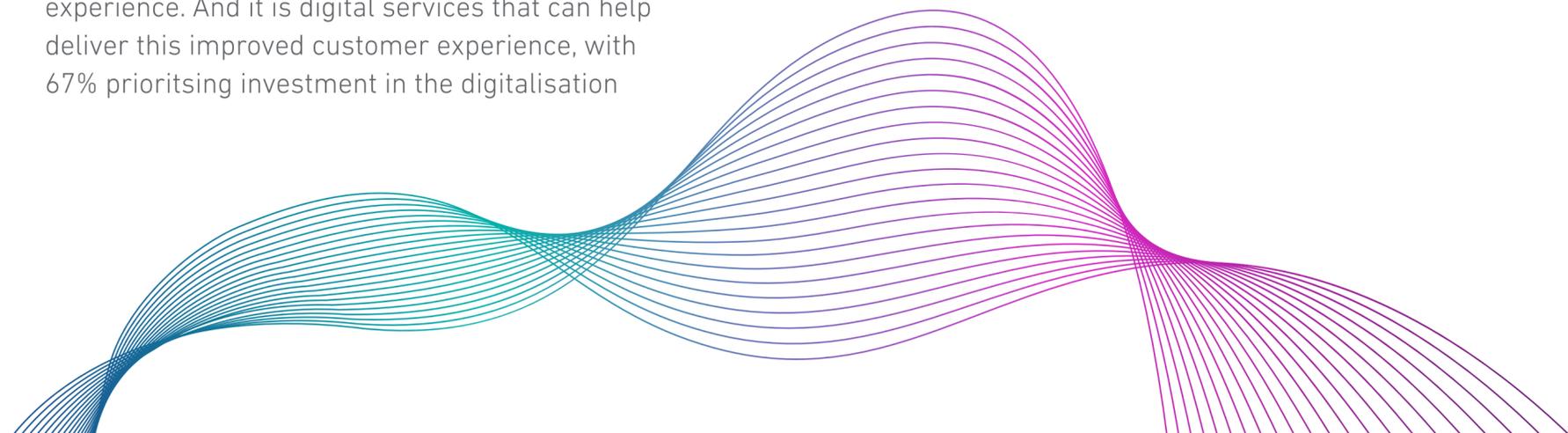
Improving customer experience, acquisition growth, and digitising core services are top priorities for businesses

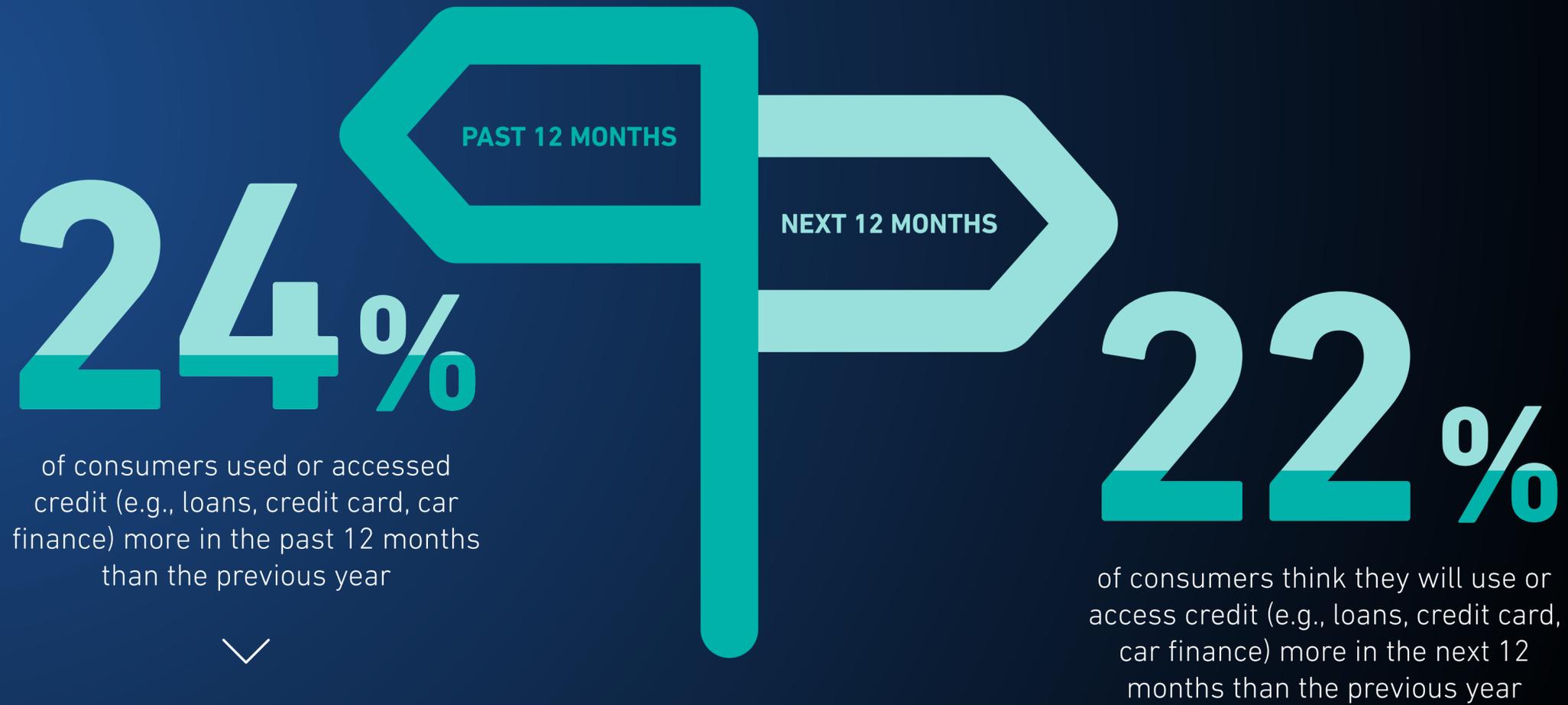
The pandemic has affected consumers and businesses in various ways, both positively and negatively, meaning now more than ever support, empathy, and care are required - especially from organisations that provide financial services to customers. How organisations handle customers in times of need or when genuine support is required, will have a long-lasting impact on the brand. According to our research, 8% of consumers lost their job during the pandemic and 37% took on additional employment to support their finances. For businesses that have provided credit to consumers, identifying vulnerability quickly, especially when normal patterns and behaviours may have changed due to the pandemic, will be the key to engaging with proactive support that ultimately protects the customer and rewards the business.

The acceleration of online activity is driving consumer preference for convenience and speed - these are both key to improving the customer experience. And it is digital services that can help deliver this improved customer experience, with 67% prioritising investment in the digitalisation

of core services. This is about getting better and smarter at providing a great experience via digital touchpoints, whether making user experience improvements to an app or digitising the in-store experience to make it more efficient and effective. The key is to invest in the right digital technology to deliver performance uplift. Establishing remote ID validation falls into that category, with 65% of businesses signposting this as a critical or high priority to help improve digital acquisition. Businesses that can swap out manual customer steps and replace them with a more straightforward digital step will reduce friction and overall abandonment levels whilst delivering operational cost savings at the same time.

Customer experience is the **top business priority** for improvement in the next 12 months.





Which of the following finance or credit products/services have you applied for within the past 12 months?



C
3,123

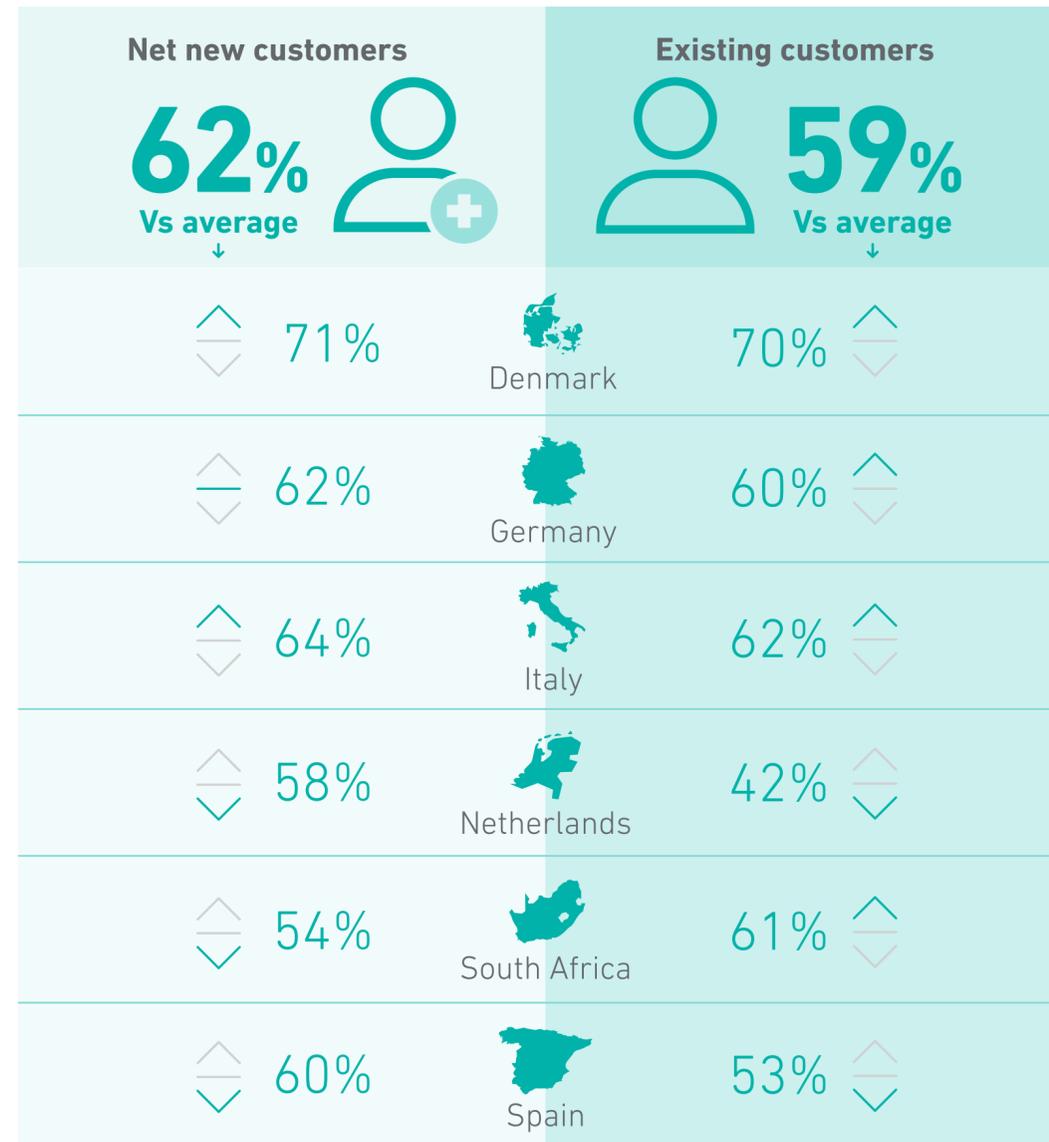
Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.



