



Merit Score: Banking the 262M Invisible Youth

Turning Real-World Reliability
into a Bankable Asset.

Inter
LMA EDGE Hackathon Submission



Banking the Invisible Generation

Merit Score: Turning Real-World Reliability into Financial Opportunity for 226 Million Youth.

Merit Score



A Paradox of Merit: Trusted with Assets, Untrusted with Credit.

INDIVIDUAL LOAN APPLICATION

Applicant Details

First Name	Last Name
Address	City
Applicant income number	

Financial Information

Financed amount	Interest rate
Crated credit history	Score

Credit History

Application date	Approval date
Interest rate	Score

DENIED

A 19-year-old can manage complex logistics and high-value assets for an event like the Super Bowl, demonstrating immense reliability. Yet, to a bank, she is a "zero-value risk."

The Problem

Traditional credit is a lagging indicator of past debt repayment, not a forward-looking measure of present reliability. This system excludes 262 million capable youth in NEET status (Not in Employment, Education, or Training) globally.

262,000,000 
GLOBAL YOUTH EXCLUDED

Source: International Labour Organization (ILO) NEET Global Statistics

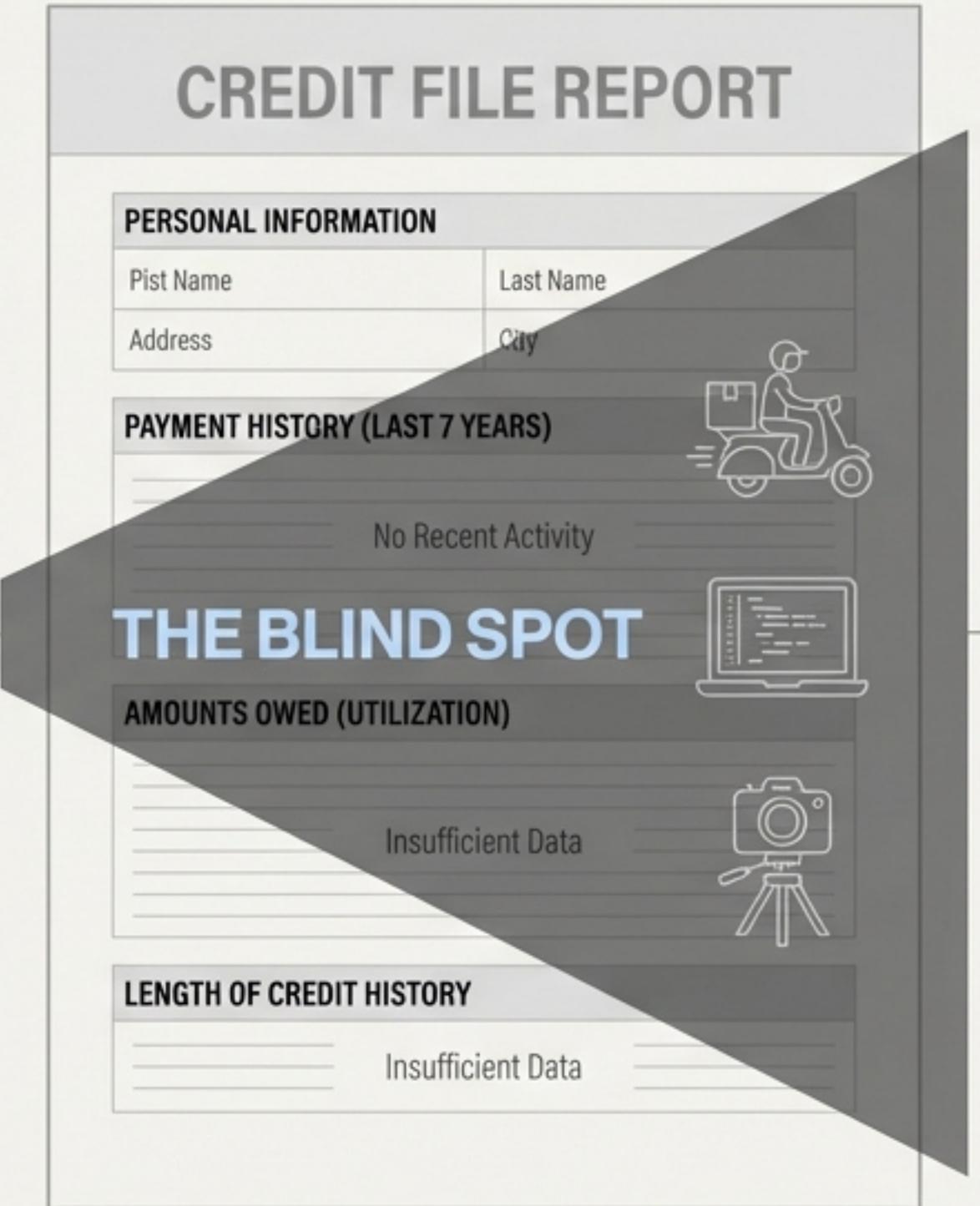
The Old World: A Financial System Built on a Rear-View Mirror.

A traditional system that fails to capture the full potential of the modern workforce.

