



Drive better consumer outcomes with Affordability IQ2

Understanding a consumer's financial health has never been more important.

AIQ2 is a suite of personalised bureau affordability tools that seamlessly verify a consumer's income and expenditure for a better understanding of their individual financial situation, so you can make the right affordability decisions, grow your business, and meet regulatory compliance.



Make the right decisions with the right data, at the right time

With the economy remaining turbulent, accurately, and consistently verifying a consumer's income and expenditure remains crucial in lending responsibly and meeting regulatory expectations.

Without access to the right data, you risk making costly, uncompliant decisions, increasing the potential of delinquency, and putting consumers at detriment.

Consequently, we have added a range of new and enhanced features to our AIQ2 solution which support you to;



Maximise the ability to **monitor income changes** over time



Provide the widest opportunity to personalise expenditure using the best data and **monitor residual disposable income**



Supporting better affordability assessments

A view of your consumer's income, expenditure and disposable income is key in understanding their individual financial situation, making personalised assessments, and driving better consumer outcomes.

Income



Enhanced Income Verification and Estimation

Revised CATO income estimates now ensure recent changes in income and historic anomalies in turnover are considered and treated appropriately. Allowing more incomes to be validated using CATO Estimated Incomes



New Minimum Income

3 portfolio level incomes can be set to identify changes in CATO estimated incomes



Enhanced Income Shock Metrics

Now available for the past 6 months, previously 3, for a longer-term view of how a customer's finances are managed, for better identification of significant changes



Enhanced Income Stability Metrics

Added Main Applicant Sole versions of income stability in addition to current existing stability metrics, giving the opportunity to better assess individual circumstances

Expenditure



Enhanced Expenditure Models

We have enhanced the models used in our EDI and EDI RAG calculations, to utilise the most relevant ONS data, to give you a clearer picture of a consumer's ongoing affordability



New Expenditure+

Utilise the best mortgage, rent and council tax values as part of your expenditure calculations, and ensure the most appropriate share of bills is applied

Disposable Income



Enhanced Effective Disposable Income (EDI)

Monthly estimates of a consumer's, or household's, disposable income to provide a more accurate measure of their ability to afford additional credit



Enhanced Effective Disposable Income (EDI RAG)

Now with more flexibility in setting EDI RAG field boundaries, as well as the underlying data used within expenditure calculations. We have also introduced the option of returning a second version of EDI RAG variables – giving up to 42 ratings

Drive better outcomes for everyone with Affordability IQ2

Business Benefits



Save time and resource by verifying incomes automatically and reducing the volume of manual reviews.



Increase your acceptance rate without increasing risk. Accept more of the right consumers and reduce the risk of delinquency and poor outcomes.

Consumer Benefits



Personalised and frictionless consumer experience. Affordability decisions are tailored to the individual needs of the consumer.



Prequalify consumers to ensure they only access products they can afford. Avoid creating an unrewarding application experience where they might be refused credit or struggle to afford repayments.

To find out how Experian can help you, get in touch
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