Client Churn Risk Analysis

Join_Date
25-04-2020   26-03-2025

Status
All

Jurisdiction
All

Client_Type
All

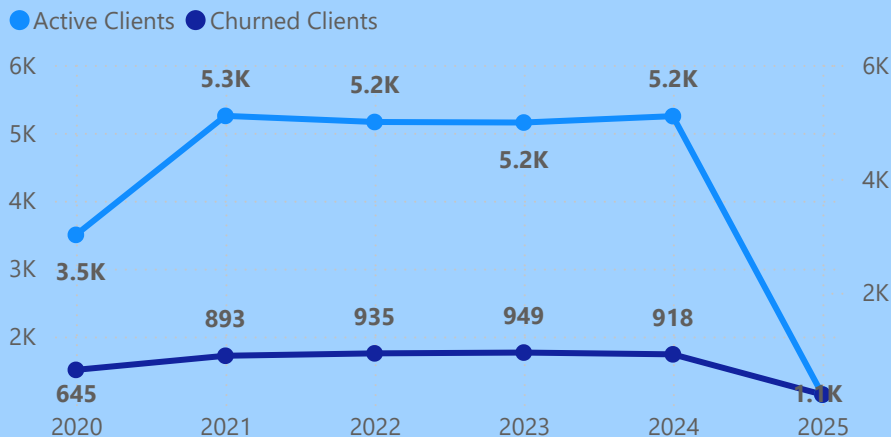| Total Clients	Active Clients	Churned Clients	Churn Rate %	ARPU	Total Revenue
30K	25K	4551	15.17	12.03K	360.81M

There has been a 51% growth in the active clients numbers from 2020 to 2021, but decline from there, most steeply in the late 2024 to march 2025 at 78%. The Churned clients numbers also follow a similar pattern.
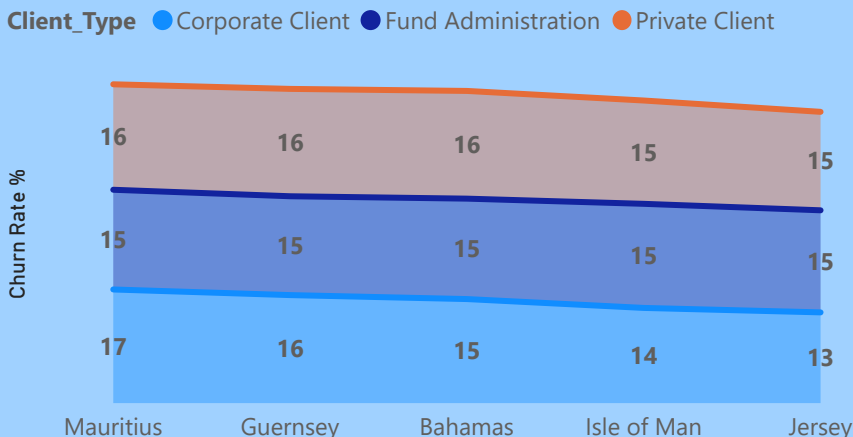
Corporate clients in the Mauritius Jurisdiction has the highest Churn Rate of 16.8% , whereas the same client type in Jersey has the lowest Churn Rate of 13.42% .

Growth of Active and Churned Clients over the Years

● Active Clients   ● Churned Clients

Year	Active Clients	Churned Clients
2020	3.5K	645
2021	5.3K	893
2022	5.2K	935
2023	5.2K	949
2024	5.2K	918
2025	1.0K	1.0K