How Traditional Credit Works (The FICO Model)



- Relies on historical data from credit bureaus (Experian, TransUnion, Equifax).
- Primarily measures past debt management: payment history, amounts owed (utilization), length of credit history.
- Essentially a 'snapshot in time' with no memory for context beyond the last report. Fails to capture real-time financial health or earning potential.
- Source Insight: "Traditional credit scoring models do not account for an individual's lack of credit history or other important parameters, including... cash flow patterns, employment history, and social lending behaviour." (Finezza Blog)



Why It Fails 262M People



- **The 'Credit Invisible' Gap:** No formal credit history means no score.
- **The Gig Economy Blind Spot:** Fails to process variable, non-W2 income from platforms like Uber, Etsy, or event staffing.
- **The Reliability Mismatch:** Measures ability to repay *past debt*, not the demonstrated consistency, conscientiousness, and reliability crucial in the modern workforce.

A Tectonic Shift Is Forcing a New Financial Paradigm



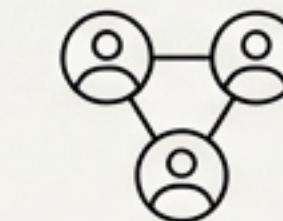
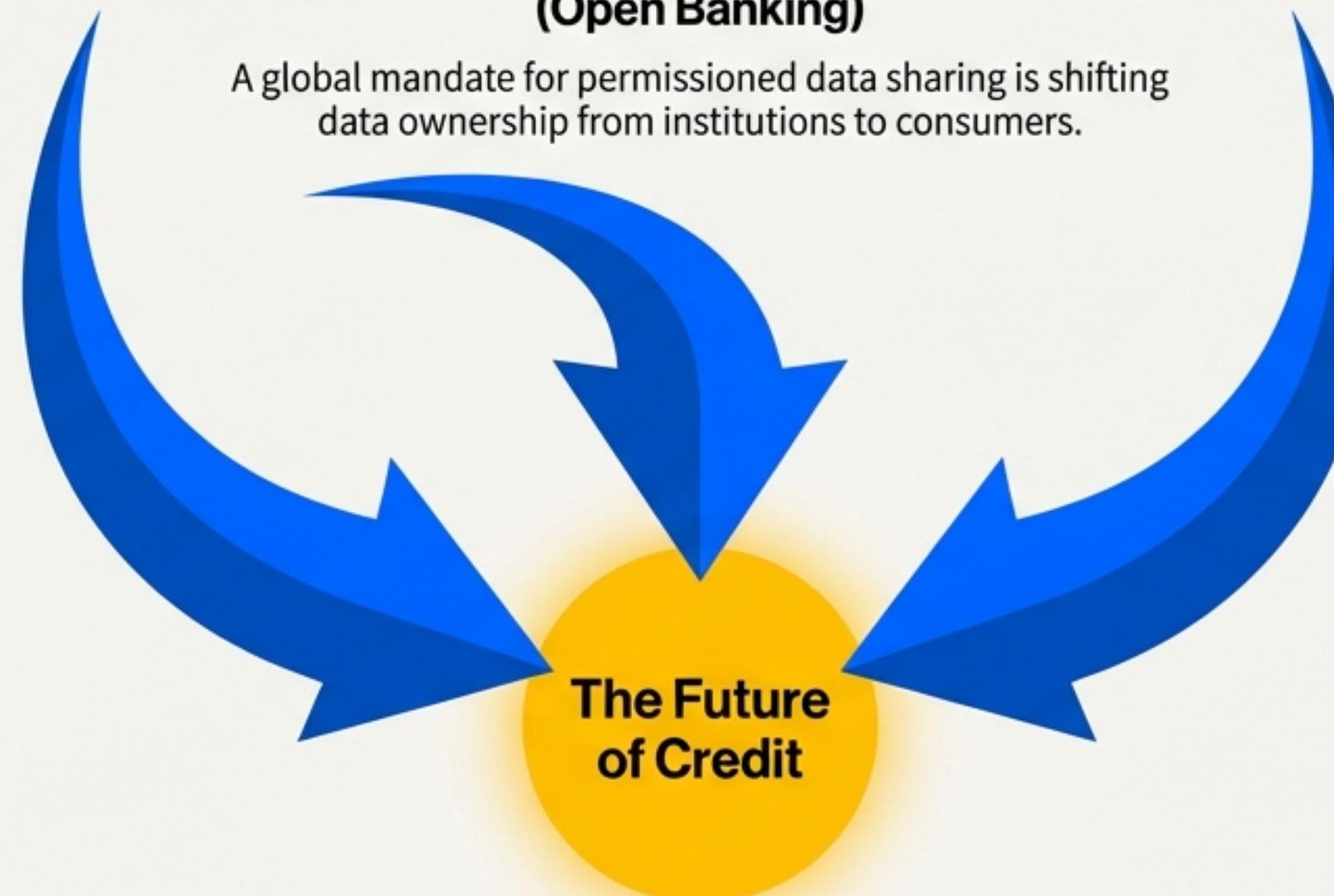
2. The Technology Catalyst (Behavioral AI)

A new class of risk assessment is emerging, moving from historical debt to real-time, predictive conduct.



1. Regulatory Upheaval (Open Banking)

A global mandate for permissioned data sharing is shifting data ownership from institutions to consumers.



