



**Decision Yield Questionnaire**

**Understanding Your Decision Yield across the Customer Lifecycle**

If you wish to receive a copy of your individualized results, please give your contact details.  
Please allow 2 to 4 weeks to receive

**First Name:**

**Last Name:**

**Title:**

**Company:**

**Customer # (from your InterACT badge):**

**BASELINE DECISION YIELD ASSESSMENT:**

How would you allocate 100 points across the dimensions of Decision Yield to reflect the relative emphasis your company places on these criteria in your current credit practices?

For example, if you believe that precision is more important than agility, then you might allocate 40 points to "Precision" and only 10 points to "Agility".

If you thought all dimensions were equally important, you would assign 20 points to each.

|                               | <b>Points Allocation</b> |
|-------------------------------|--------------------------|
| <b>Precision</b>              |                          |
| <b>Consistency</b>            |                          |
| <b>Agility</b>                |                          |
| <b>Speed</b>                  |                          |
| <b>Cost</b>                   |                          |
| <b>TOTAL: Must sum to 100</b> |                          |

**For each question on the following pages, please pick an answer that the most closely reflects your current practice.**

If you have any questions about completing the questionnaire, please contact Ian Turvill, Senior Director, Financial Services Market, at [IanTurvill@FairIsaac.com](mailto:IanTurvill@FairIsaac.com).

**Either return this questionnaire at the end of this session or fax it to 1 (312) 984-7033.**



**MARKETING:**

**Question 1: What data are used to decide what offer to make to the customer?**

|  |                                   |   |  |   |                          |
|--|-----------------------------------|---|--|---|--------------------------|
| Product holdings of the customer together with basic demographic information | Demographic<br>Credit bureau data | Usage of current products and services<br>Customer risk behaviour | Usage of current products and services<br>Customer risk behaviour<br>Recent dialogue with bank | Usage of current products and services<br>Customer risk behaviour<br>Recent dialogue with bank<br>Current enquiry<br>Customer relationships with other providers (wallet share) | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>          | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 2: What types of decision models are used as tools to make the decision?**

|   |   |                                |   |   |                          |
|---|---|--------------------------------|---|---|--------------------------|
| Basic decision trees used to determine which offer is made to each client | Risk models used in conjunction with decision trees | Risk and customer value models | Risk, customer value and propensity models together with decision trees | Constraint-based optimisation techniques used in conjunction with risk, value, propensity and response models | N/A                      |
| <input type="checkbox"/>  | <input type="checkbox"/>                            | <input type="checkbox"/>       | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 3: How are the results of marketing campaigns measured? What results are attained?**

|  |                                 |   |                                 |  |                          |
|--|---------------------------------|---|---------------------------------|--|--------------------------|
| Direct mail campaigns deliver between .5 and 2% net response | ← Between these two responses → | Mix of channels and more sophisticated targeting raise net response to beyond 10%.<br>Satisfaction surveys are taken on a regular basis.<br>Ad hoc analysis undertaken of early attrition following customer conversion | ← Between these two responses → | Net response targets rise above 15% through a mix of focused proactive and reactive campaigns.<br>Continuous customer surveys measuring satisfaction.<br>Ongoing measurement of product usage and attrition shapes model development, champion challenger and product development. | N/A                      |
| <input type="checkbox"/>                                     | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 4: To what extent will an offer be made to a customer consistent with their channel usage, likely product preferences across the organisations product and service portfolios and customer value?**

|   |                                 |   |                                 |  |                          |
|---|---------------------------------|---|---------------------------------|--|--------------------------|
| Each product unit manages its own marketing campaigns independent of other product units.<br>Campaigns are usually single channel focused: mostly direct mail with independent outbound calling campaigns and internet banner ads based on customer navigation. | ← Between these two responses → | Customer segmentation and risk and propensity models available to inform targeting of offers.<br>Call centre and branch staff have access to customer single view informing them what offers have been made to customers.<br>Rules prevent customers from being over-mailed by any or all product units | ← Between these two responses → | Many campaigns available at any one time.<br>Optimal offer made to each customer based on customer's likely buying, usage and risk behaviour together with the potential value to the institution in terms of business targets operational constraints.<br>New offers can be priced and delivered in real time based on pre-existing single view information and new information provided by the customer. | N/A                      |
| <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 5: To what extent is the targeting of customers for below the line marketing automated?**