Churn Rate % Client Types over the Juradiction

Client_Type ● Corporate Client ● Fund Administration ● Private Client

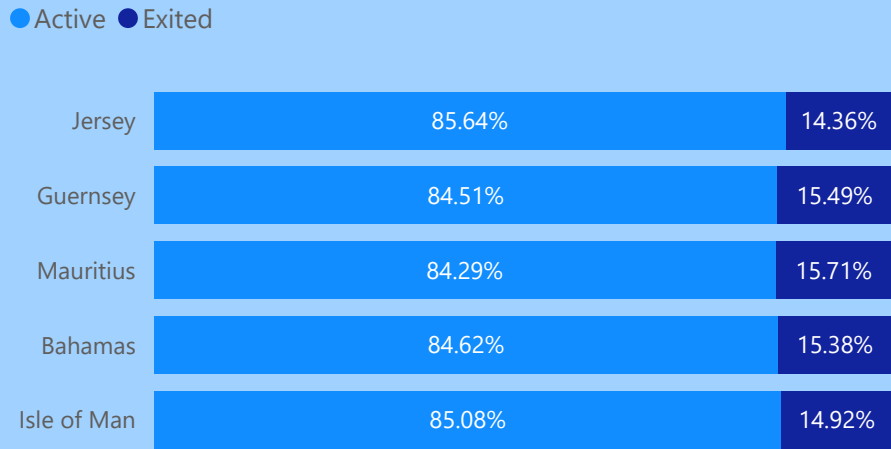|	Mauritius	Guernsey	Bahamas	Isle of Man	Jersey
Private Client	16	16	16	15	15
Fund Administration	15	15	15	15	15
Corporate Client	17	16	15	14	13

Highest Churned Clients are in Mauritius with 3.14% of the overall client base, whereas Jersey has the least Churned Customers, with 2.91% of overall client base.
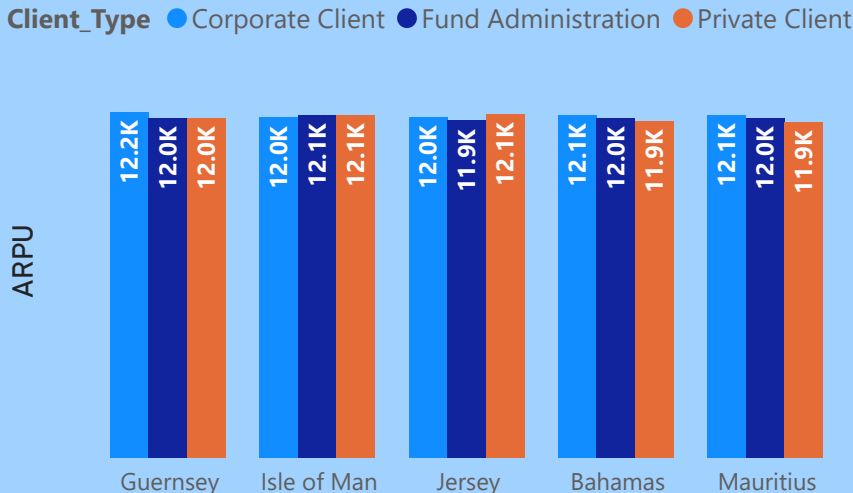
The Average Revenue Per User across the Jurisdictions varied across the Client almost similar. hence APRU not playing a differentiating factor in decision making/.

Break up of Client Percentage by Juradiction

● Active   ● Exited

Jurisdiction	Active	Exited
Jersey	85.64%	14.36%
Guernsey	84.51%	15.49%
Mauritius	84.29%	15.71%
Bahamas	84.62%	15.38%
Isle of Man	85.08%	14.92%

Client Distribution

Average Revenue Per User by Jurisdiction and Client_Type

Client_Type ● Corporate Client ● Fund Administration ● Private Client

Jurisdiction	Corporate Client	Fund Administration	Private Client
Guernsey	12.2K	12.0K	12.0K
Isle of Man	12.0K	12.1K	12.1K
Jersey	12.0K	11.9K	12.1K
Bahamas	12.1K	12.0K	11.9K
Mauritius	12.1K	12.0K	11.9K

Client Churn Risk Analysis

To enhance decision-making, I applied feature engineering to create key computed columns such as **Revenue_Band**, **Compliance_Band**, **Onboarding_Speed_Band**, and **Churn_Risk_Level**. These fields were derived using rule-based thresholds to simulate how client behavior and operational metrics could signal risk.