3. The Economic Imperative (The Gig Economy)

The fastest-growing segment of the workforce now operates outside the traditional models that underpin the financial system.

Shift 1: Open Banking Mandates a Move from Walled Gardens to Permissioned Data

The consumer, not the institution, is the ultimate owner of their financial data.

Feature	Dodd-Frank Section 1033 (U.S.)	PSD2 (EU/EEA)
Primary Driver	Market-driven with evolving CFPB rules.	Legislative mandate for interoperability.
Access Rights	Under legal challenge; centers on consumer's right to access and authorize third parties.	Explicit rights for Third-Party Providers (TPPs) with consumer consent.
Implementation	Via APIs and standard-setting bodies.	Mandatory dedicated APIs and standardized protocols.

The Critical Insight for Lenders: 'The 'authorization model' fundamentally shifts liability. Once data is securely transmitted to a consumer-authorized third party, the bank's role as the primary 'insurer' of that data ends. PSD2 provides banks a clear 'right of recourse' against liable third parties.'

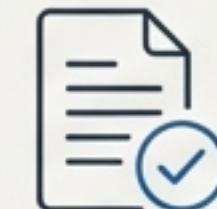
Shift 2: Behavioral Scoring Redefines Creditworthiness from Past Debt to Present Conduct.

Moving beyond lagging indicators (debt repayment) to predictive indicators of reliability, conscientiousness, and consistency.



Gig Economy Platforms

Income stability, earning potential, and demand for skills. (Source: World Bank)



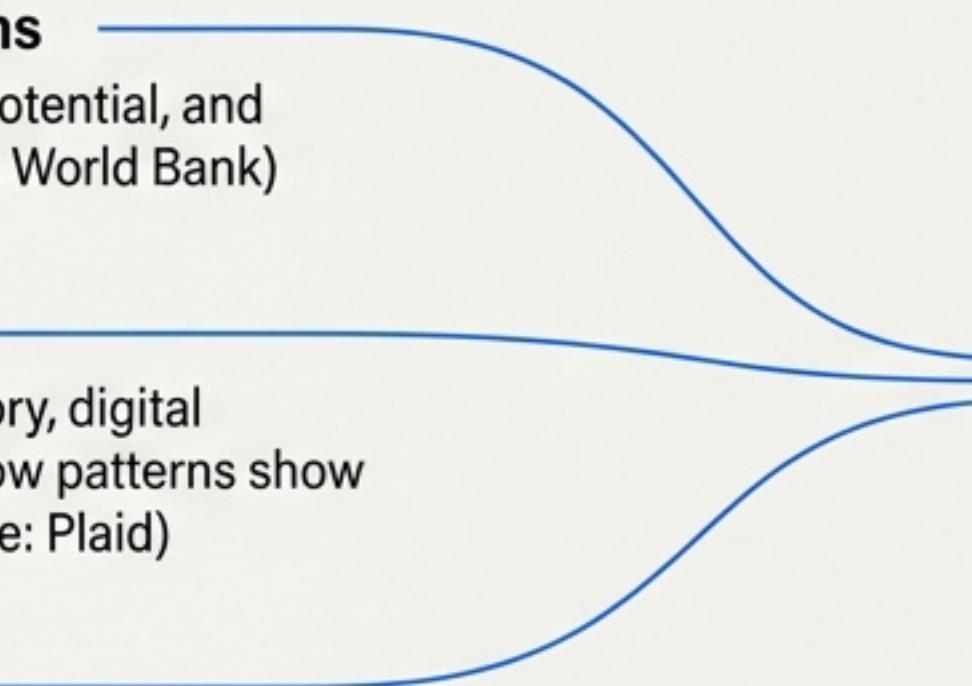
Transactional Data

Utility payments, rent history, digital subscriptions, and cash flow patterns show financial discipline. (Source: Plaid)



Digital Footprint

Professional network quality (LinkedIn) and project consistency (GitHub) can signal stability.