Most businesses have seen an increase in credit applications from both new and existing customers in the last 12 months

% OF BUSINESSES WHO STATED THAT THE VOLUME OF CREDIT APPLICATIONS FROM NEW AND EXISTING CUSTOMERS HAS INCREASED OR SIGNIFICANTLY INCREASED DURING THE PAST 12 MONTHS

B
598



Base: 598 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

Most businesses rate their onboarding experience as good, but with room for improvement as 1 in 4 state average or below



HOW WOULD YOU RATE YOUR COMPANY'S ONBOARDING/ ORIGINATIONS CUSTOMER EXPERIENCE WHEN APPLYING FOR A CREDIT PRODUCT OR SERVICES ONLINE?

Base: 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.



IN YOUR OPINION, HOW EFFECTIVE IS YOUR ORGANISATION IN CUSTOMER ACQUISITION — ATTRACTING AND CONVERTING PROSPECTIVE CUSTOMERS

Respondents who stated Effective or Very effective

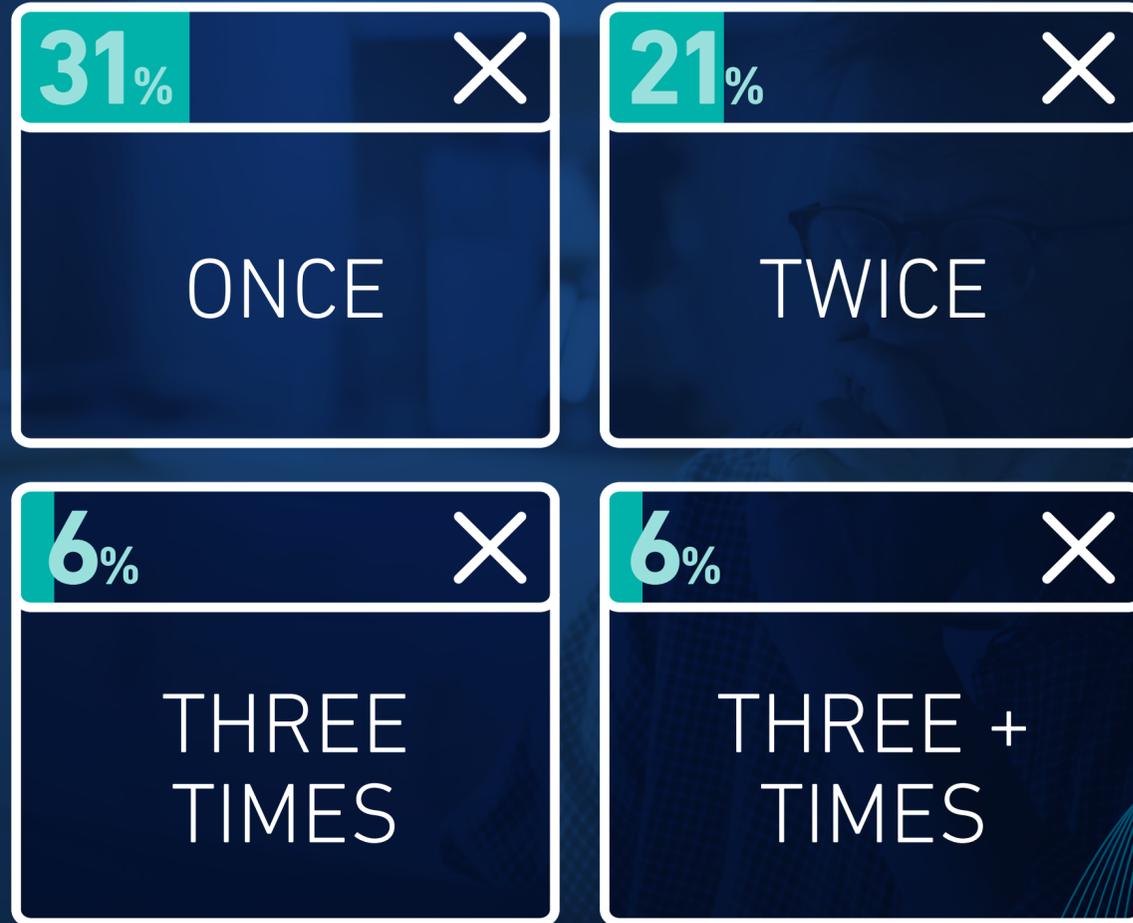


Following a tough 2020, many businesses are looking to return to pre-pandemic growth levels, with 67% of businesses stating that growth through new customer acquisition is a top business priority. That said, business confidence in customer acquisition has not yet recovered to pre-pandemic levels, with only 65% of businesses stating that their customer acquisition is effective or very effective, down from 75% pre-pandemic.

Base: 2020 figures based on 1,052 senior decision makers in financial services, retail, and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, June 2020.
Base: 2021 figure based on 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

C
3,123

IN THE PAST 12 MONTHS, HOW OFTEN HAVE YOU ABANDONED AN ONLINE APPLICATION FOR FINANCE (E.G., A CREDIT CARD, LOAN, OR MORTGAGE APPLICATION) BEFORE COMPLETION?



30% of consumers report a slower than expected online application process, with 64% of consumers having abandoned an application at least once in the past 12 months

Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.

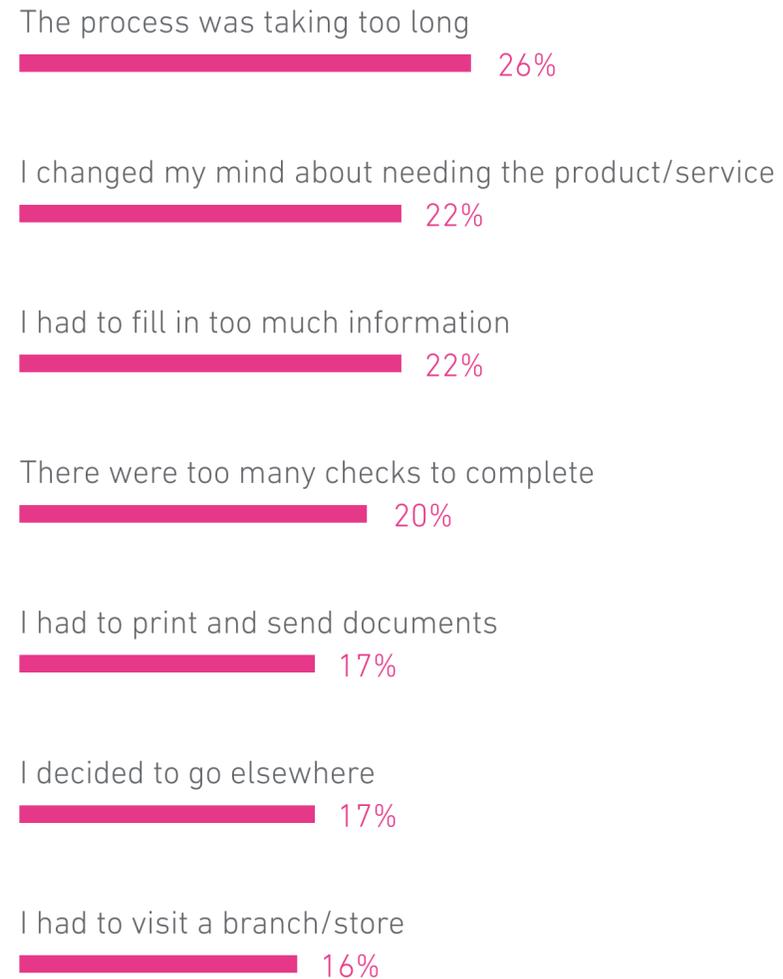
Base: 422 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

	B 422	C 3,123						
% businesses who rated their onboarding CX as Good/Excellent	65%	60%	76%	70%	73%	70%		
% Consumers who have abandoned online application for credit in the last 12 months	62%	70%	67%	62%	66%	54%		

C
1,990

Consumer survey
WHAT WERE THE MAIN REASONS YOU ABANDONED THE APPLICATION(S)?



B
189

Business survey
WHAT ARE THE MAIN REASONS YOU RATED YOUR COMPANY'S ONBOARDING CUSTOMER EXPERIENCE AS AVERAGE/POOR/VERY POOR?



Firms are aware of the key factors causing poor CX and abandonment but may be underestimating the importance of speed

With 62% of businesses noting increased applications during the past 12 months, the onboarding experience becomes even more important to handle those volumes in the best possible way. And for online transactions, speed is critical. Consumer expectations for speed and convenience are now shifting to other 'tasks' such as applying for credit. Whereas in previous times, consumers may have accepted that it takes time to apply for credit, now they expect instant gratification. And when one organisation delivers a significant efficiency improvement, others must follow or risk being left behind.

So, when we asked what the main reason was for those consumers that have abandoned a credit application in the last year, it is perhaps not surprising that the most common response was **the process was taking too long** (26%).

22% stated that they had to **fill in too much information**, followed by **too many checks to complete** (20%). These reasons are all concerned with speed and convenience. Businesses should assess and benchmark the onboarding experience to deliver at speed whilst also managing a risk strategy that adheres to stringent regulatory requirements. This is not easy, but by regularly assessing processes to identify efficiency gains, businesses can find the right balance that delivers a faster decision for the customer.

Base: 1,990 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.

Base: 189 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

Are businesses prioritising **SECURITY** OVER SPEED?