- **Revenue_Band** categorizes clients based on revenue contribution (Low: < $5,000; Medium: $5,000–$15,000; High: > $15,000), helping prioritize high-value accounts.
- **Compliance_Band** assesses delays in compliance checks (Fast: < 10 days, Moderate: 10–20 days, Slow: > 20 days), highlighting potential friction in the onboarding process.
- **Onboarding_Speed_Band** flags clients by onboarding duration, a critical factor influencing early-stage satisfaction and retention(Very Fast: 5<Days, Fast :5-10 days, Slow: >10 days).
- **Churn_Risk_Level** is a composite label based on the above factors, tenure, and support ticket activity—classifying clients as Low, Medium, or High risk to support proactive retention strategies.

These engineered features simplify complex raw data into intuitive segments, enabling clearer insights and actionable business responses.

Client_ID	Revenue_Band	Onboarding_Speed_Band	Complaiance_Band	Churn_Risk_Level
C000001	Medium	Slow	Fast	⬆ Low Risk
C000002	Medium	Slow	Slow	⬆ Low Risk
C000003	High	Fast	Medium	⬆ Low Risk
C000004	High	Fast	Slow	⬆ Low Risk
C000005	Medium	Slow	Fast	⬆ Low Risk
C000006	Medium	Very Fast	Slow	⬆ Low Risk
C000007	High	Slow	Medium	⬆ Low Risk
C000008	High	Slow	Medium	⬆ Low Risk
C000009	Medium	Fast	Fast	⬆ Low Risk
C000010	Medium	Fast	Fast	⬆ Low Risk
C000011	Medium	Fast	Medium	↗ Medium Risk

Jurisdiction	Count of Client_ID	Average of Onboarding_Time_Days	Average of Compliance_Time_Days	Average of Revenue_USD	Average of Tenure	Churn_Risk_Level
Mauritius	95	15.19	25.37	2,971.13	950.92	⬇ High Risk
Jersey	1626	11.38	14.92	10,531.68	880.67	↗ Medium Risk
Bahamas	115	15.76	25.08	3,074.94	871.62	⬇ High Risk
Jersey	4356	11.39	18.34	12,756.11	871.19	⬆ Low Risk
Bahamas	1678	11.52	15.07	10,568.66	870.00	↗ Medium Risk
Mauritius	1664	11.41	14.85	10,413.71	869.24	↗ Medium Risk
Bahamas	4148	11.49	18.09	12,813.61	864.99	⬆ Low Risk
Guernsey	1642	11.29	15.09	10,579.59	863.87	↗ Medium Risk
Isle of Man	4197	11.37	18.15	12,875.22	854.58	⬆ Low Risk
Isle of Man	1606	11.47	14.92	10,565.63	852.47	↗ Medium Risk
Mauritius	4245	11.38	18.35	12,801.22	850.00	⬆ Low Risk
Guernsey	4323	11.37	18.19	12,856.24	841.00	⬆ Low Risk
Isle of Man	110	15.74	25.79	3,196.70	817.49	⬇ High Risk
Guernsey	105	14.91	25.70	3,054.53	811.10	⬇ High Risk
Jersey	90	15.00	25.18	3,334.83	803.30	⬇ High Risk
Total	**30000**	**11.47**	**17.46**	**12,026.94**	**859.24**	

Jurisdiction	Total_Clients	Low_Risk_Clients	Medium_Risk_Clients	High_Risk_Clients
Bahamas	5941	4148	1678	115
Isle of Man	5913	4197	1606	110
Guernsey	6070	4323	1642	105
Mauritius	6004	4245	1664	95
Jersey	6072	4356	1626	90

Churn_Risk_Level	Total_Clients	Average_Revenue
High Risk	515	3,123.05
Low Risk	21269	12,820.18
Medium Risk	8216	10,531.55

Clients flagged as **High Risk** tend to have **significantly lower average revenue** compared to those in the Medium and Low Risk categories.

The Bahamas, Isle of Man, and Guernsey have the **highest number of potential high-risk clients**, despite **Jersey** having a larger overall client base. Notably, **Jersey also has the fewest high-risk clients**, positioning it as a strong jurisdiction for sustainable growth.

Since the **Churn Risk Level** is based on metrics like **Revenue Band**, **Onboarding Speed**, and