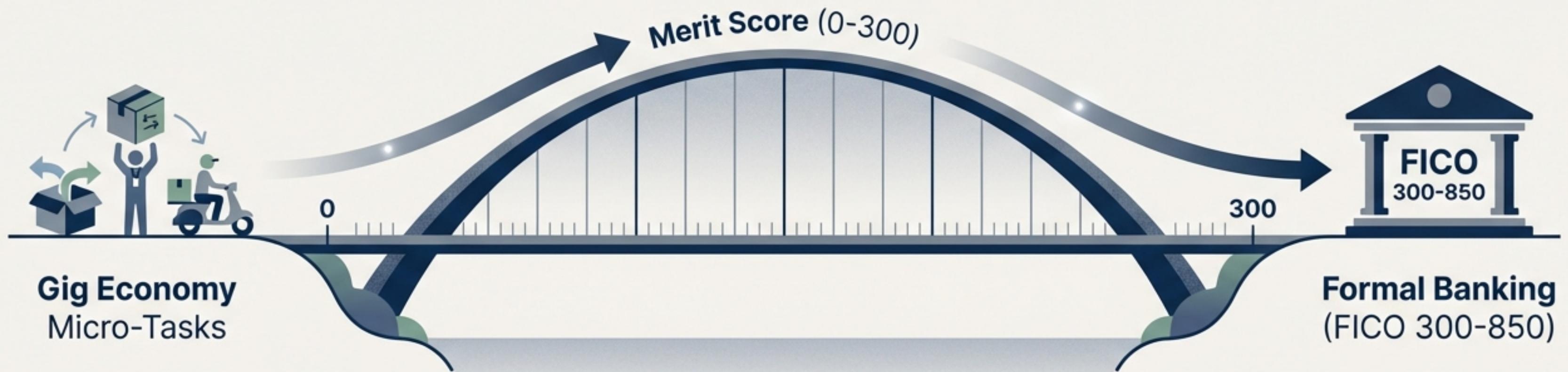


Behavioral Profile

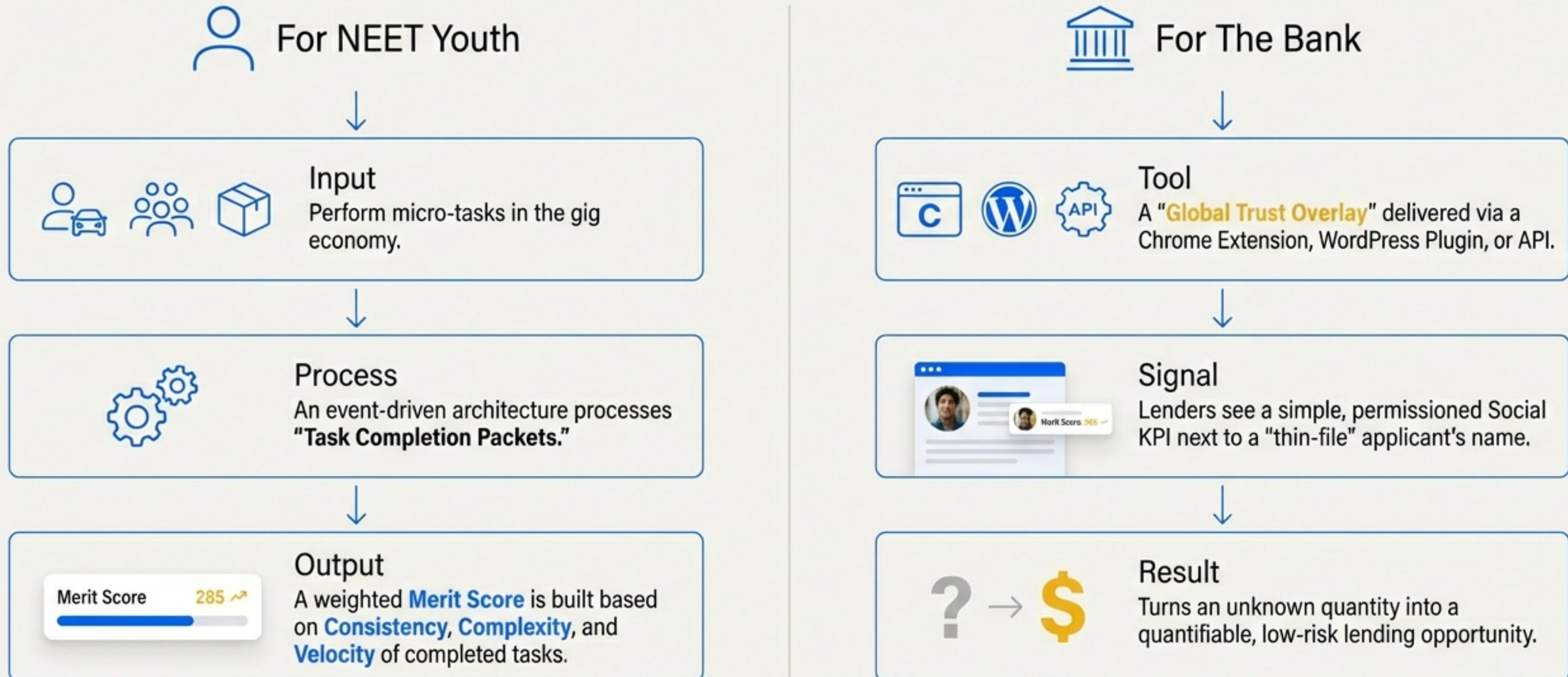
****Key Finding**:** Research shows behavioral data can be a strong predictor of credit risk, especially when using machine learning, allowing lenders to find "pockets of prosperity" in previously invisible populations. (Source: "Behavioral Credit Scoring and Financial Inclusion...")

Our solution is a ‘Behavioral Bridge’ from the gig economy to formal credit.

Merit Score is a real-time reputation oracle and API that translates gig-economy performance into a quantifiable measure of “Credit Readiness.” It serves as a new on-ramp that leads directly to the traditional 300-850 FICO range, making it a complementary, not competitive, technology.



A Dual-Sided Platform that Creates Value for Youth and Lenders.



Engineered for Trust: Our Three-Pillar Architecture.