44% TOP REASON: security and protecting customers

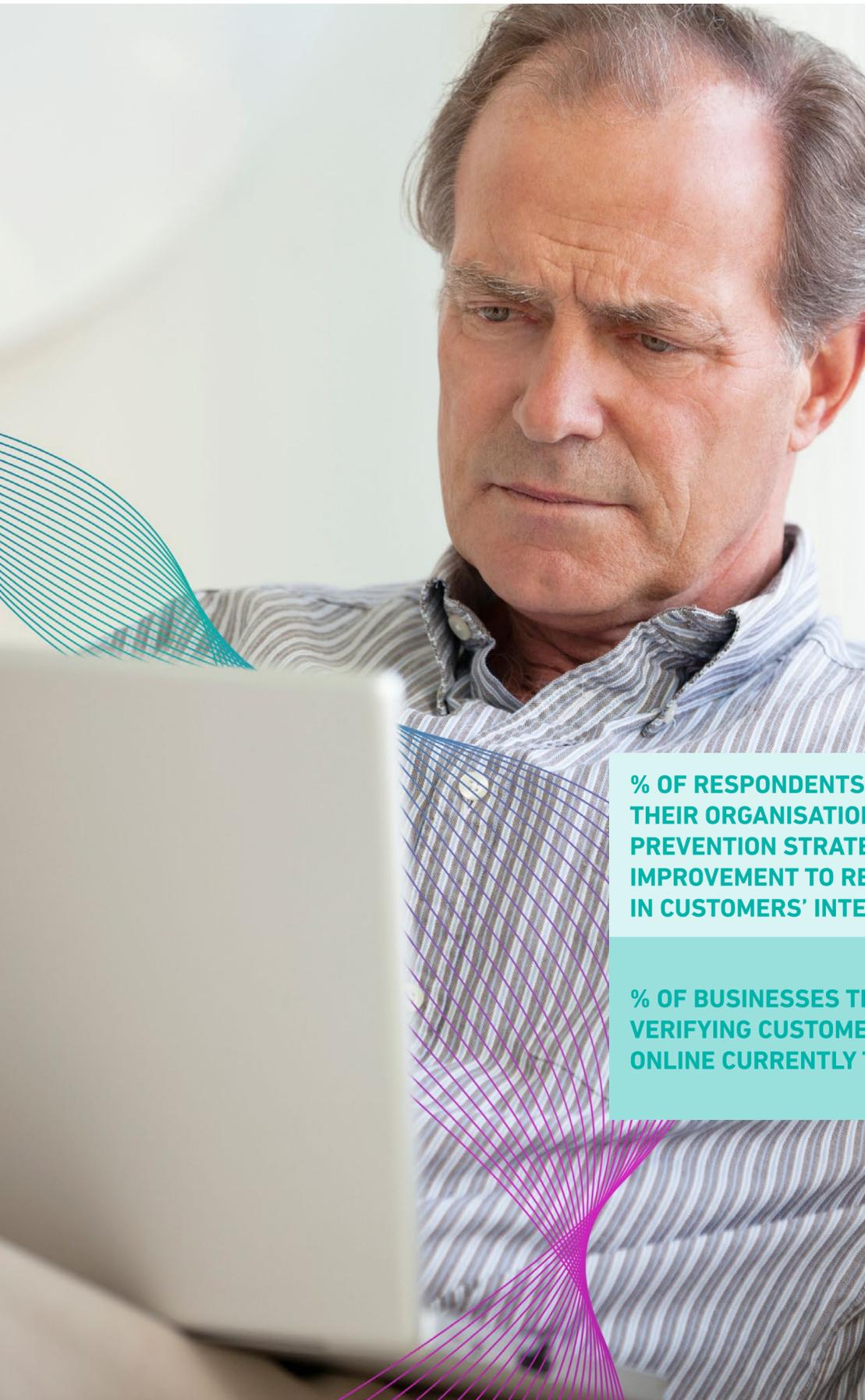
For those businesses that rated their onboarding customer experience as 'good' or 'excellent', only 40% stated "fast and easy for the customer" as the main reason. The top reason was "security and protecting customers" (44%), inferring a greater focus on security than speed and simplicity of the customer application process.

The important thing for businesses is to understand the relative risk vs reward of higher security but a slower process, and whether the fraud savings are worth the revenue lost from a higher rate of abandonment given that consumers demand for a fast and simple journey is proving a motivational factor for lost sales. To combat this, businesses should look to a fraud

prevention strategy that can dynamically adapt and flex in real-time based on the type of interaction and the organisation's overall desired risk appetite.

With "smart orchestration", a range of identity and fraud services form multiple layers of protection but importantly can be applied to varying degrees and timing depending on different factors, including the type of transaction or estimated level of risk. For example, a new customer applying for a loan may get a different experience than an existing customer applying for an additional product.

Because you have already identified known trust signals for the existing customer, you can simplify the authentication required for future interactions, making their journey easier with less friction. This approach allows for the optimal balance between preventing fraud and offering good customers a faster journey with less friction.



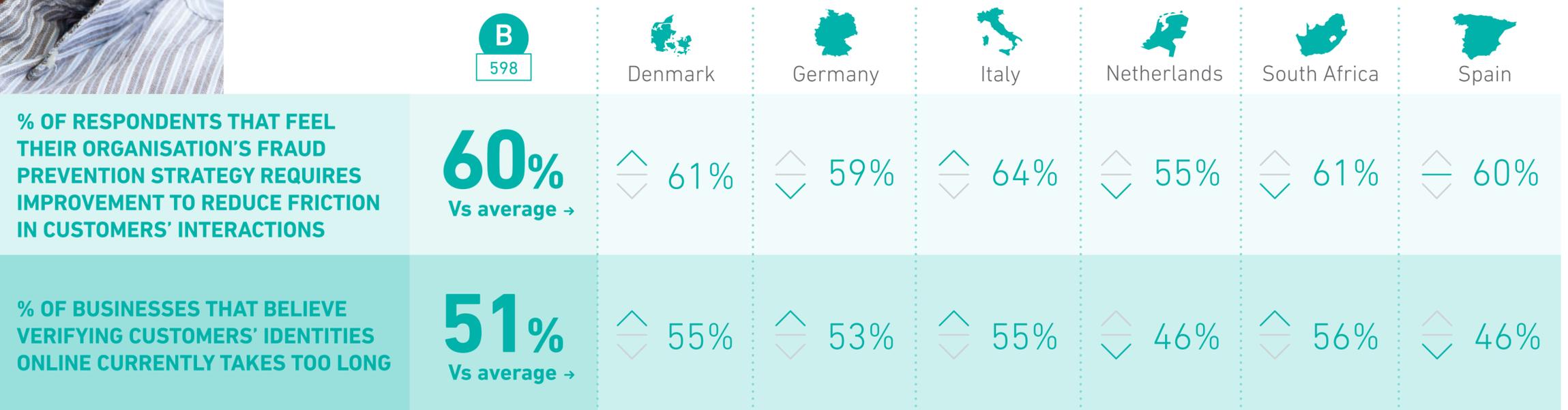
Most firms identify the need to reduce friction caused by fraud prevention and verification checks in the onboarding process

It's one thing to identify a problem but another one to fix it. The good news for businesses is that digital verification tools are improving all the time, with electronic identity verification becoming increasingly commonplace to ensure fast and secure onboarding for customers.

However, businesses recognise that there is more to do, with 52% stating a year-on-year increase in their overall fraud budget. Those businesses realise that keeping pace is critical. The pandemic has accelerated the path to

digital, and with it online fraud has increased significantly. Customers expect high levels of security, however as we've seen from our findings, it doesn't mean that they are willing to accept a slow process. They want to get what they need quickly and go on with their lives.

Businesses therefore need to get smarter at using technology to deliver minimal friction whilst satisfying the need to protect against fraud risk.



Base: 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.



51%

of businesses think
**implementing a fully digital
customer experience**
is a critical or high priority onboarding
initiative for the next 12 months



51%

of businesses think using
**AI/Machine Learning to improve
operational effectiveness**
is a critical or high priority onboarding
initiative for the next 12 months

B

598

Base: 598 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

C
3,123

HOW WILLING ARE YOU TO USE BIOMETRICS (E.G., FACIAL RECOGNITION, FINGERPRINT SCANNING) TO VERIFY YOUR IDENTITY ONLINE TO SPEED UP THE APPLICATION FOR A FINANCIAL PRODUCT OR SERVICE?

I would be willing to do that
50%

I do that already
34%

I would not be willing to do that
12%

Not sure
5%



Consumers embrace biometrics, with more than a third using them already, and another 50% willing to do so

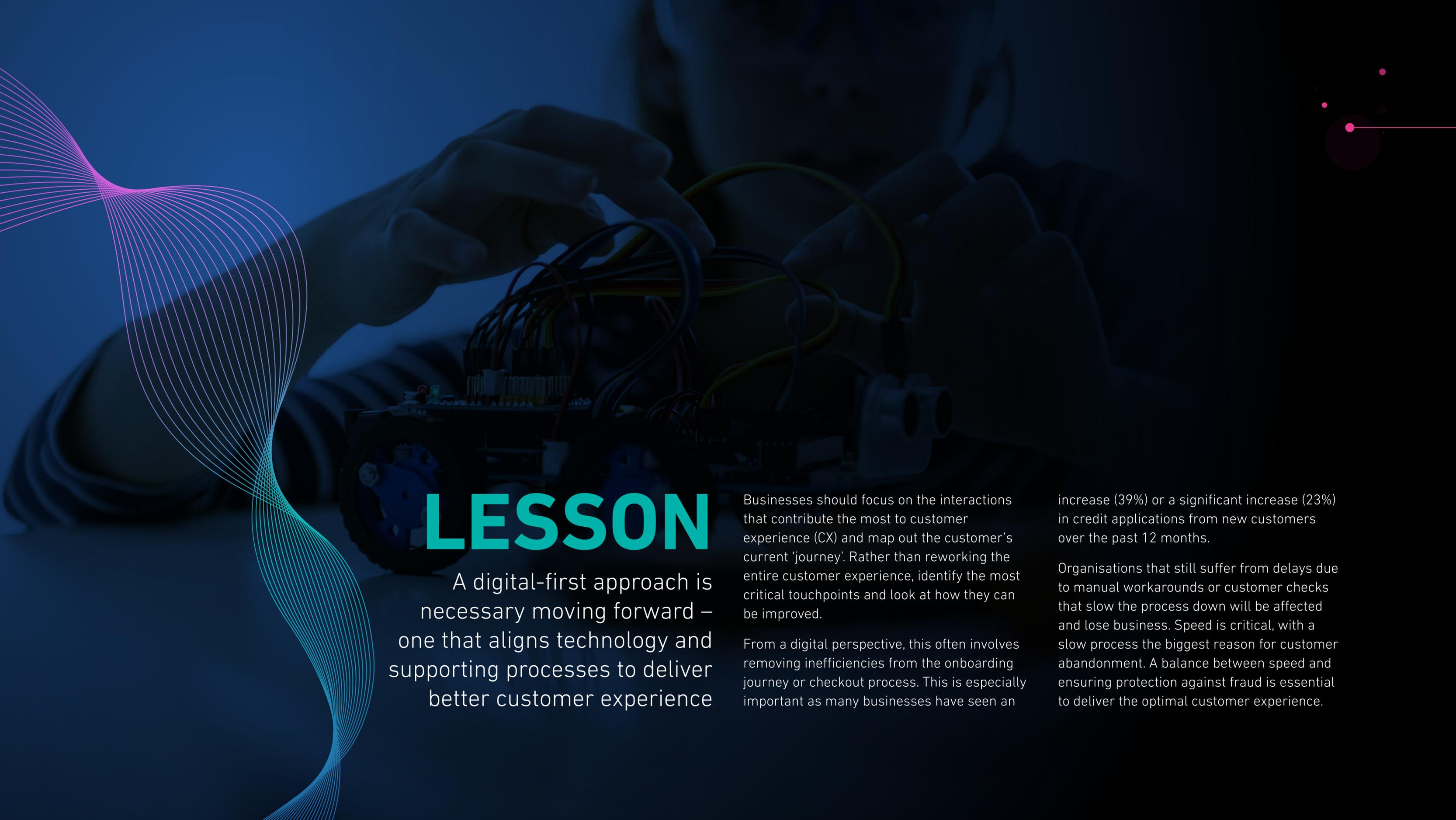
34% of consumers have already used biometrics to verify their identity online as part of an online application, with a further 50% stating that they would be willing to do so.