|  |  |   |  |  |                          |
|--|--|---|--|--|--------------------------|
| <p>Propensity, response and utilisation scores built manually<br/>                 Test and learn experimentation determined manually<br/>                 Customer selections used to automatically identify customer sets to be mailed<br/>                 Follow up processes in place largely manual and dependant of demand and capacity available</p> | <p>← Between these two responses →</p> | <p>Tools are available for analysing customer data and making selection based on a wide number of variables. Propensity and Response models are built using automated tools. Automated tools assign customers to test and control strategies. Workflow automation tools used for handling responses and fulfilment.</p> | <p>← Between these two responses →</p> | <p>ETL tools used to aggregate, de-dupe and cleanse data<br/>                 Automated tools are used to prepare data for model development.<br/>                 Automated tools available to build propensity, response and utilisation model<br/>                 Selections are automated using optimisation<br/>                 Workflow combined with real time decisioning to handle customer response and fulfilment<br/>                 BI tools are used to measure and analyse results and identify buying patterns of different sub segments and automatically derived customer clusters.</p> | <p>N/A</p>               |
| <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>  | <input type="checkbox"/>               | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 6: Once an offer is available to be deployed to the customer base, how long does it take to incorporate the offer into the decision process?**

|  |  |   |  |  |                          |
|--|--|---|--|--|--------------------------|
| <p>Up to 6 weeks required to prepare data, build new SQL type queries, pull data prepare creative and send files to agency to be combined with mailing materials and mailed to customers</p> | <p>← Between these two responses →</p> | <p>Rapid collation of offer performance and customer response is achieved on an operational basis.<br/>                 Matter of hours needed to alter rules, cut-offs that drive customers into or out of multi channel proactive or reactive campaigns</p> | <p>← Between these two responses →</p> | <p>Additional speed achieved by including the new offer into constraint-based optimisation process which allows new offers to find those customers for which they are best suited.<br/>                 Offers are available for real-time reactive execution for cases where the customer contacts the bank prior to any proactive offer.</p> | <p>N/A</p>               |
| <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>  | <input type="checkbox"/>               | <input type="checkbox"/>   | <input type="checkbox"/> |

**ORIGINATIONS:**

**Question 1: What data are used for making Credit Application decisions for new and existing customers?**

|                          |   |   |   |  |                          |
|--------------------------|---|---|---|--|--------------------------|
| Application data only    | Application data + internal references lists (e.g., blacklists) | Application data, internal references lists (e.g., blacklists) and bureau score | Application data, internal references lists (e.g., blacklists), bureau score, and either raw bureau data or internal data concerning existing customers accounts. | Application data, internal references lists (e.g., blacklists), bureau score, and either raw bureau data and internal data concerning existing customers accounts and behaviour. | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 2: What credit models and decision rules are available for the credit application decision?**

|  |   |   |  |   |                          |
|--|---|---|--|---|--------------------------|
| Judgemental decisioning (underwriter's discretion) | Use of automated internal scorecard or a bureau score | Automated decisioning available at multiple points in process | Sophisticated automated decisioning available at multiple points in process, including support for champion/challenger and up-sell/down-sell strategies. | Sophisticated automated decisioning available at multiple points in process. This includes support for champion/challenger and up-sell/down-sell strategies. Models and rules leverage internal data to calculate borrowing capacity, propensity to buy, pricing for risk and optimal limit offers to maximise profitability. | N/A                      |
| <input type="checkbox"/>                           | <input type="checkbox"/>                              | <input type="checkbox"/>                                      | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 3: How are the results of the origination and application management process measured?**

|                                  |  |                                    |   |  |                          |
|----------------------------------|--|------------------------------------|---|--|--------------------------|
| Number of applications processed | Number of applications processed<br>Proportion of accepts/<br>declines and value of new<br>accounts opened | ← Between these two<br>responses → | Numbers and value of<br>applications, approvals,<br>conversions and their<br>associated costs<br>Performance of aged debt | Risk weighted value added<br>from new business<br>Performance of aged new<br>business<br>Cost of new applications<br>Unconverted approvals | N/A                      |
| <input type="checkbox"/>         | <input type="checkbox"/>   | <input type="checkbox"/>           | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 4: To what extent can alternative credit offers be made on a guaranteed basis if the initial customer application is declined by the organisation?**

