

# All about a full-service credit information bureau

CRIF High Mark Credit Information Services is the only full-service credit information bureau in India offering services and products across the three verticals of consumer, commercial and microfinance/rural. Kalpana Pandey, CEO and MD, outlines the highlights of the company's evolution:

It is not difficult to acquire data, especially in an Indian scenario, but the data that is collected can be complex, unstructured and repetitive and the challenge in such a situation to have correct data to make informed decisions is enormous, especially for credit information bureaus, says Kalpana Pandey, CEO and MD, CRIF High Mark Credit Information Services, one of the four credit information bureaus functioning in India. "The issue is there can be multiple IDs, multiple names and multiple addresses for the same person. Having duplicate or multiple entries for the same entity is a major issue in database management, especially in India, where personal details like names and addresses can be written in multiple number of ways and it becomes increasingly difficult to recognize, manage and match such multiple variations to a single entity. In very large databases, total number of duplicate entries can run into millions, thereby affecting the search and querying performance of the system. So, we developed robust and smart algorithms in the system that enable users to run de-dupe checks on their data. Our de-duplication capabilities have been vetted and put to test by banks, telecommunication companies and MFIs. Data management packages that international credit bureaus use are of no relevance to Indian entities," she says.

CRIF High Mark decided right from the beginning of its operations way back in 2007 that it will have de-dup technology developed and customized to the Indian



**Kalpana Pandey** emphasizes that the technology platform being used is 'made in India and for India'

requirements. "So, we assigned top importance to the technology platform on which we will operate and today we have a system that is 'made in India and for India'. The deduplication engine we have has come in praise from RBI and even our competitors," says Pandey.

## STRENGTHS

From its early days, European company CRIF, which is a leading provider of credit information services, decision support and software solutions globally, has been a shareholder in the company. When the government allowed foreign

entities to own up to 74% stake in Indian credit bureaus, CRIF became the majority shareholder in the company. The other stakeholders today are Indian financial institutions like the State Bank of India, Punjab National Bank, Sidbi, Edelweiss, Shriram City Union Finance and Alpha, which is a consortium of microfinance institutions. CRIF operates in over 50 countries and has been a leader in providing products and services to the financial services industry covering the whole of credit life cycle.

## THREE VERTICALS

Pandey explains that in the Indian context, there are three verticals where credit bureaus function - consumer, commercial and micro finance/rural. CRIF High Mark is the only full service bureau in India offering products and services covering all the three verticals.

"We have been able to develop a system and a technology platform to capture the complex data about microfinance institutions and decipher it to offer credit bureau products and services specific to this sector. Today, we have a dedicated team that handles the MFI data, which can perhaps be described as the world's largest microfinance credit bureau information (constituting 72 million out of 240 million bureau database trades)."

## IN-HOUSE DEVELOPMENT

While most of the software development in the company is done in-house, the data is hosted on a tier-4 datacenter. Privacy is key to the company's operations,

which are ISO 27001 certified as well as under the Data Protection Act of UK. The company has three offices - at Pune, which is the operations and technology center, Mumbai, where the regional and corporate offices are situated and Chennai where a sales office is located.

Says Pandey: "We have the world's largest MFI database - about 180 million records. We are able to offer MFI-related products because of our inherent understanding of the MFI sector in the country and the database we have been able to create."

## DIFFERENTIATORS

What differentiates the company from others?

Says Pandey: "One is that we are the only full-service credit information bureau in India, offering products and services for all the three verticals I mentioned earlier. Second is the technology we use. The 'by India for India' platform has helped us to architect a system where the siloed structure is fully eliminated and the data can be captured across all the three verticals in a seamless manner and then give one credit report. The third differentiator is the agility with which we operate. We have been able to develop customized solutions suited for Indian conditions. And we developed such a system in a record time. This agility is there across the organization, may it be in product development or marketing or service delivery."

Developing reliable credit scores in all the three verticals will depend on how much data is available, how reliable the data is and how the data is updated, says Pandey.

Besides credit score, the company also offers risk management solutions for credit granting institutions. For example, it offers credit information reports and portfolio reviews for retail banking, MFIs and commercial/SME and corporate banking. It also undertakes data quality profiling. "What I mean by this product is that we receive raw, unstructured data from our members and we do a data quality check to get an insight into the



The operations and technology center in Pune

volume of highly incomplete records present in the database, discrepancies with such records, level of incompleteness of data etc. We then compile the feedback into a report and this is made available to the member. The report offers a deep insight into faults in data collection and entry," she explains.