The fact that 50% are ready to use biometrics but are yet to experience this for a financial product or service application means there is an opportunity for businesses to use biometrics within identity-checking processes as part of digital KYC (Know Your Customer) checks.

Businesses can also take advantage of PSD2 (Open Banking) for identity verification. The consent journey for the mobile banking app allows businesses to check account holder identity and verify the bank account whilst also having an opportunity to assess affordability and credit risk using transactional data.

Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.



LESSON

A digital-first approach is necessary moving forward – one that aligns technology and supporting processes to deliver better customer experience

Businesses should focus on the interactions that contribute the most to customer experience (CX) and map out the customer's current 'journey'. Rather than reworking the entire customer experience, identify the most critical touchpoints and look at how they can be improved.

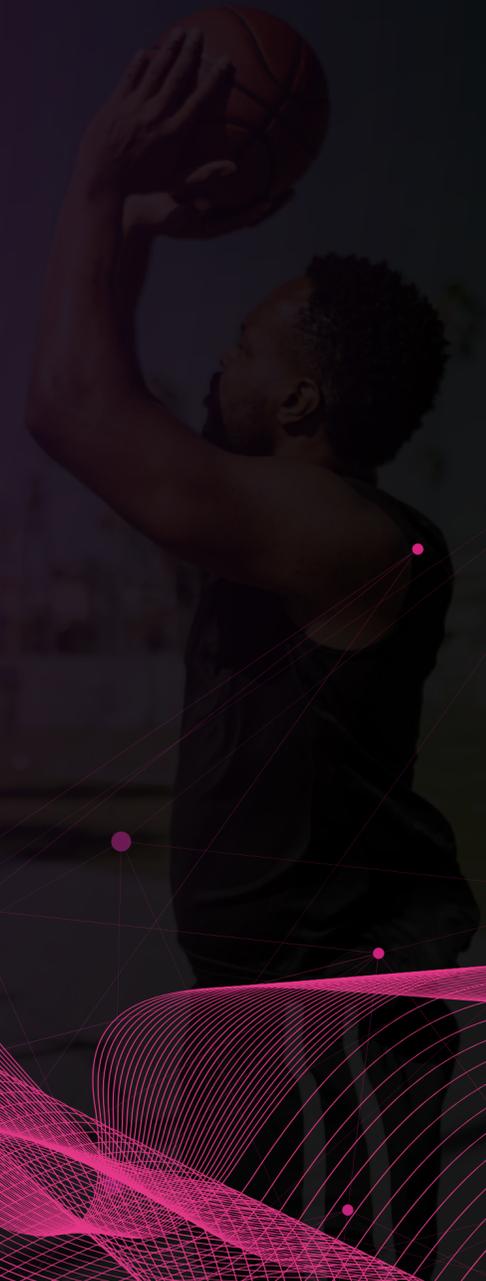
From a digital perspective, this often involves removing inefficiencies from the onboarding journey or checkout process. This is especially important as many businesses have seen an

increase (39%) or a significant increase (23%) in credit applications from new customers over the past 12 months.

Organisations that still suffer from delays due to manual workarounds or customer checks that slow the process down will be affected and lose business. Speed is critical, with a slow process the biggest reason for customer abandonment. A balance between speed and ensuring protection against fraud is essential to deliver the optimal customer experience.



DATA, CONSENT, AND MAXIMISING OPPORTUNITY





62%

of businesses believe they need more data to fuel their analytics needs



65%

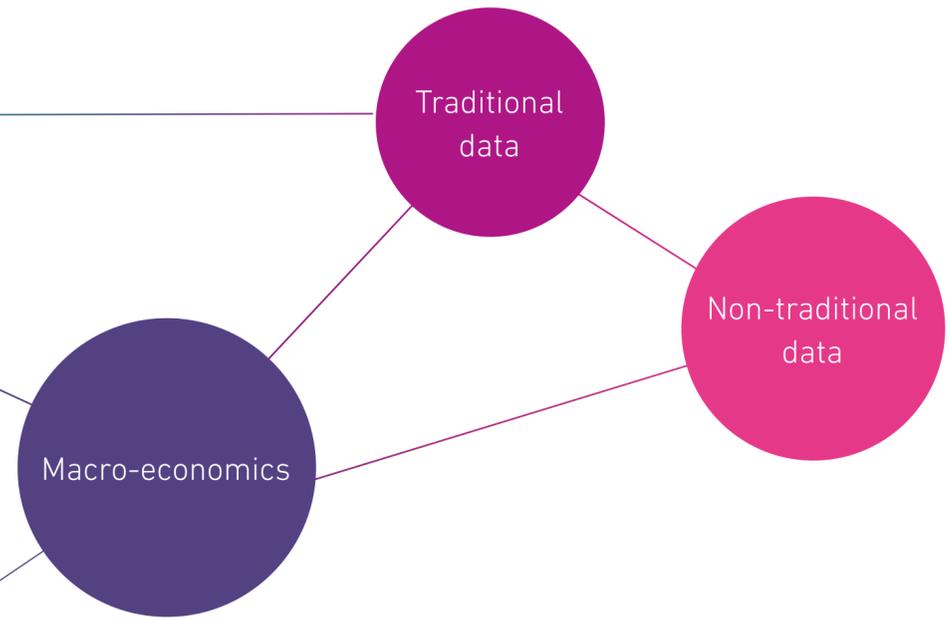
of businesses are exploring different types of data sets to improve accuracy of their analytics (e.g., use of non-traditional data sources such as open banking)

Data is the fuel for analytics. Businesses understand that enriching data sources can improve their analytical performance. But 62% of businesses believe they need more data for analytics teams, and as a result, 65% are looking to explore new data sources, such as transactional data from Open Banking. Data can, of course, improve analytical capability, but it can also significantly impact customer experience. It can widen eligibility meaning more customers have access to credit. For example, bringing in utility data or subscription payments can help improve the

credit assessment – with the potential to offer credit to a thin file applicant that may have otherwise been rejected. Data can reduce effort for the customer, such as when data is automatically pre-filled on applications or extracted from ID documents to save precious time required for manual entry of information. Data has never been more important. With consumers taking more control of their data, it is critical that businesses build trust with their customers to ensure they can maximise the data potential with a value exchange that benefits both parties.

B
598

Base: 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.



Advanced Analytics will be key as businesses seek to unlock value from new data sources

Bringing together multiple data sources can reveal more about a customer's financial health, and when analysed in the right way will provide deeper insight into creditworthiness, affordability, and behaviour to improve segmentation.

Banks remain one of the most trusted institutions for consumers when it comes to handling personal data. 53% trust banks with their data, with South Africans the most trusting (61%) and the Germans the least trusting (47%), yet they are still more trusted than employers and the government.

B
598

Consumers generally trust banks with their data, but businesses are overestimating the level of trust

BUSINESS
68%

Of financial services businesses believe "customers trust our use of their data to better serve them".

CONSUMER
53%

Of consumers trust their bank with their data, with 33% unsure, and 14% who do not trust them.

	Denmark	Germany	Italy	Netherlands	South Africa	Spain
BUSINESS	62%	73%	75%	72%	65%	68%
CONSUMER	50%	47%	50%	55%	61%	57%

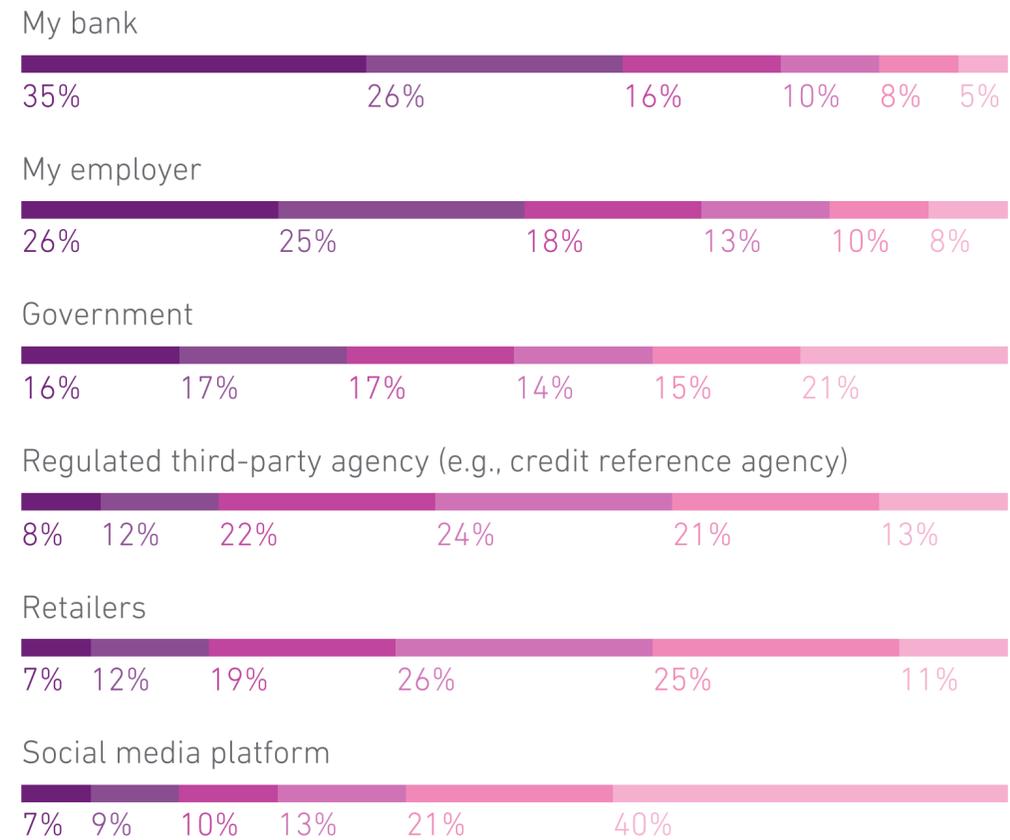
Base: 598 senior decision-makers in financial services and telecommunications firms globally.
 Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.
 Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

In an increasingly digital world, consumer trust is even more important. Individuals are expected to upload or allow access to their devices and data without the reassurance of human-to-human interaction. With 58% of consumers preferring to apply online, it shows the importance of building trust online.