|                          |  |  |  |   |                          |
|--------------------------|--|--|--|---|--------------------------|
| None                     | None, but support can be<br>offered to the customer in<br>the branch or over the<br>phone suggesting what<br>products and limits may be<br>available to the customer | System can automatically<br>suggest more appropriate<br>products if these are<br>available, e.g., a standard<br>card in place of a gold card | System can automatically<br>suggest more appropriate<br>products if these are<br>available<br>System can also customise<br>the offer made to the<br>applicant – 'pricing for risk'<br>For example, a different<br>limit (or deposit) and/or<br>changes to term, security<br>or price | System can automatically<br>generate a portfolio of<br>product offerings - each<br>priced for risk - taking into<br>consideration the needs of<br>the customer, eligible<br>products and the bank's<br>risk policies. | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 5: To what extent do credit offers take account of the customer's existing relationship with the organisation?**

|                          |  |   |   |   |                          |
|--------------------------|--|---|---|---|--------------------------|
| Not at all               | Existing customers may be offered alternate products | Credit model used will already take account of the relevant risk aspects of the customer relationship | Customer segmentation provides a basis for offering advantageous deals to those customers placed in segments representing higher value relationships (across products) and where the customer is likely to be willing to shop around and able to secure credit on more advantageous terms | The credit decision will consider the value and potential value of the customer together with their likelihood of attrition and their likely response to the offer made<br><br>For example, the price and limit offered would be optimised, thus enabling the organisation to offer price incentives where potential value and the attrition score are high | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>                             | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 6: How easy is it for you to change the application decision criteria and change or introduce new approval decisions?**

|                          |  |   |  |  |                          |
|--------------------------|--|---|--|--|--------------------------|
| System is hard-coded     | Requires the Vendor's intervention and / or considerable internal IT resources | Changes to models, cut-offs and application processing rules require IT to change parameters in one or several systems taking weeks or months | Key elements are parameterised within the application processing and decisioning systems, allowing business users to make some changes without IT intervention | Business can make their own changes to model calculations, strategy rules, model cut-offs and the application workflow, easily, quickly and in a controlled way<br><br>Changes can be made and tested through simulations in hours rather than weeks or months | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 7: From the point where the customer has provided the information required, how long does it take to turn around a decision?**

**Note: Proof of identity, value of property requiring documentary evidence, etc., would be in addition**

|   |  |  |   |  |                                 |
|---|--|--|---|--|---------------------------------|
| <p>Several days are required to send the application form to the processing centre and to make a decision</p> | <p>Initial credit decisions are made promptly, but the majority of applications require manual review and approval</p> | <p>For some credit products, credit decisions are made within minutes or an hour except where credit officer review is required - approximately 60% of cases<br/>For these cases an additional 1- 24 hours is required</p> | <p>For all credit products, credit decisions are made within minutes or an hour except where credit officer review is required approximately 30% of cases<br/>For these cases an additional 1- 24 hours is required</p> | <p>Application decision is instant for the great majority of cases<br/>For those cases where credit review is required (approximately 20% of cases), this can be achieved while the customer waits, or within one hour</p> | <p>N/A</p>                      |
| <p><input type="checkbox"/></p>   | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p>   | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p> |

**CUSTOMER MANAGEMENT:**

**Question 1: With reference to the following list of decision areas within customer and account management below, to what extent are customer management decisions made automatically?**

- a. Customer Level Limit Management
- b. Collections and Overlimit Strategies
- c. Authorisations Strategies (Pay/No Pay Decisions)
- d. Shadow Limit Allocation
- e. Re-issue Strategies
- f. Performance-based Pricing Strategies
- g. Cross-selling and Marketing Strategies

|   |  |   |   |   |                          |
|---|--|---|---|---|--------------------------|
| Few decision areas covered across a few products only | Most critical decision areas covered for some products | The majority of decision areas are covered though with gaps in certain products | Almost all decision areas are covered by automated decisioning, although, for some products, coverage is not complete | All decision areas covered across all credit products | N/A                      |
| <input type="checkbox"/>                              | <input type="checkbox"/>                               | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>                              | <input type="checkbox"/> |