## SINGLE VIEW

"We offer a single view or household view of the customers. The data provided therein helps the appraiser look into both the assets and liabilities of the customer and his/her first order relatives, all organized neatly in a single window. It gives an understanding of the relationship value of the customer in terms of the gross assets and liabilities of his/her household. This also prevents multiple lending to a single household on basis of singular security."

CRIF High Mark has also developed a unique system to cleanse the data. Often missing elements like PIN code, PAN number or phone number in customer records are common and they pose a great risk. The search and match engine developed by the company mines data from the underlying database and scans for variations to every single entity's records. This underlying data is populated and updated on a regular basis with data obtained from sources such as UIDAI, NSDL, voters' ID etc and the system has the capability to search for variations of such entities possessing additional details and collates the same with the missing elements of customer records. The system has also developed advanced rule-based algorithms to assess the correctness and completeness of a postal address, verify the same by running checks through a library of addresses and improve the

completeness of the address by feeding in missing information.

## FRAUD PREVENTION

Pandey says with an ever increasing number of fraudulent acts and harsh competition over new business, financial institutions are facing the challenge of effectively managing fraud levels while maintaining good client relationships and reaching new business targets. "With a complete suite of products, solutions and global expertise in detecting, highlighting and deterring fraudulent applications during the origination process, we enable financial institutions, insurance companies and telcos to know their clients better and prevent fraud losses before they occur. From early warnings to decision making, we help in protecting our clients' capital and future revenues against fraudsters and their ever changing schemes. We help these institutions with our analytic capabilities, powerful rule and search engine, as well as integral data acquisition and sharing platform," she adds.

"By exploiting the most sophisticated systems for 'intelligent matching' and all available data resources, external value-adding data, historical applications and internal data, we highlight and detect application fraud on any credit product based on both advanced predictive analytics and flexible rule-based detection strategies. We also help the institutions to research subtle relations between different entities and data elements, discovering connections otherwise passed unnoticed, making the most out of the institutions and CHM databases and exposing fraud rings attempting to attack the organization," Pandey elaborates.

mohan@bankingfrontiers.com



### Cover Story

#### Applauding the innovators

Finnoviti 2014 showcased the technology innovations by banks and financial services institutions and the innovators behind these innovations were recognized and honoured. Details of the innovations that won accolades

16



#### Brokerages catching up on technology

Trivikram Kamath heads finance, operations and IT at Kotak Securities. But he has his eyes always on the technology options for the brokerage. Some of the insights

12



#### KSFE to set up white label ATMs

Chit funds evoke unpleasant memories, but a Kerala government's Kerala State Financial Enterprises has shown the way how the business can be transparent and healthy and a revenue earner for the government. MD & CEO, P. Rajendran spells out the company's successful action plan

24



#### All about a full-service credit information bureau

CRIF High Mark Credit Information Services is the only full-service credit information bureau in India. Kalpana Pandey, CEO and MD, outlines the highlights of the company's evolution

28

### Other interesting

Events Diary .....
People Track .....
Compliance .....
Project Pipeline .....
Maharashtra's Credit P
RRB in UP .....
Assets of RRBs .....
News RRBs .....
Growth for Big Data .....
Card Usage .....
Conference Report .....
Indore Paraspar Coop
News DCCBs .....
News Coops .....
News Pics .....
Infographics .....

### Statement of Ow Form IV [See R

1. Place of Publication	: Mumba
2. Periodicity of Publication	: Monthly
3. Printer's Name	: Babu R.
Nationality	: Indian
Address	: 101, Sn Living P Bhandu
4. Publisher's Name	: Babu R.
Nationality	: Indian
Address	: 101, Sn Living P Bhandu
5. Editor's Name	: N Moha
Nationality	: Indian
Address	: F-102, I LBS Me Mumba
6. Name and Address of Individuals who own the newspaper and partners or share holders holding more than 1% of the total capital	: Manoj / 3/46, S Navi M Babu R 101, Sr Living & Bhandu

I, Babu R. Nair, hereby declare that the above are true to the best of my knowledge  
March 1, 2015

### Corrigendum

In the coverage of Finnoviti Awards and 2015 issue, under the title 'Bridging the gap' had inadvertently mentioned Kajal G. India. He is CGM-ESS, State Bank of India. It has also been inadvertently mentioned that Mohan Tanksale is former CEO, IBA. The errors are regretted.