C
3,123

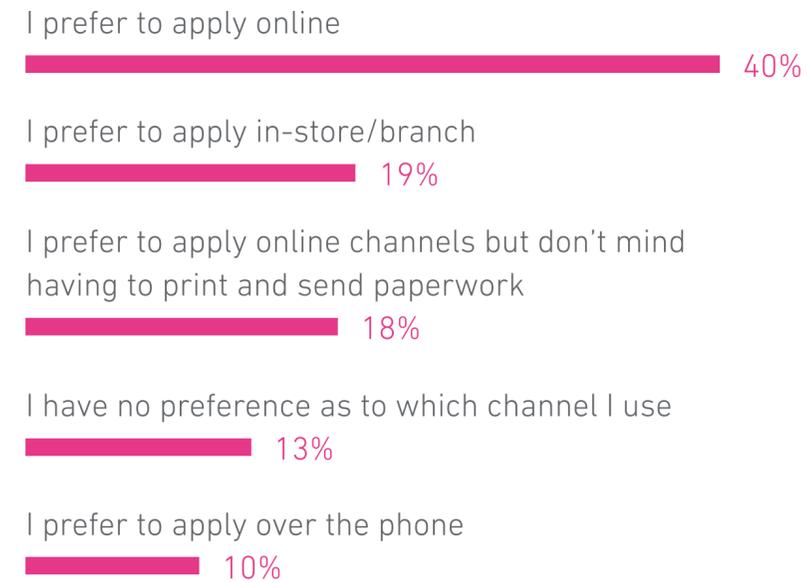
TO WHAT EXTENT DO YOU TRUST THE FOLLOWING INSTITUTIONS WITH YOUR PERSONAL DATA?

● Rank 1 ● Rank 2 ● Rank 3 ● Rank 4 ● Rank 5 ● Rank 6



C
3,123

WHAT CHANNEL DO YOU MOST PREFER TO USE WHEN APPLYING FOR FINANCE (E.G., A CREDIT CARD, LOAN, MORTGAGE)?



The difficulty of trust goes both ways. With the number of stolen identities increasing as fraudsters target the ambiguous nature of online, it is becoming much harder to know who is interacting with your business and who you can trust. Businesses have stated that an increase in fraud is their biggest concern within financial risk management – this has replaced customer base impact as the top concern as pandemic related challenges have evolved from 2020.

Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

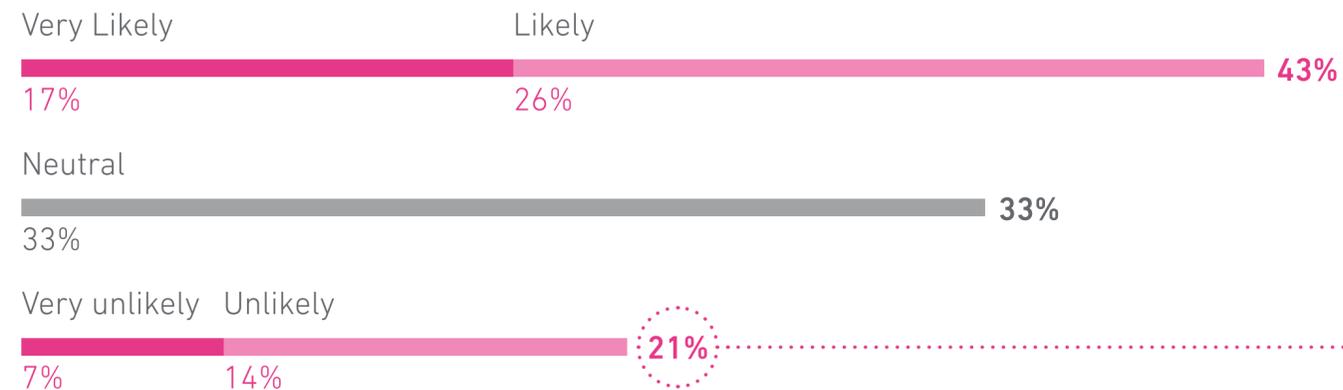
43% of consumers are likely to give permission to firms to access their financial information, but many are more willing to do so for the right reason

43% of consumers are likely or very likely to allow financial services companies to access their financial information, such as via a banking app, to help with checks for online applications, with 33% remaining neutral. This is encouraging for businesses that have or are looking to adopt Open Banking, but the real insight is that many more individuals could be persuaded with the right value exchange.

Recent regulation allows financial services companies to access your financial information (e.g., from your banking app) to help with checks for online applications for finance products/services (e.g., credit card, loan, mortgage, car finance) if you provide permission.

C
3,123

HOW LIKELY ARE YOU TO GIVE PERMISSION FOR A FINANCIAL SERVICES PROVIDER TO ACCESS YOUR FINANCIAL INFORMATION?