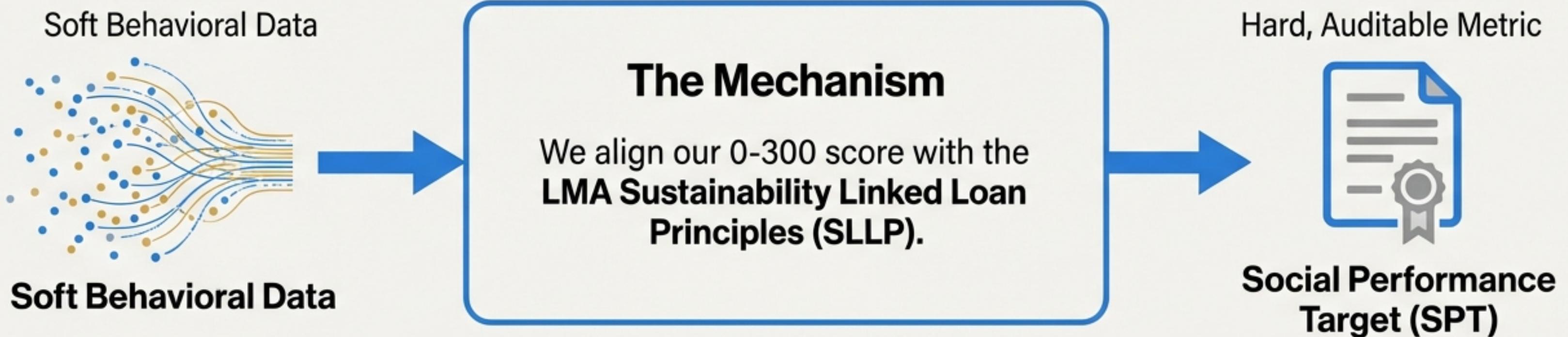
The Core Challenge: Bankers are justifiably skeptical of “soft data.” They aren’t afraid of the unbanked; they are afraid of the *unquantified*.

Our Solution: We built an unbreakable ecosystem designed to meet the highest standards of financial services.



Pillar 1: Financial Alignment with LMA Principles

Translating Behavioral Merit into a Bank-Recognized Social Performance Target



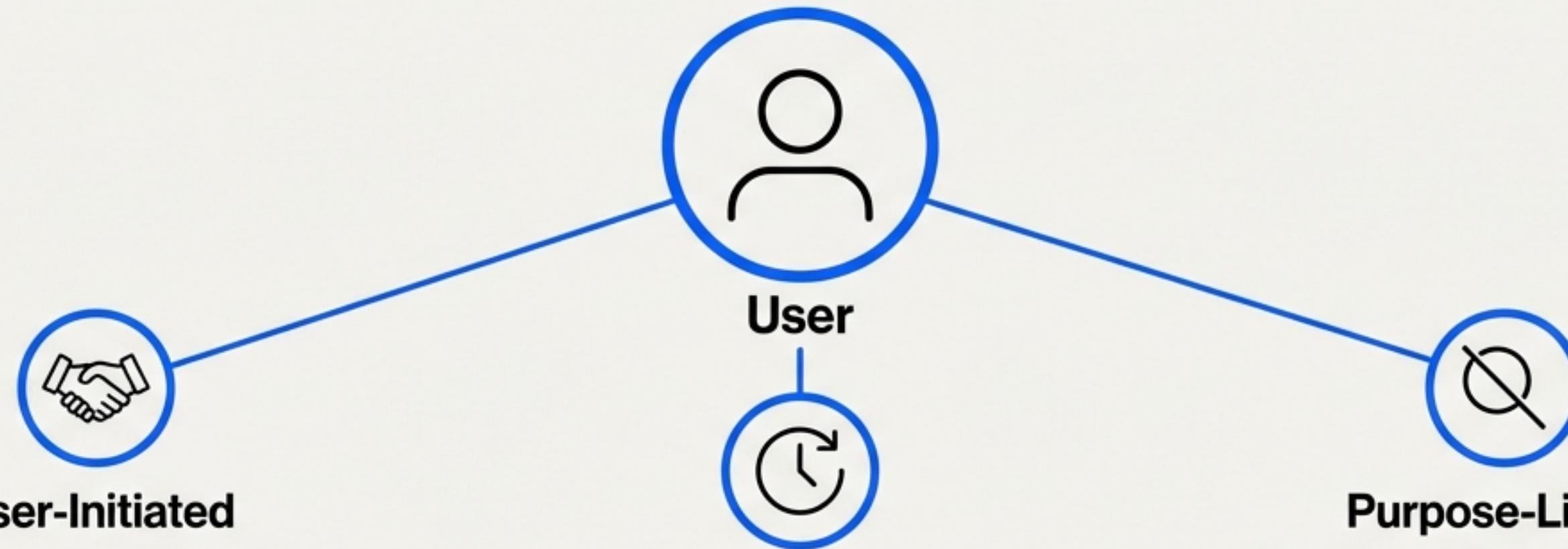
Why This Matters

- ✓ The SLLP is an established framework used by institutional lenders for sustainability-linked loans.
- ✓ By aligning, our Merit Score serves as a valid **Social Performance Target (SPT)**.
- ✓ This transforms our 'soft' behavioral data into a **hard, auditable metric** that can be directly integrated into existing loan products and ESG reporting. It provides a clear path for banks to lend against this new form of data.