**Question 2: What data are used for customer management decisions?**

|   |  |  |  |   |                          |
|---|--|--|--|---|--------------------------|
| Account Level Data including Account level behaviour scores | Account Level Data including Account level behaviour scores and credit bureau data | Account Level Data including Account level behaviour scores, credit bureau data and transactional data | Customer level data, account level behaviour scores, credit bureau data and transactional data | Customer level data, customer level behaviour scores, credit bureau data and transactional data | N/A                      |
| <input type="checkbox"/>                                    | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 3: What models are used for customer management decisions?**

|                          |                                   |  |   |  |                          |
|--------------------------|-----------------------------------|--|---|--|--------------------------|
| Credit scores            | Behaviour scores at account level | Behaviour and collections scores at customer level | Combination of credit scores, behaviour models plus transaction scores to achieve quicker response to early life risk and sudden adverse events | Full set of risk models plus propensity to utilise limits, attrite, etc. | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/>                           | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 4: How is the performance of customer management measured?**

|                                |  |   |  |  |                          |
|--------------------------------|--|---|--|--|--------------------------|
| No ongoing monitoring in place | Ad hoc strategy analysis in response to business request | Ad hoc strategy analysis in response to business request<br>Annual review of scorecards | Monthly analysis of all strategies currently in use<br>Annual review of scorecards | Monthly analysis of all strategies currently in use<br>Annual review of scorecards<br>Annual review of bad and doubtful debt and levels of assets in the portfolio | N/A                      |
| <input type="checkbox"/>       | <input type="checkbox"/>                                 | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 5: What is the appetite of the organisation to deploy champion challenger testing to optimise strategies?**

|   |  |  |   |   |                          |
|---|--|--|---|---|--------------------------|
| No change to the initial strategies developed and implemented | Set of strategies implemented at the start are reviewed and changed when required, typically every 18 months | All strategies reviewed on a periodic basis<br>Challenger strategies in specific decision areas designed to respond to most pressing business issues | Strategies reviewed on a periodic basis<br>Multiple challenger strategies in specific decision areas designed to respond to most pressing business issues | Pro-active program of champion /challenger development where many new strategies, covering a wide range of decision areas, are dynamically assigned to customers through constraint-based optimisation<br>Continuous programme of strategy review where poorly performing strategies are rapidly replaced | N/A                      |
| <input type="checkbox"/>                                      | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 6: What development techniques are used to develop new challenger customer management strategies?**

|                          |  |   |                                   |  |                          |
|--------------------------|--|---|-----------------------------------|--|--------------------------|
| No development occurs    | Manual development using anecdotal feedback on current strategy performance. | Manual development using anecdotal feedback on current strategy performance, statistical analysis and industry best practice techniques | Data-driven strategy segmentation | Strategy development that employs constraint-based optimisation and automated conversion to strategy rules | N/A                      |
| <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/>          | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 7: How frequently are customer management strategies changed?**

|   |                                 |                          |                                 |  |                          |
|---|---------------------------------|--------------------------|---------------------------------|--|--------------------------|
| Have not been changed since implemented | ← Between these two responses → | Every 6 - 18 months      | ← Between these two responses → | Strategies undergo a continuous rolling review and enhancement | N/A                      |
| <input type="checkbox"/>                | <input type="checkbox"/>        | <input type="checkbox"/> | <input type="checkbox"/>        | <input type="checkbox"/>                                       | <input type="checkbox"/> |

**COLLECTIONS AND RECOVERY:**

**Question 1: What types of customer strategy are supported by your collections and recovery system?**

|  |                                 |  |                                 |  |                          |
|--|---------------------------------|--|---------------------------------|--|--------------------------|
| Collections strategies are specific to the number of cycles delinquent and product | ← Between these two responses → | Collections strategies are selected based on relationship value and risk: where customer has several accounts, the status of all are considered when selecting and executing against that treatment strategy | ← Between these two responses → | Customer level collections strategy is adopted where applicable. In addition the outcome of each treatment is evaluated and an unsatisfactory outcome (e.g. broken promise) immediately triggers the next best treatment. Constraint based optimisation may be used as the mechanism to deliver this decision. | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 2: To what extent are collectors enabled to align their actions to current business objectives?**

|  |  |  |  |  |                          |
|--|--|--|--|--|--------------------------|
| Collectors freedom of action is constrained by selected strategy and scripts | ← Select a response that best reflects your practices between these two extremes → | ← Select a response that best reflects your practices between these two extremes → | ← Select a response that best reflects your practices between these two extremes → | Where appropriate, collectors are provided with several actions that are permitted under a single treatment and tolerances for say promises taken or payments made | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 3: What models are used to decide customer collections strategy?**