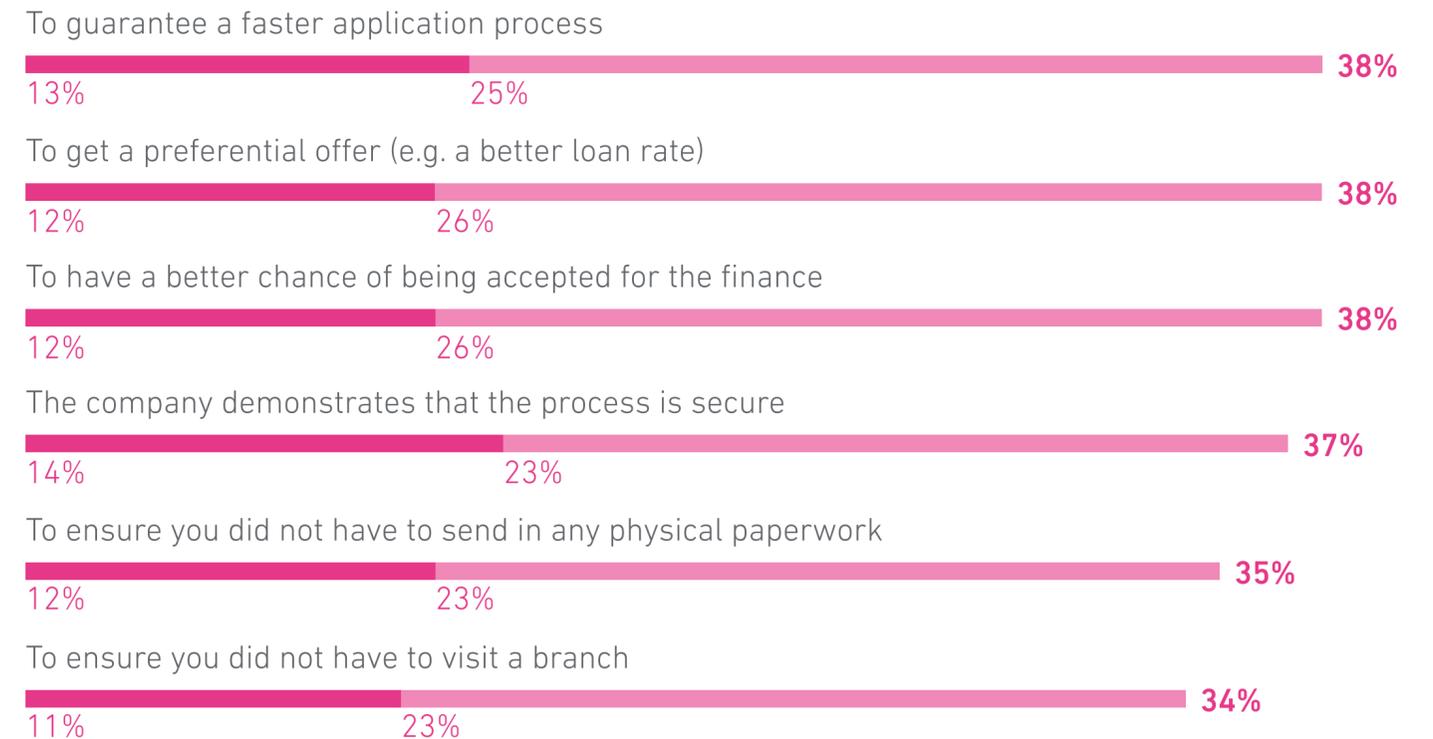


Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

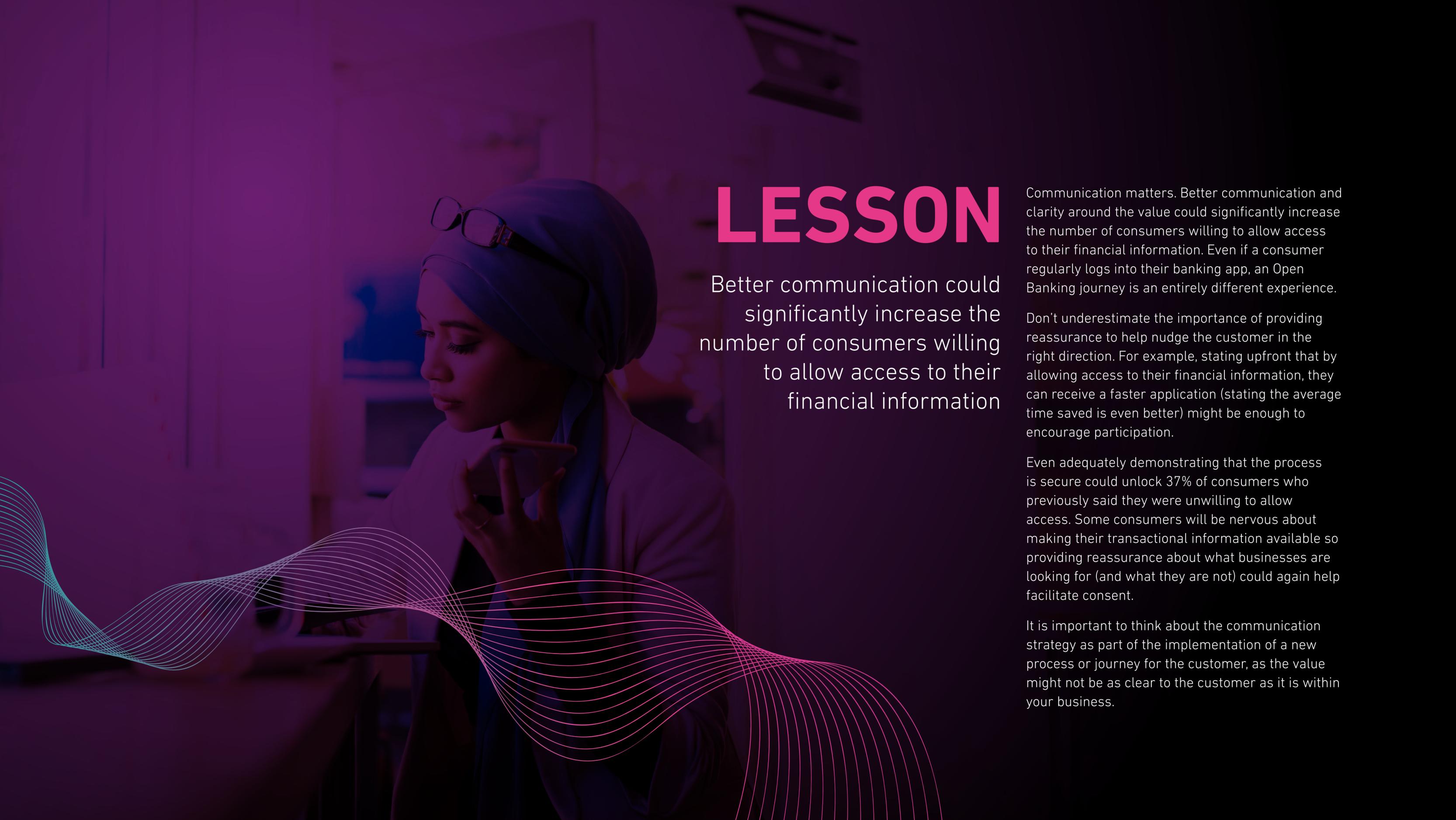
You stated that you would not be willing to give permission for financial services companies to access your financial information via your banking app. How likely are you to give permission based on the following reasons?

● Very Likely ● Likely



Even those that were unlikely or very unlikely to allow access, many were open to changing their mind providing they got something of value or were given certain reassurances in exchange. 38% would reconsider if it guaranteed a faster application process.

38% would change their mind if, in return, they could receive a better rate or if they had a better chance of being accepted. 37% would be likely or very likely to provide access if the company can convince them that the process to do so is secure. Finally, 35% would reconsider if it made their life easier and more convenient by removing the need to send in physical paperwork and 34% if it meant they wouldn't need to visit a branch. The appetite from consumers is there, with adoption growing all the time, but with a clearer presentation of the value, businesses could accelerate adoption.

A woman wearing a light blue hijab and glasses on her head is looking down at a smartphone. The image has a purple color overlay. In the foreground, there are decorative, wavy lines in shades of purple and blue. The background is a blurred office or meeting room.

LESSON

Better communication could significantly increase the number of consumers willing to allow access to their financial information

Communication matters. Better communication and clarity around the value could significantly increase the number of consumers willing to allow access to their financial information. Even if a consumer regularly logs into their banking app, an Open Banking journey is an entirely different experience.

Don't underestimate the importance of providing reassurance to help nudge the customer in the right direction. For example, stating upfront that by allowing access to their financial information, they can receive a faster application (stating the average time saved is even better) might be enough to encourage participation.

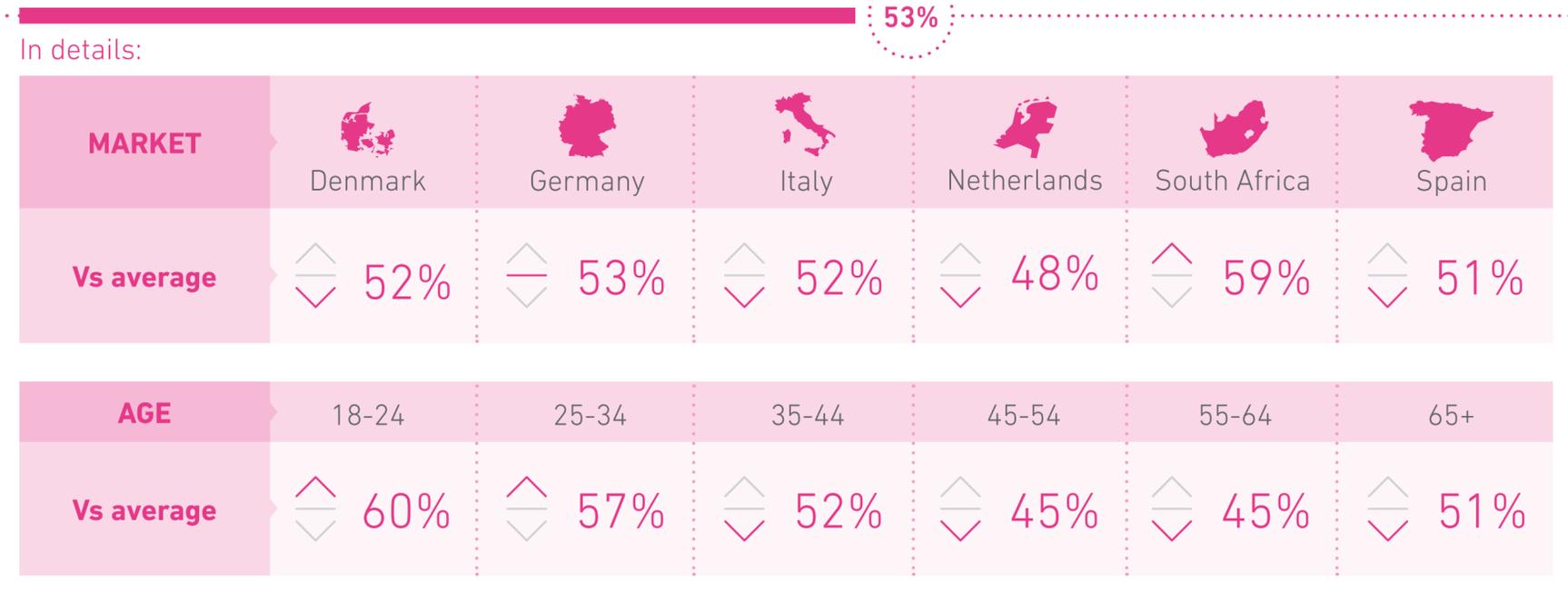
Even adequately demonstrating that the process is secure could unlock 37% of consumers who previously said they were unwilling to allow access. Some consumers will be nervous about making their transactional information available so providing reassurance about what businesses are looking for (and what they are not) could again help facilitate consent.

It is important to think about the communication strategy as part of the implementation of a new process or journey for the customer, as the value might not be as clear to the customer as it is within your business.

C
3,123

WOULD YOU ALLOW A BANK OR LENDER TO ACCESS YOUR BANK TRANSACTIONS REGULARLY SO THAT IT COULD MONITOR YOUR FINANCIAL CIRCUMSTANCES TO PROVIDE IMPROVED FINANCIAL SUPPORT?

Yes, I would allow that



No, I would not allow that



I'm not sure



Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

Businesses are under increasing pressure to provide fair and responsible lending. With new European Banking Authority regulations, this includes the responsibility to assess creditworthiness and affordability not just at loan origination but across the lifetime of a loan. This means more emphasis after originations, and consumer consent becomes very important to deliver the most accurate ongoing affordability assessment.

Therefore, it is very encouraging that more than half of consumers are willing to allow regular access to their bank

account information to receive improved financial support, with the younger age groups even more likely to do this. In South Africa, 59% of consumers were willing to consent to regular access, much higher than any other market. The Netherlands was the only nation that fell below the 50% mark.

Open Banking allows businesses to take advantage of this and support customers in a more proactive way. PSD2 provides the connection to the customer's bank transactions via their banking app, where transactions can be extracted and categorised into income and expenditure blocks for analysis of affordability and 'ability to repay' not just at originations but throughout the lifecycle. The benefit for businesses is that transactional data has more depth and granularity than many traditional data sources and improves the ability to identify indicators of financial distress to enable earlier intervention. It also highlights spend behaviour which provides insight that can be used to improve customer management, whether that's insight to inform the adjustment of terms or used to help identify additional suitable products that could benefit the customer.

With 64% of businesses stating that their organisation needs more relevant data to help improve the customer experience and 69% prioritising investment in data and analytics to improve customer insight, Open Banking could be the key to unlocking more relevant and contextual insight.



LESSON

Open Banking unlocks the ability to assess affordability and creditworthiness over time

New Loan Origination and Monitoring Guidelines mean continuous affordability and cashflow monitoring will be critical to ensure proactive regulatory compliance. Open Banking unlocks the ability to assess affordability and creditworthiness over time and better forecast the future.

From an Open Banking perspective there is still work to do within the PSD2 ecosystem to improve the recurring consent journey, making it easier for customers to reauthenticate consent or grant access for longer than the current consent window.

Currently, this varies across markets, but businesses should keep an eye on new developments as regulators try and bring standardisation and tackle some of the key challenges.

In the future lenders may not have to reauthenticate consent so often, with a potential solution being that customers could consent to continued access to financial data every 90 days. And with more than half of consumers willing to allow ongoing monitoring, this could help businesses improve the support provided to customers throughout the lifecycle.



OPPORTUNITIES AND CHALLENGES IN THE NEXT 12 MONTHS



B APART FROM THE COVID-19 PANDEMIC, WHAT ARE THE BIGGEST CHALLENGES PROHIBITING YOUR COMPANY FROM ACHIEVING YOUR TOP INITIATIVES?