Pillar 2: Privacy by Design with our ‘Permissioned Handshake’ Protocol

Giving Users Absolute Control Over Their Data

In the world of Open Banking, consumer-permissioned data sharing is paramount.



Compliance

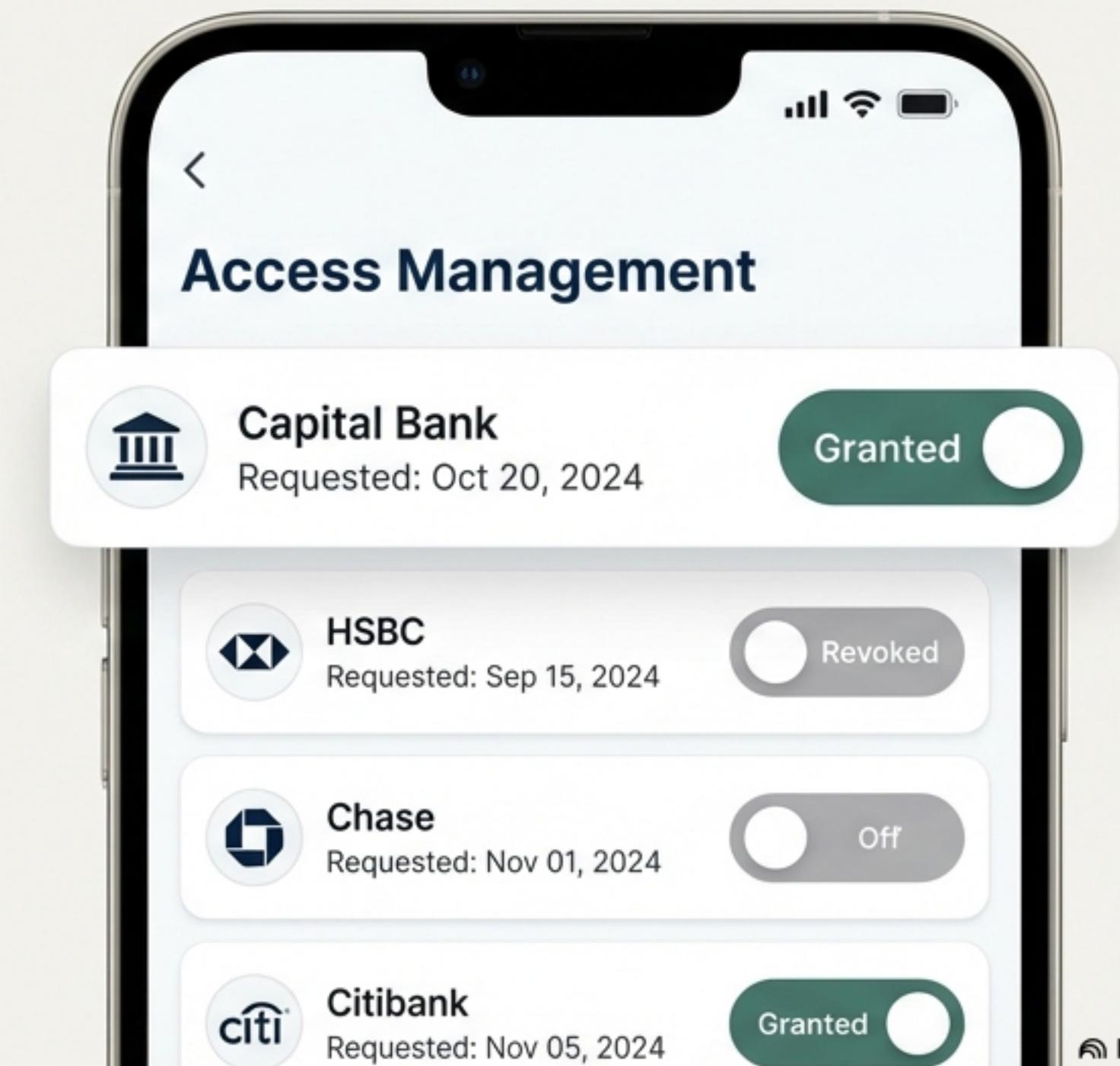
This protocol is designed to exceed strict **GDPR** and **Open Banking** privacy standards, ensuring user trust and regulatory compliance.



Users have total control over their data via a ‘Permissioned Handshake’.



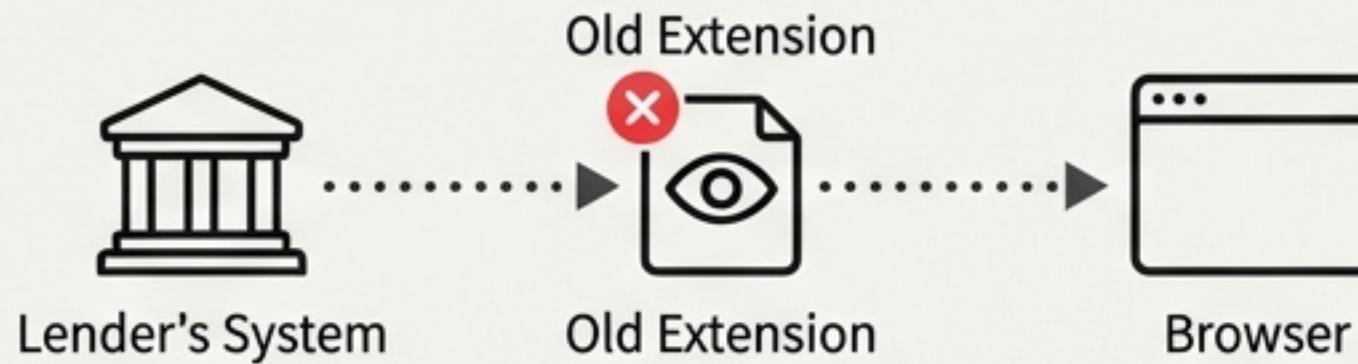
Our user-centric design is built on the “Permissioned Handshake” protocol, giving users explicit control over who sees their score and when. The system is designed to meet strict GDPR and banking privacy standards, allowing users to grant and revoke data access at will.