|   |   |   |   |  |                          |
|---|---|---|---|--|--------------------------|
| Collections cases are identified for treatment and subsequently managed on the basis of the number of days the account is delinquent. | When selecting collections strategies, the customer's credit score is used to measure risk together with indicators showing for example whether that account has been delinquent previously | A current account behaviour score is used when selecting collections strategies | In addition to credit scores, in house data and behaviour score, collections scores are used to regulate collections strategies as an account passes through delinquency stages | Transaction scores are used to identify accounts at risk of becoming delinquent<br>Customer-level behaviour and collections scores are used to manage collections strategies | N/A                      |
| <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>  | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 4: How is the Collections and Recovery Team organized?**

|  |                                 |   |                                 |   |                          |
|--|---------------------------------|---|---------------------------------|---|--------------------------|
| Homogeneous collections teams organised by say geography or product<br>Accounts fall into a pool that any collector can work<br>Little opportunity to balance loads across teams<br>Little confidence that strategies are executed in the manner intended. | ← Between these two responses → | Single organisation with specific teams set up to handle different types of collections calls, e.g. customer collections team, early collections and late collections teams, mortgage collections, etc. | ← Between these two responses → | Collections calls prioritised by risk and value and routed according to collector skill set and availability<br>Differentiated intensity levels exist for different risks/buckets of accounts | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 5: To what extent are the selection and management of collections agents automated?**

|   |                                 |   |                                 |  |                          |
|---|---------------------------------|---|---------------------------------|--|--------------------------|
| After a certain period of time collections cases are sent to agents | ← Between these two responses → | The decision to send a particular case to an agent is fully automated based on the type of account, the delinquency, the customer risk and potentially the customer's location. | ← Between these two responses → | As well as fully automating the selection and management of each case, a wider variety of agents are employed for similar cases so that the performance of each can be monitored and remedial action taken when performance differences arise. | N/A                      |
| <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 6: How are the level of Collections and Recovery resources set?**

|  |                                 |  |                                 |  |                          |
|--|---------------------------------|--|---------------------------------|--|--------------------------|
| Staffing forecasts are defined by financial budgets set by finance functions | ← Between these two responses → | Operational capacity plan model exists, but it is updated only infrequently, is insufficiently forward looking, and lacks key data | ← Between these two responses → | A capacity planning model exists, which is updated monthly, which forecasts at least 6 months into the future, is based on monthly updated/reforecasted loss and roll-rate data, monthly calculated workable queue volumes, seasonal factors regularly reviewed account per collector ratios, etc. | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/> |

**Question 7: How are collectors trained?**

|   |  |  |  |  |                                 |
|---|--|--|--|--|---------------------------------|
| <p>New hires are only trained by working next to existing collectors - making those collectors unproductive<br/>No further development training takes place</p> | <p>← Between these two responses →</p> | <p>New hire training program exists, but it still primarily involves the majority of time with existing collectors<br/>Existing collectors are able to attend lengthy classroom-based development programs</p> | <p>← Between these two responses →</p> | <p>New hires are subject to a specific training program which includes time spent in a "development team," managed by dedicated experienced operational staff whilst they achieve operational performance standards<br/>Existing collectors are subject to regular "bite size" refresher sessions, no longer than 2 hours long, that minimise time off the phone<br/>Documented and rewarded progression plans exist</p> | <p>N/A</p>                      |
| <p><input type="checkbox"/></p>   | <p><input type="checkbox"/></p>        | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p>        | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p> |

**Question 8: Are collectors rewarded for delivering superior results?**

|                                 |  |  |  |  |                                 |
|---------------------------------|--|--|--|--|---------------------------------|
| <p>No incentive plan exists</p> | <p>← Between these two responses →</p> | <p>Incentive plan exists, though it is not directly linked to portfolio performance, e.g., cash collected, productivity, and is paid less than monthly</p> | <p>← Between these two responses →</p> | <p>An uncapped incentive plan exists based on "balances saved"<br/>It is self funding, paid monthly, and has a direct link to roll rate improvements</p> | <p>N/A</p>                      |
| <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p>        | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p>        | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p> |