598

1st

33% Increased activity from existing competitors*

33% Lack of automation in our tools*

33% Increased exposure to fraud**

() Were also the top two challenges in 2020*

*(**) New top challenge up from 5th place in 2020*

2nd

32% Lack of expertise and technology infrastructure to incorporate machine learning and exploit big data

3rd

31% New competitors moving into our space

31% Lack of sufficient data to get the insights we need

Base: 598 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

There will be opportunities and challenges as businesses look to get back to pre-pandemic growth levels. With that, careful investment is needed.

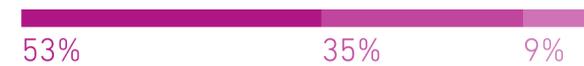
But where are businesses putting their money? 53% of businesses have increased their budgets associated with the digitisation of the customer experience.

With increased activity from existing competitors identified as the biggest challenge, improved CX may be the focus to deliver competitive advantage. Another key challenge is the lack of automation, which could explain why more than half of businesses are increasing advanced analytics budgets. 34% of businesses plan to engage an external supplier for analytical expertise and tools in the next 12 months.



PLEASE ESTIMATE YOUR ORGANISATION'S YEAR-OVER-YEAR BUDGET INCREASE OR DECREASE FOR THE FOLLOWING AREAS IN 2021 (OR THE CLOSEST FISCAL YEAR FOR YOUR COMPANY).

Digitisation of customer experience



Advanced analytics



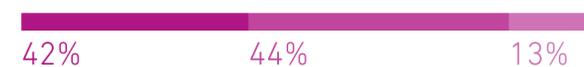
Fraud prevention



Customer insight



Collections / bad debt

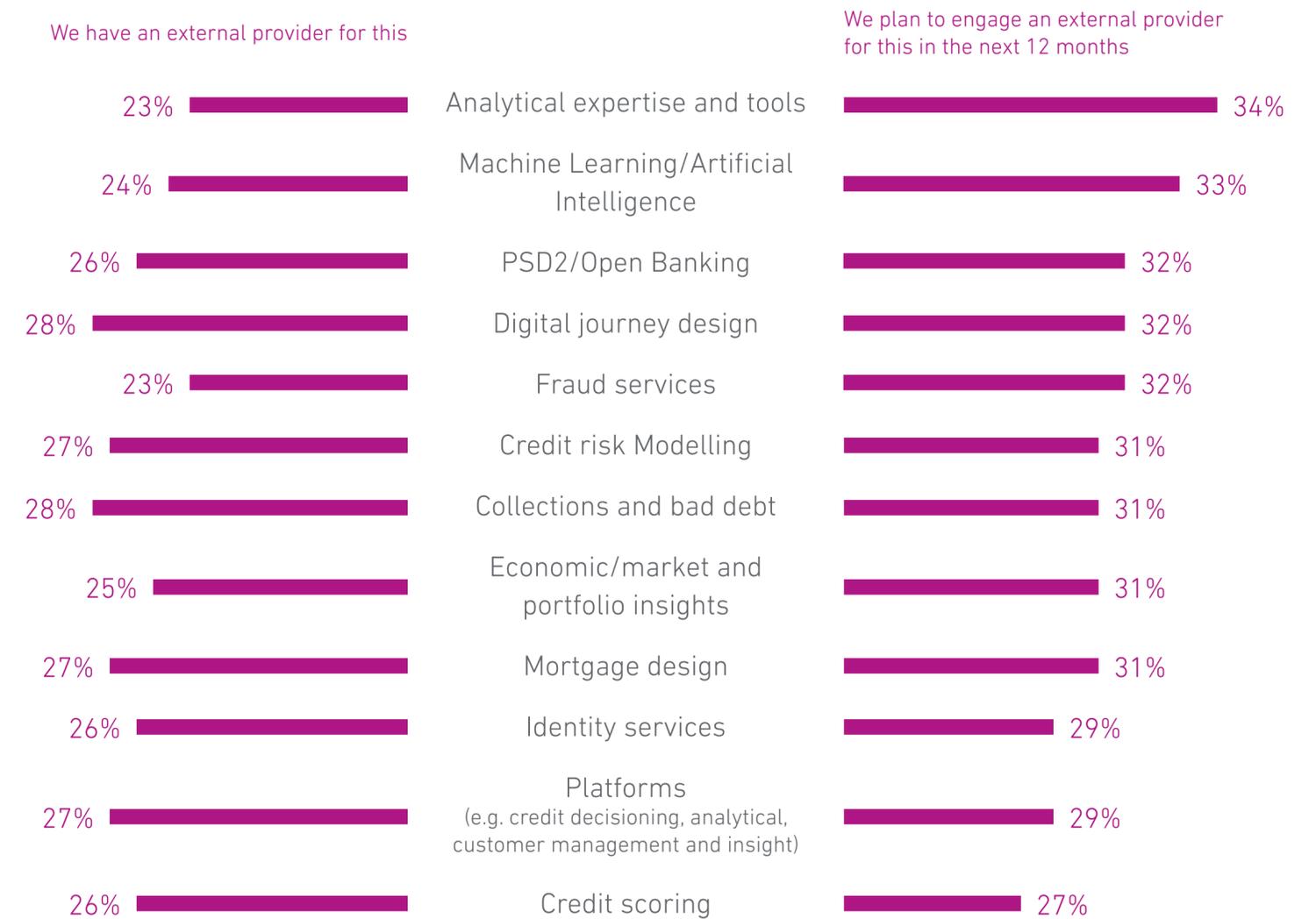


- We have increased budgets in this area
- Year-on-year budgets are the same
- We have reduced budgets in this area

By improving analytic models businesses can increase automation in decisioning strategies to speed up the time to yes and reduce operational costs from manual processes. Machine Learning and AI will also be critical to delivering improved automation, and 33% of businesses plan to engage external suppliers for support in this area.

Open Banking is another area businesses are looking to invest in with external suppliers. With 31% of businesses stating a lack of sufficient data for insights as their biggest challenge, PSD2 could be the answer to unlocking improved customer insight. 52% of businesses have increased their budget for customer insight. And finally, increased exposure to fraud has become a bigger concern for businesses following the COVID-19 pandemic, now the joint top priority. 52% of businesses have reacted by increasing their fraud budgets for the next 12 months, with 36% keeping their budget flat.

WHAT ARE YOUR COMPANY'S PLANS REGARDING THE FOLLOWING SERVICES AND TOOLS OVER THE NEXT 12-24 MONTHS?



Base: 598 senior decision-makers in financial services and telecommunications firms globally.
Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