Pillar 3: Unbreakable Security via Manifest V3 Architecture

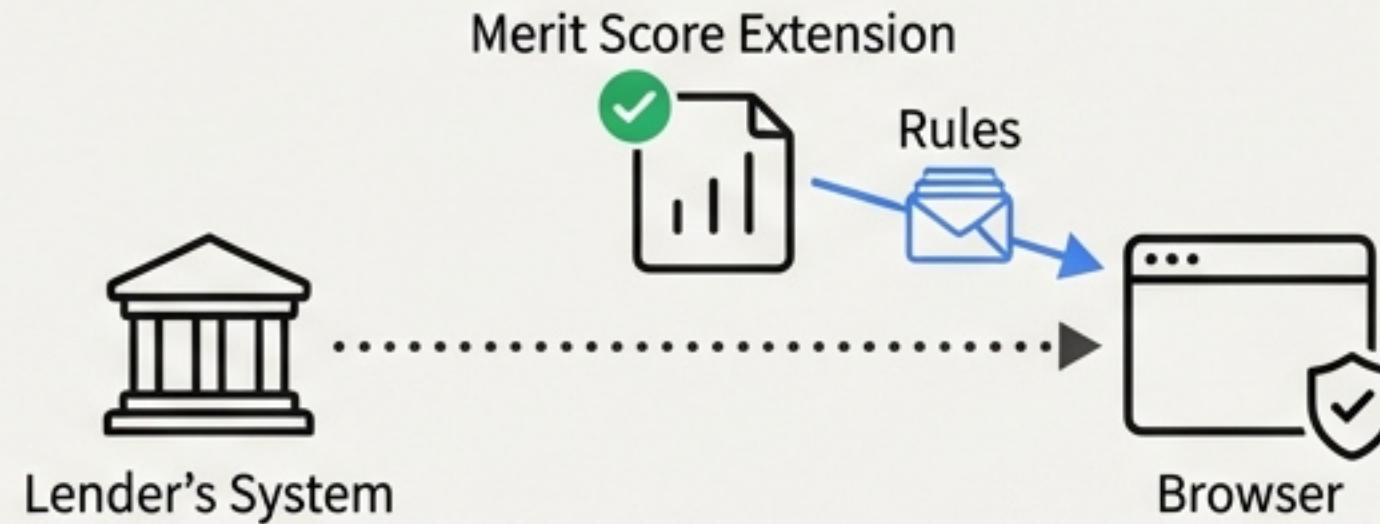
Our Chrome Extension Has Zero Visibility into Your Data

The Problem with Old Tech (Manifest V2)



Older extensions could use the `webRequest` API to intercept and read all network traffic, posing an unacceptable security risk for financial data.

The Manifest V3 Solution



We use the new `declarativeNetRequest` API. The extension provides rules directly to the browser. The **browser itself** acts on the traffic.

The Guarantee

Our extension **cannot see, read, or intercept** any sensitive data, passwords, or financial information on a lender's screen. The overlay is applied without compromising the underlying data.

