



Credit check
The basis for efficient credit risk management

Your challenge

Digitalization is coming to every sector: online shopping, travel bookings and credit applications represent only a small proportion of the transactions consumers are increasingly carrying out online. Sales channels are therefore becoming more anonymous with a reduction in direct customer contact. At the same time, payment methods like purchases on account continue to be a clear customer favorite, and those who offer these options online can expect to see a positive effect on their conversion rate. However, this gain is usually accompanied by an increased risk of default. In order to obtain the most accurate picture of the customer and, in doing so, minimizing this risk of non-payment, it is essential to perform certain key checks.

Our solution

A credit check by Arvato Financial Solutions assesses the creditworthiness of new and existing customers based on their historical payment behavior. This allows higher risk transactions to be identified at an early stage and managed most appropriately. The data underpinning the credit check by Arvato Financial Solutions is derived from a number of different sectors: payment defaults can therefore be effectively managed across online retail as well as in the telecommunications, banking and insurance industries.

Your advantages



Minimization of payment default



Efficient credit risk management throughout the entire customer lifecycle



Data always up to date



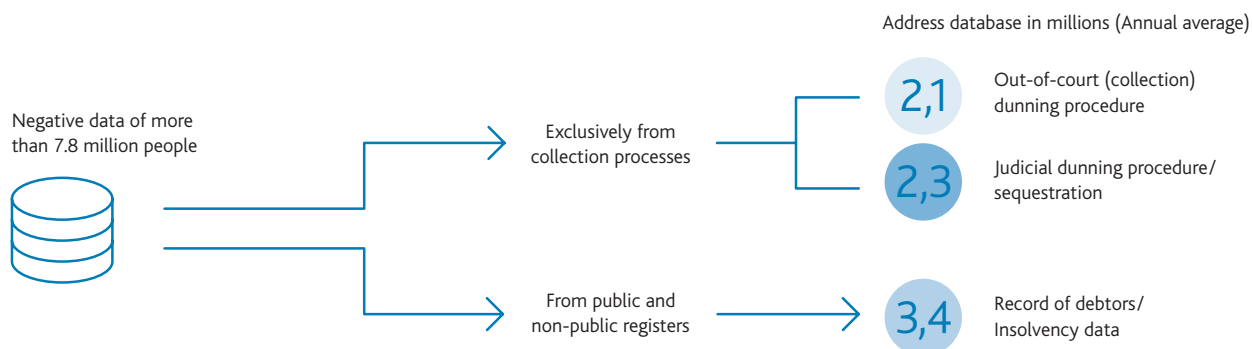
Verified data quality



Exclusive data from debt collection proceedings



How a credit check works



Matching with a comprehensive database

The credit check examines whether there are entries in the database that possibly indicate a history of financial difficulty for the customer.

Arvato Financial Solutions has an exclusive database containing more than 22 million negative credit events for around 7.8 million people in Germany, and this data is updated on a continuous basis. Every working day, around 18,000 new entries and updates are made to further refine the database.

The credit check in the customer lifecycle

The customer relationship is ever shifting where creditworthiness remains a regular hot topic. A credit check is not only essential for making decisions about whether to open a relationship with the customer in the first instance, but also for potentially deepening or restricting this relationship throughout the customer lifecycle.

Credit checks for new customers

In this phase of the customer lifecycle, the aim of the credit check is to identify any possible payment disruptions that may arise prior to a business transaction and therefore make the best possible decision.

Credit checks for existing customers

Over the course of a customer relationship, the creditworthiness of existing customers can change. It can therefore be beneficial to obtain an updated customer snapshot from the

continuously updated database of Arvato Financial Solutions. Order limits and payment conditions can then be adjusted as necessary.

Credit checks in collections processes

Collections processes can be optimized by running a credit check on debtors that are in the latter stages of collections. The success rate of debt collection from debtors with a good credit history is up to five times higher than those where negative information is present. This can help to set the most appropriate collections strategy, where both debt collection and retaining the customer relationship are important.

Easy integration

Various interfaces are available, allowing the credit check by Arvato Financial Solutions to be integrated into your system as easily as possible. This also makes the customer journey as smooth as possible.

The result

The high quality and availability of credit rating data offered by Arvato Financial Solutions enables payment disruptions to be identified early, enabling these to be effectively managed.

Any questions? Contact us.

Arvato Financial Solutions

Risk Management Division . Phone +49 7221 5040-3131 . vertrieb-rm@arvato-infoscore.de

finance.arvato.com