**FRAUD:**

**Question 1: With reference to the list of fraud types below, how complete is your automated fraud coverage?**

- a. Credit card fraud
- b. Advances fraud
- c. Debit card fraud
- d. Retail banking fraud
- e. E-Banking and phishing
- f. Application fraud
- g. ID theft
- h. Internal fraud

|                                  |                                 |   |                                 |   |                          |
|----------------------------------|---------------------------------|---|---------------------------------|---|--------------------------|
| Fraud detection is not automated | ← Between these two responses → | Most fraud types applicable to our business are covered, though for some fraud types automation is not complete | ← Between these two responses → | All the applicable fraud types are covered by automated systems and in addition we are able to identify frauds perpetrated across different fraud types | N/A                      |
| <input type="checkbox"/>         | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 2: What mechanisms do you employ to detect fraud?**

|   |   |  |  |  |     |
|---|---|--|--|--|-----|
| Blacklists and rules built into credit applications and collections processes | Rule-based fraud detection software deployed for each specific fraud type | Rule- and model-based fraud detection software deployed product by product aiming to detect transaction and applications | Neural-network based fraud detection models built on either the bank's own data or data from an appropriate consortium of similar institutions, combined with rules and case management software | In addition to fraud specific neural net models, rules and case management, models and software that examine customer behaviours across fraud types, products and channels in order to minimize successful attempts to compromise the bank, customers or merchants | N/A |
|---|---|--|--|--|-----|

**Question 3: Which of the following best reflects the extent of the measures in place to optimise the effectiveness of fraud detection?**

|  |                                 |  |                                 |   |                          |
|--|---------------------------------|--|---------------------------------|---|--------------------------|
| We immediately block accounts where fraud is indicated, we follow up with attempts to contact the customer | ← Between these two responses → | We monitor false positives carefully and block the most likely frauds whilst applying strategies to contact other customers where the likelihood of fraud is marginal. | ← Between these two responses → | In addition our treatment strategies for possible fraud cases considers the effect of contacting customers to confirm the status of their account on the overall relationship | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 4: In terms of the following key anti-fraud performance metrics, how completely do you measure and act on these metrics across all relevant fraud types?**

- a. Fraud Loss
- b. Fraud loss as a proportion of assets
- c. Account Detection Rate (ADR)
- d. Account False Positive Rate (AFPR)
- e. Cases worked per hour
- f. Productive time per day

|  |                                 |  |                                 |   |                          |
|--|---------------------------------|--|---------------------------------|---|--------------------------|
| Do not measure against most metrics on a regular basis. Reporting is infrequent and improvements to the effectiveness and efficiency of anti fraud activities are not regularly considered | ← Between these two responses → | Most of the metrics are measured and reported, however reporting frequency is patchy across fraud types and remedial actions are typically undertaken only when performance levels have dropped to an unacceptable level | ← Between these two responses → | Measure against all metrics across all fraud types on a regular basis and employ the information to improve anti fraud activities | N/A                      |
| <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>   | <input type="checkbox"/>        | <input type="checkbox"/>  | <input type="checkbox"/> |

**Question 5: What is your approach to managing the risks associated with new trends in fraud?**

|   |                                 |  |                                 |   |                                 |
|---|---------------------------------|--|---------------------------------|---|---------------------------------|
| <p>We do not believe we are at risk from any new types of fraud</p> |                                 | <p>We accept that new types of fraud are likely to develop but believe our controls are strong and that we are not prime targets. Nevertheless we review industry association guidelines and react where there is evidence that we are being targeted – such as unexplained increases in credit losses</p> |                                 | <p>We anticipate we will be targeted by fraudsters in new ways<br/>         Consequently, we review trends in our credit losses and changes in the performance of our detection models<br/>         In addition, we are in regular contact with banking associations, government and regulatory bodies and providers of fraud solutions in order to stay abreast of current trends.</p> | <p>N/A</p>                      |
| <p><input type="checkbox"/></p>                                     | <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p>  | <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p>   | <p><input type="checkbox"/></p> |

**CONCLUSION:**

**Do you have any additional comments or points of clarification on any of the questions above?**

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**Do you have any specific suggestions about this questionnaire could be improved?**

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**Are there other parts of the customer management lifecycle that you would like to see covered in this questionnaire?**

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**Either return this questionnaire at the end of this session or fax it to 1 (312) 984-7033.**