K nearest neighborhoods can be used to classify the customers into good and bad risk groups. If the data is labeled then the 5 variables will cluster around a specific region in 5-D space. The k-nn can be used to create a vote for each of the clusters. Since there are 5 variables it would be a good choice to use 5 clusters and to do a nearest neighbor vote to determine the likelihood that that particular sample came from a good or bad cluster.