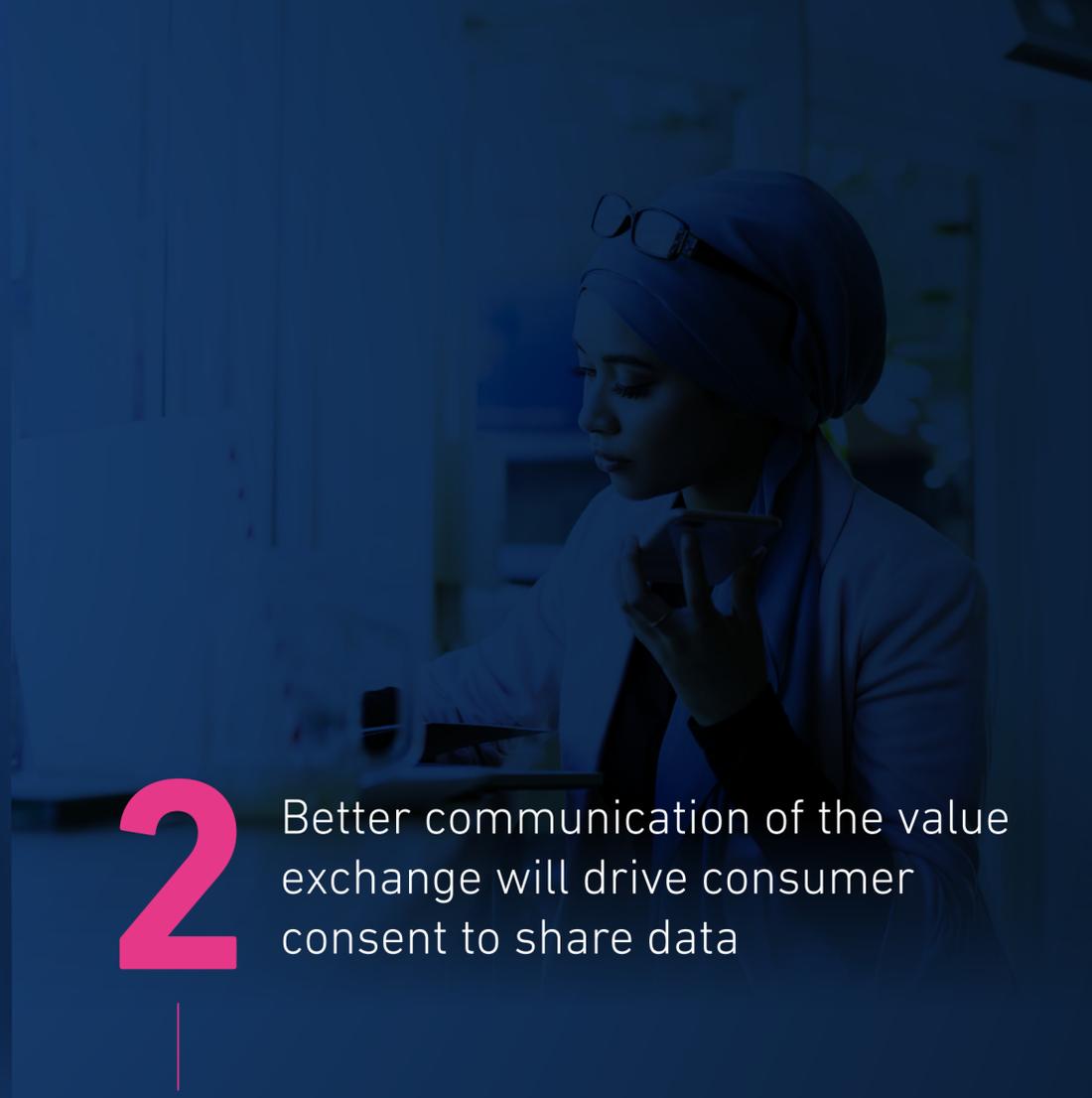
KEY TAKEAWAYS





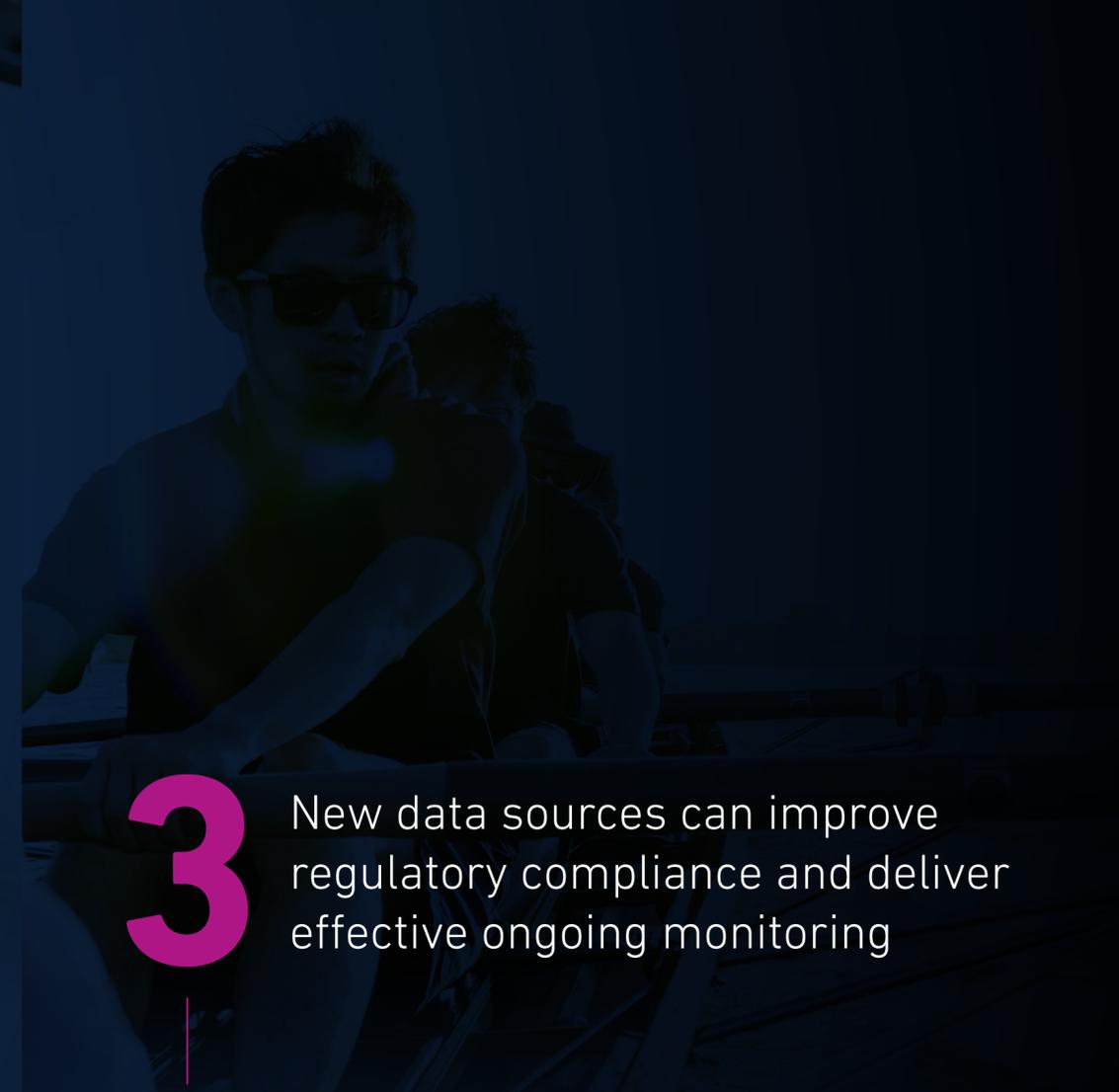
1 Improving CX with a balance of speed vs security

Speed is critical, with a slow process the biggest reason for customer abandonment. A balance between speed and ensuring protection against fraud is essential to deliver the optimal customer experience. Businesses should focus on the touchpoints that contribute the most to customer experience (CX) and look at how they can be improved. From a digital perspective, this often involves removing inefficiencies from the onboarding journey or checkout process. 62% of businesses have seen an increase or a significant increase in credit applications from new customers over the past 12 months. Organisations that still suffer from delays due to manual workarounds or customer checks that slow the process down will be affected and lose business.



2 Better communication of the value exchange will drive consumer consent to share data

Don't underestimate the importance of communication to help improve consent conversion. Stating the value upfront might be enough to encourage participation, for example by allowing access to their financial information customers can experience a faster application. Even adequately demonstrating that the process is secure could unlock 37% of consumers who previously said they were unwilling to allow access. It is important to think about the communication strategy as part of the implementation of a new process or journey for the customer, as the value might not be as clear to the customer as it is within your business.



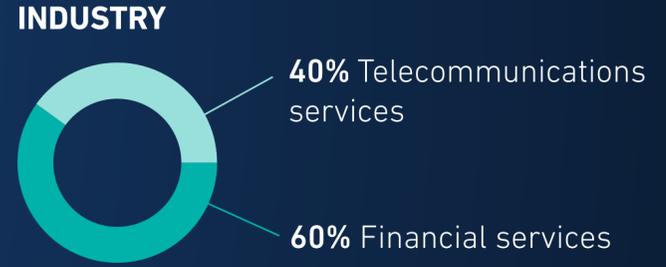
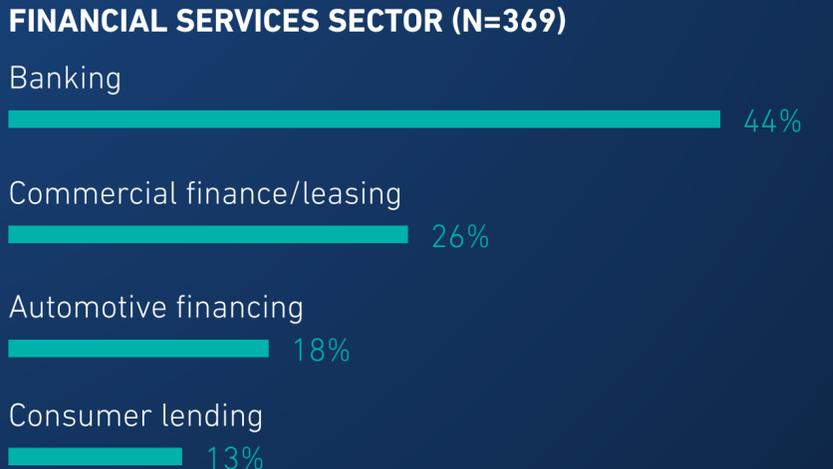
3 New data sources can improve regulatory compliance and deliver effective ongoing monitoring

Loan Origination and Monitoring Guidelines mean continuous affordability and cashflow monitoring will be critical to ensure proactive regulatory compliance. Open Banking can unlock the ability to assess affordability and creditworthiness over time and better forecast the future. Transactional data can provide greater depth of insight and visibility of financial health, and if trust is obtained, can pave the way for regular monitoring of financial information to improve the service provided to customers. And with more than half of consumers willing to allow this ongoing monitoring, businesses can look to improve the support provided to customers throughout the lifecycle.

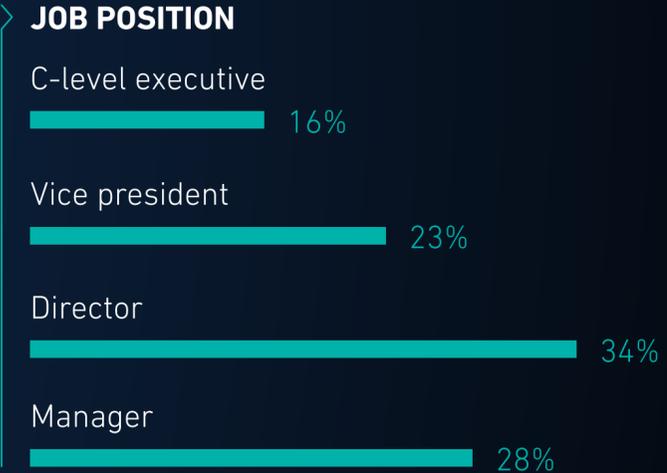
BUSINESS SURVEY METHODOLOGY

Firmographics

Total	N=598
 Denmark	N=105
 Germany	N=102
 Italy	N=107
 Netherlands	N=67
 South Africa	N=108
 Spain	N=109



Demographics

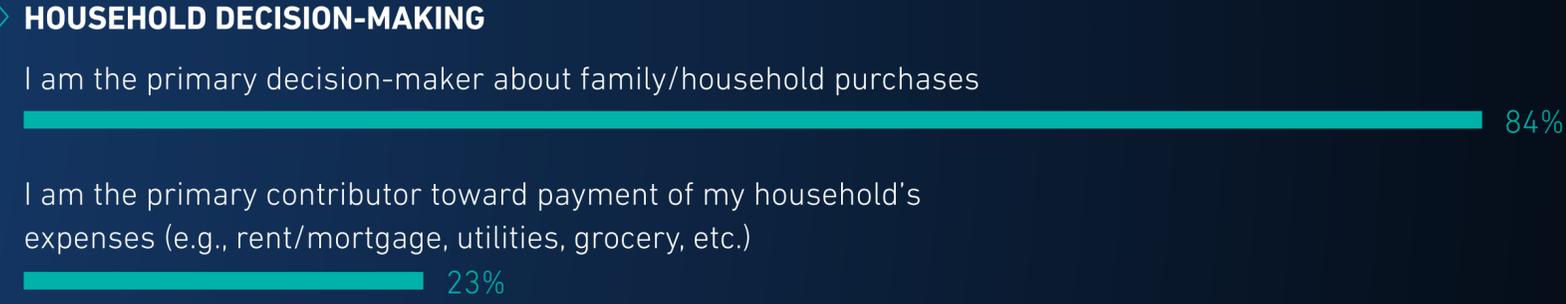


B Base: 598 senior decision-makers in financial services and telecommunications firms globally.
 Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.
 Note: percentages may not be equal 100% due to rounding.

CONSUMER SURVEY METHODOLOGY

Demographics

Total	N=3,123
 Denmark	N=519
 Germany	N=528
 Italy	N=522
 Netherlands	N=516
 South Africa	N=514
 Spain	N=524



C Base: 3,123 consumers in Europe and South Africa who have applied for credit online with a financial services provider or telco provider in the last 12 months.
3,123 Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.
 Note: percentages may not be equal 100% due to rounding.

ABOUT EXPERIAN

Experian is the world's leading global information services company. During life's big moments — from buying a home or a car to sending a child to college to growing a business by connecting with new customers — we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime.

We have 17,800 people operating across 45 countries, and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group.



To find out more, get in touch.

Please contact your local Experian office or visit the [Experian Academy](#) website.