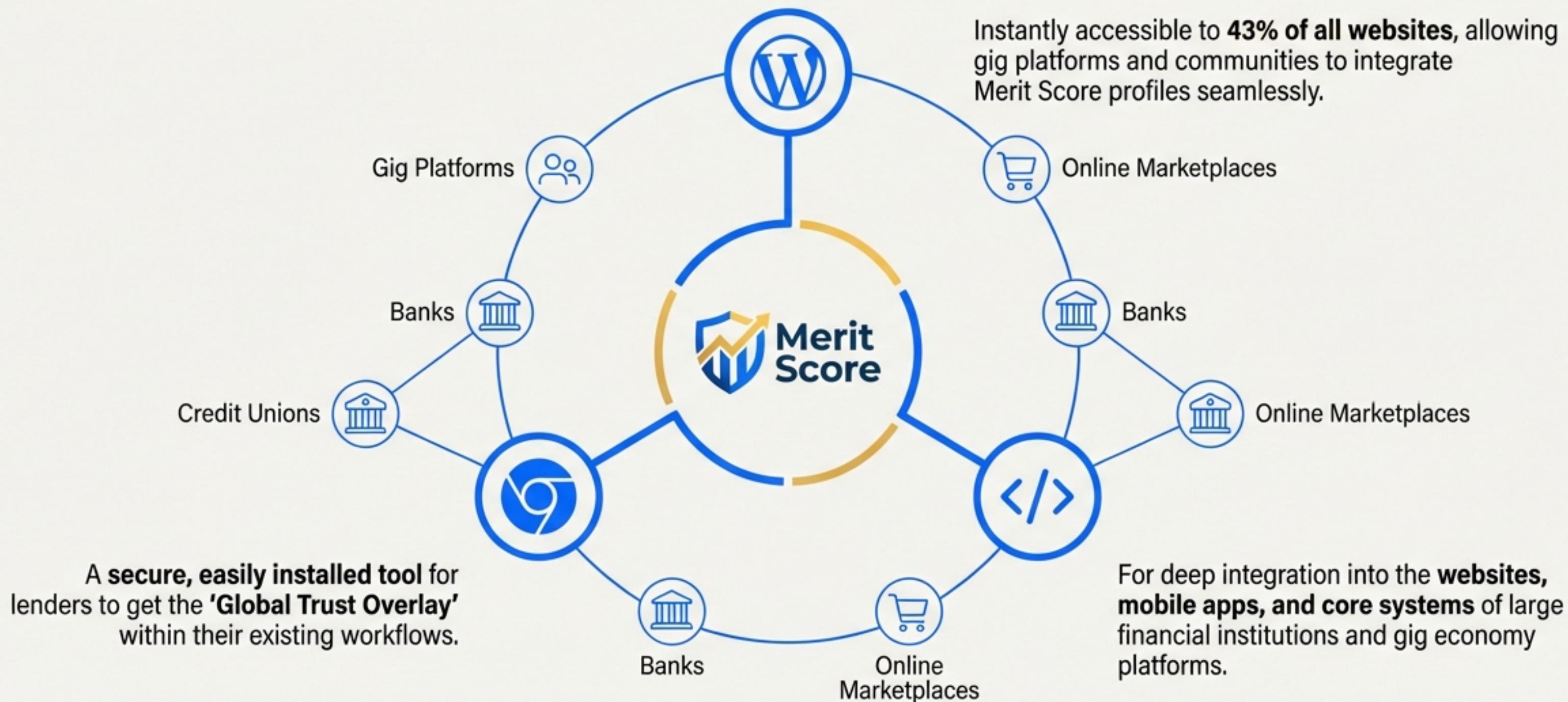
Quote from Chrome Developer Policies: Manifest V3 'removes the ability for an extension to use remotely hosted code, which presents security risks by allowing unreviewed code to be executed.'

See credit readiness instantly, directly within your existing workflow.

The image shows a screenshot of a web-based application portal. On the left, there's a sidebar with icons for home, documents, users, and more. The main area is titled "Online Application Portal". It displays a "Loan Details" form with fields for Name, Date, Fitok number, Income, and Employer. To the right of the form, a callout box highlights a "Merit Score" for a user named "Jasmine Carter". The callout box contains a portrait photo of a woman, her name "Jasmine Carter", a shield icon with an upward arrow labeled "Merit Score", the score "245 / 300", and a "View Details" button. At the bottom of the main form, there are "Back" and "Submit" buttons.

A Go-to-Market Strategy Built on the Internet's Core Infrastructure

We meet lenders and users where they already are, ensuring rapid, scalable adoption.



The Vision: Creating a New Asset Class Called “Behavioral Collateral.”

Merit Score isn't just a number; it's the foundation for a new type of collateral based on proven, real-time human reliability.



Beyond a Score

Merit Score isn't just a number; it's the foundation for a new type of collateral based on proven, real-time human reliability.



How it Works

Every gig-economy task successfully completed becomes another brick in an individual's financial foundation. This accumulated “behavioral collateral” can be used to secure progressively larger and more significant financial products—turning micro-tasks into macro-loans.



The Market Impact

This unlocks a previously inaccessible pool of capital for a new generation and provides lenders with a new, fundamentally de-risked asset to lend against.

A seamless ecosystem empowers youth and informs lenders.



1. TRACK

Youth complete micro-tasks (valet parking, event logistics, crowd management). Our system ingests '**Task Completion Packets**'.

2. TRANSLATE

An event-driven architecture processes these packets into a weighted score based on three core metrics: **Consistency**, **Complexity**, and **Velocity**.

3. DISPLAY

Lenders access the permissioned **Merit Score** via a secure **API**, a WordPress Plugin, or a Chrome Extension, providing a '**Global Trust Overlay**'.

Unlocking a new generation of customers and driving sustainable financial inclusion.



For Banks

- Access and de-risk a massive new market (262M youth).
- Increase customer acquisition and lifetime value.
- Fulfill ESG and sustainability mandates with a quantifiable social impact.



For Youth

- Provides a tangible pathway to credit and financial stability.
- Converts real-world skills into a bankable asset.



For the Gig Economy

- Increases worker value, retention, and financial well-being.

An Invitation to Build the Financial Foundation for the Next Generation

The Opportunity

A 262 million-person market is waiting. The regulatory, technological, and economic tides have turned. The old model is broken, and the new model is here.

Our Goal

To become the global standard for quantifying human potential and turning it into bankable capital.

We are seeking strategic partners and investors to help us scale our platform and unlock this multi-billion dollar market. Join us in banking the invisible generation.