



Free Report

Credit Risk Management Vendors

Executive Summary: December 2024

Artificial Intelligence & Data Analytics Insights within Financial Services

Credit Risk Management: **Vendor Spotlight**

Artificial Intelligence & Data Analytics Insights within Financial Services

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EXECUTIVE SUMMARY

Welcome to the Distinctive Insights [Vendor Spotlight Report \(Free Executive Summary\)](#). The full report profiles the leading vendors utilising artificial intelligence and data analytics to support credit risk management processes in financial institutions.

This follows (and builds upon) our earlier Credit Risk Management ‘use case’ focused report which explored the key themes and trends relating to the use of artificial intelligence and data analytics within credit risk management processes in financial institutions.

Through extensive analysis of our proprietary database of market information, we have determined the key themes currently driving usage of data driven methods within credit risk management. With some themes verging on mainstream usage and others still exhibiting significant experimentation, there is a wide maturity range amongst the differing use cases where these methods are being deployed. However, the overall picture is evident: credit risk methods are gradually being transformed by the use of data driven approaches, and the pace and scope of applications is expected to materially expand of coming years.

We highlight the capabilities of the vendors who are leading this roll-out of new and innovative methods, giving insight into their product offerings, clients, partners, funding, investments, acquisitions, and (in a few cases) patents.

Many of the solutions leverage a core set of technological features (and associated people skills) to meet automation and digitalization needs. For example: innovations in document extraction, intelligent process automation, orchestration through agentic methods, generative AI, and machine learning modelling. These same features can be deployed beyond credit risk across many aspects of the end-to-end banking value chain. We therefore see many of the spotlighted vendors using these capabilities in loan origination, marketing, fraud prevention and other processes in addition to the credit risk components evaluated here. We will look further at these broader processes in future research.

The content of this report is based upon data analysed for the period 1st January 2023 to 1st November 2024. We have analysed technology procurement, technology releases, vendor partnerships, vendor corporate activity, and other industry developments over this period to identify the key vendors within this area.

The main vendors profiled within this report we have termed as the Spotlight Vendors. We have determined the list of Spotlight Vendors qualitatively based upon relevant activity relating to the topic of artificial intelligence and data analytics within credit risk.

For each of the Spotlight Vendors, where applicable we provide details of:

- Products and Services
- Client Activity
- Technology Updates
- Partnerships
- Corporate Activity (such as investments and acquisitions)
- Insightful Corporate Blogs
- Patents

We have curated the content based upon a vast amount of (publicly available) information. The content provided for each vendor is not intended to be exhaustive but aims to provide succinct and representative insight.

Towards the end of the report, we also provide summary information on 'Other Significant Vendors'. In future reports, some of these vendors will likely be included as Spotlight Vendors.

The combined list of Spotlight and Other Significant Vendors covered within the full report is as follows:

- ❖ Acuity Knowledge Partners
- ❖ ACTICO
- ❖ Alphastream
- ❖ Aperidata
- ❖ BloomCredit
- ❖ Bud
- ❖ Clerkie
- ❖ Corridor Platforms
- ❖ CrediLinq.Ai
- ❖ Credolab
- ❖ Credora
- ❖ Earnix
- ❖ FairPlay
- ❖ FinbotsAI
- ❖ Galytix
- ❖ Lumos Technologies
- ❖ Martini.ai
- ❖ Nova Credit
- ❖ Numerated
- ❖ Pagaya
- ❖ Payscore
- ❖ PointPredictive
- ❖ Provenir
- ❖ Relativity6
- ❖ Scienaptic
- ❖ Skit.ai
- ❖ Stratyfy

- ❖ Truv
- ❖ Upstart
- ❖ VeraScore
- ❖ Worth AI
- ❖ Zest AI

We welcome feedback and suggestions. Feel free to email us at contact@distinctiveinsights.ai if you feel there are vendors which would merit inclusion in future reports.

THEMES FROM OUR CREDIT RISK USE CASE REPORT

We recently published a Credit Risk Management ‘use case’ focused report which explored the key themes and trends relating to the use of artificial intelligence and data analytics within credit risk management processes in financial institutions. The diagram below summarises the key themes highlighted within that report.

We assign the core themes into 3 trend categories, which are not intended to be scientific but aim to provide readers with some perspective on the level of maturity of the particular theme. These trend categories are:

- **Prime Trends:** these themes are verging on entering mainstream usage.
- **Rising Trends:** these themes are well developed but industry usage still remains the exception rather than the ‘norm’.
- **Frontier Trends:** these themes are still seeing a high degree of development, evolution and creative experiment.

Prime Trend: Credit Assessment Innovation	<ul style="list-style-type: none"> • Income and affordability evaluation using alternative data sources. • Enhanced credit assessment methods using behavioural analytics and machine learning. • Use of Open Banking data and Telco data. • Automated data capture and information extraction from documents.
Rising Trend: Automation and Digitalization of Debt Management Processes	<ul style="list-style-type: none"> • Machine learning models to make personalised recommendations to customers at risk of debt difficulties. • Recommendations on refinancing and mitigation options. • Recommendations for credit score enhancement. • Use of Conversational AI / Voice AI within the collections process.
Rising Trend: Integration of Fairness Criteria	<ul style="list-style-type: none"> • Use of machine learning models to mitigate algorithmic bias; identification of bias factors; and recommendation for alternative data to mitigate biases. • Monitoring performance and outcomes; ex ante and ex post assessments. • Integration into model validation processes. • Internal and Regulatory Reporting.
Frontier Trend: Artificial Intelligence for Credit Analytics	<ul style="list-style-type: none"> • Machine Learning Models. • Generative AI / Large Language Models. • Knowledge Graphs. • Behavioural Analytics.
Frontier Trend: Use of Data Science in Private Markets Credit Analysis	<ul style="list-style-type: none"> • Extraction of insights from documents and other unstructured data. • Parsing of legal contracts, earnings reports, and investor presentations. • Covenant identification and monitoring. • Use of machine learning to undertake credit assessments on private companies.

STRATEGIC OVERVIEW AND KEY TAKEAWAYS

Vendors are supporting global financial institutions to widen credit accessibility

We highlight **Nova Credit** as a key vendor which is developing innovative credit solutions in partnership with the global banking market segment. Its solutions enable new-to-country populations to access and share their credit history, extending financial access and inclusion to newcomer groups without credit history within their new country. Global banks that Nova Credit has announced partnerships with over this period include HSBC, Royal Bank of Canada and Scotiabank.

This emulates the trend within U.S. Credit Unions and Community Banks

This trend within global banks tracks developments within the U.S Credit Union sector where access to credit is being broadened by solutions connecting a significantly wider universe of ‘alternative’ data than traditionally used in credit assessment methods. Leveraging artificial intelligence-based solutions is facilitating the connectivity of an extensive set of new data to a credit applicant’s profile, overcoming the limitations of the traditional credit file. A prominent example of a leading vendor in this process is **Scienaptic** which utilises an array of alternative data including telecoms bills, utility bills, rental payments data, and a large amount of additional content to create a more complete view of an applicant’s creditworthiness. Scienaptic has announced a material number of U.S. credit unions as clients over our analysis period, including Guardian Credit Union, Harvard Federal Credit Union, On Tap Credit Union, Patriot Federal Credit Union, People Driven Credit Union, Innovations Financial Credit Union and Wildfire Credit Union.

This area of the U.S credit market exhibits significant momentum and a maturing universe of solution providers. In addition to Scienaptic, we highlight **Upstart, Corridor Platforms, VeraScore** and **Zest AI** as vendors of note. Upstart positions itself as a marketplace between borrowers and lenders. Examples of Upstart clients over this period include Idaho Central Credit Union, Kaua’i Federal Credit Union and Naveo Credit Union.

Asian markets are addressing similar questions with different vendors

A parallel trend is evident in Asian markets, where underbanked community groups have traditionally been widespread, often with limited access to credit. Singapore-based **finbots.ai** is a leading provider in the Asian markets with its creditX platform providing credit scorecards using artificial intelligence and behavioural analytics. Examples of finbots.ai client announcements over the analysis period include Baiduri Bank (Brunei), Sathapana Bank (Cambodia), KBZ Bank (Myanmar), Samunnati (India).

Specialist solutions are emerging to ensure fair and unbiased lending

Alongside, the deployment of new credit assessment methods, there is momentum in the innovation of new governance, management and control frameworks and tools to ensure credit assessment is carried out in a fair and ethical way. Many of the aforementioned vendors build such governance into their solutions. There is also, however, a sub-sector of the vendor market offering specialist tools to manage this governance and mitigate bias in lending decisions. We make particular note of **FairPlay** and **Stratyfy** in this regard. Both vendors are U.S market focused, emphasizing the wider trend for credit model innovation in the U.S. Credit Union and Community Banks sector. Example clients announced by FairPlay for its Fairness-as-a-Service offering over this period include Chime and LendingPoint.

End user deployment is being facilitated by integration into the wider fintech network

In developing and rolling out these solutions leveraging artificial intelligence within credit risk processes, these vendors have forged **an extensive network of partner relationships**, typically integrating these credit risk solutions into the wider innovations being developed in the fintech community (thus servicing the end-to-end lending value chain). Over our analysis period, these networks have been significantly extended. Noteworthy examples of partnerships which have been announced by these vendors include: Oscilar, EDOMx, Fintech Galaxy, Worldline, Akoya, MoneyLion, DigiFi, Nymbus, CRIF, Fiserv, Sync1 Systems.

Subscribers can access details of our underlying content and comprehensive insights in the full report.

ABOUT DISTINCTIVE INSIGHTS

Distinctive Insights provides expert research into trends in **data and analytics within financial services**. Our research tracks the development of data driven solutions within banking, investment management, wealth management, payments, and many other financial sectors. We provide industry insights into the breadth of data driven solutions within financial services, including the use of artificial intelligence and machine learning, predictive analytics, data management, and business intelligence.

Our research reports include detailed intelligence on developments within financial institutions (use cases, vendor relationships, patents, and investments) and within the vendors which service them (including detailed insights into product and solutions, clients, partners, and funding).

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We're here to help:

The underlying content of this report has largely been produced from publicly available information, processed through Distinctive Insights analytical models to generate and aggregate insightful content.

Vendor news is sourced from press releases, available on the vendors' own websites.

Financial Institution news is sourced from press releases available on the financial institution websites.

If you need more information on any of the specific insights, an internet search on the key terms within the story should return multiple sources of further information. However, if you need help in finding further information, feel free to send an email to contact@distinctiveinsights.ai and we will be happy to provide any further content or sources which we have available in our database.



Supplement with your own research:

Distinctive Insights makes every effort to provide high quality and accurate research. We do, however, rely on public sources of information over which we have no direct control to develop our content. We encourage subscribers and purchasers of our content to use our insights to guide their internal research and analysis processes, but users should always supplement our research with their own verification and validation steps before making material financial, commercial or regulatory decisions.

WITH THANKS FROM DISTINCTIVE INSIGHTS

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