Data, Analytics and Technology

Consumer needs **vs** business challenges

WELCOME TO EXPERIAN'S 2022 **BUSINESS AND CONSUMER INSIGHT REPORT**

In 2022, the pace of digital transformation shows no sign of slowing. We're seeing more businesses invest in technology in an attempt to improve performance, deliver greater operational efficiency, and power better customer experience. Advanced Analytics, Open Banking, cloud computing – are all covered in our report.

This year, we explore **business and consumer views** on a range of topics, including **data privacy**, **data sharing**, **customer experience**, **fraud**, **technology investment**, **advanced analytics**, and much more. We've surveyed **587 financial services and telecoms business decision-makers** and more than **3,000 consumers** across **six EMEA markets** – Denmark, Germany, Italy, Netherlands, South Africa, and Spain. The findings reveal a common set of challenges and perspectives across geographies.

There is no doubt that the current landscape is complex and uncertain. But business continues, and the challenges and opportunities remain. In this report, we uncover those big business challenges and reveal how firms are planning to combat them. We then look at consumers and what they expect from businesses, how these expectations are changing, and what impact this has on firms looking to improve the customer experience.

We hope you find the insights valuable as you drive your business forward.

Malin Holmberg
CEO – EMEA & APAC, Experian

WHAT WE'LL COVER IN THIS REPORT

1

Consumer financial health, attitudes to data, and the impact on Open Banking

Our first section reveals the consumer sentiment around how they manage their money, their financial confidence, and identifies concerns around how organisations use their data. From there, we explore the impact on Open Banking and the role of consumer consented data in delivering improved services to consumers.

2

The challenge of rising fraud vs a seamless digital experience

Part two is about fraud and the digital customer experience. We look at the impact of fraud on the everyday consumer, and why organisations must strike the right balance between fraud prevention and customer experience to successfully grow revenue.

3

Cloud, Advanced Analytics and the rise of Machine Learning

In part three we explore the challenges businesses face when making risk and affordability decisions. And why the need to update models in faster cycles is fuelling the investment in advanced analytics and cloud-based software applications.

4

The future: business investment plans and budget prioritisation

In the final section, we look to the future and review the key business investment plans and budget prioritisation for the next 12 months ahead. We look at how technology investment aligns with the key business priorities and compare these to priorities from 2021 to see if there are any noteworthy changes.

Consumer snapshot

58%
have abandoned an application for finance in the last 12 months

36%
are unlikely to use a company with a slow application process again

63%
are concerned about fraud when interacting online

58%
are happy to provide information if it means they are less likely to be a victim of fraud

63%
think that digital identity checks are convenient

43%
live paycheck to paycheck

47%
feel anxious about their financial situation

33%
are borrowing more than they used to

Base: 3119 consumers in EMEA who have completed an online credit application in the last 12 months with a Financial Services or Telecommunications provider
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022

Business snapshot

44%
of businesses are 'expanding or upgrading' adoption of cloud based software

26%
have adopted but not expanding or upgrading

18%
planning to adopt in the next 12 months

Investing to improve protection against fraud (**73%**) is the top business priority in the next 12 months (4th in 2021)

Increased costs of using multiple types of fraud prevention software (**41%**) is the main fraud challenge

51%
are increasing their budgets for 'Digitisation of internal user tools and processes', more than any other area

31%
Financial Services are planning to adopt Machine Learning in the next 12 months

30%
Telecoms are planning to adopt Machine Learning in the next 12 months

Base: 587 EMEA decision makers at Financial Services and Telecommunications firms
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022

Consumer financial health, attitudes to data, and the impact on Open Banking

43% of consumers are living paycheck to paycheck and are looking to other options to help manage their spending, with 74% having used a BNPL service in the last 12 months

The financial strain of the pandemic, in addition to broader macroeconomic factors, means many consumers are worried about their financial situation with 1 in 5 stating that they find managing money difficult or very difficult. As a result, almost a third of consumers are borrowing more now than they were in the previous year.

74% of our consumers have used a Buy Now Pay Later (BNPL) service at least once in the last 12 months, with nearly 1 in 3 regular users (weekly or monthly). The main reason for using a BNPL service is greater flexibility in payments, the convenience of use, and to provide help with budgeting. As consumers look to borrow more, they appear to be seeking out the convenience of BNPL services, either in addition to or replacing traditional lending options.

Many consumers don't understand how their data is used by businesses and around half feel they aren't receiving adequate protection

More than 1 in 2 consumers (53%) feel it's difficult to understand how companies use their data, and 56% believe their data has already been shared between companies without their knowledge. Furthermore, around half of consumers don't believe businesses currently have adequate security in place to protect their data. The consequence of this is consumer nervousness and increased sensitivity around what data is shared with businesses, if any is shared at all.

From a business perspective, consumer willingness to share data can have a big impact on performance, with consented data unlocking new insights that can be used to improve the customer experience. Open Banking, for example, is one area that businesses are prioritising investment to improve the service offered to customers whilst also providing enhancement of important operational processes, such as creditworthiness and affordability checks for lending.

The positive news for businesses is that around half of consumers recognise that if they want to access a product or service, they accept that their data must be used. In addition, almost half (49%) of consumers are willing to allow companies access to their financial information to help with online application checks for financial products and services, up from 43% in the previous year. At 54%, 35 to 44-year-olds are the most likely age group to share their data.

Despite some reservations around privacy and how data is used by organisations, consumers are generally still willing to share data in the right scenario and for the right value exchange.

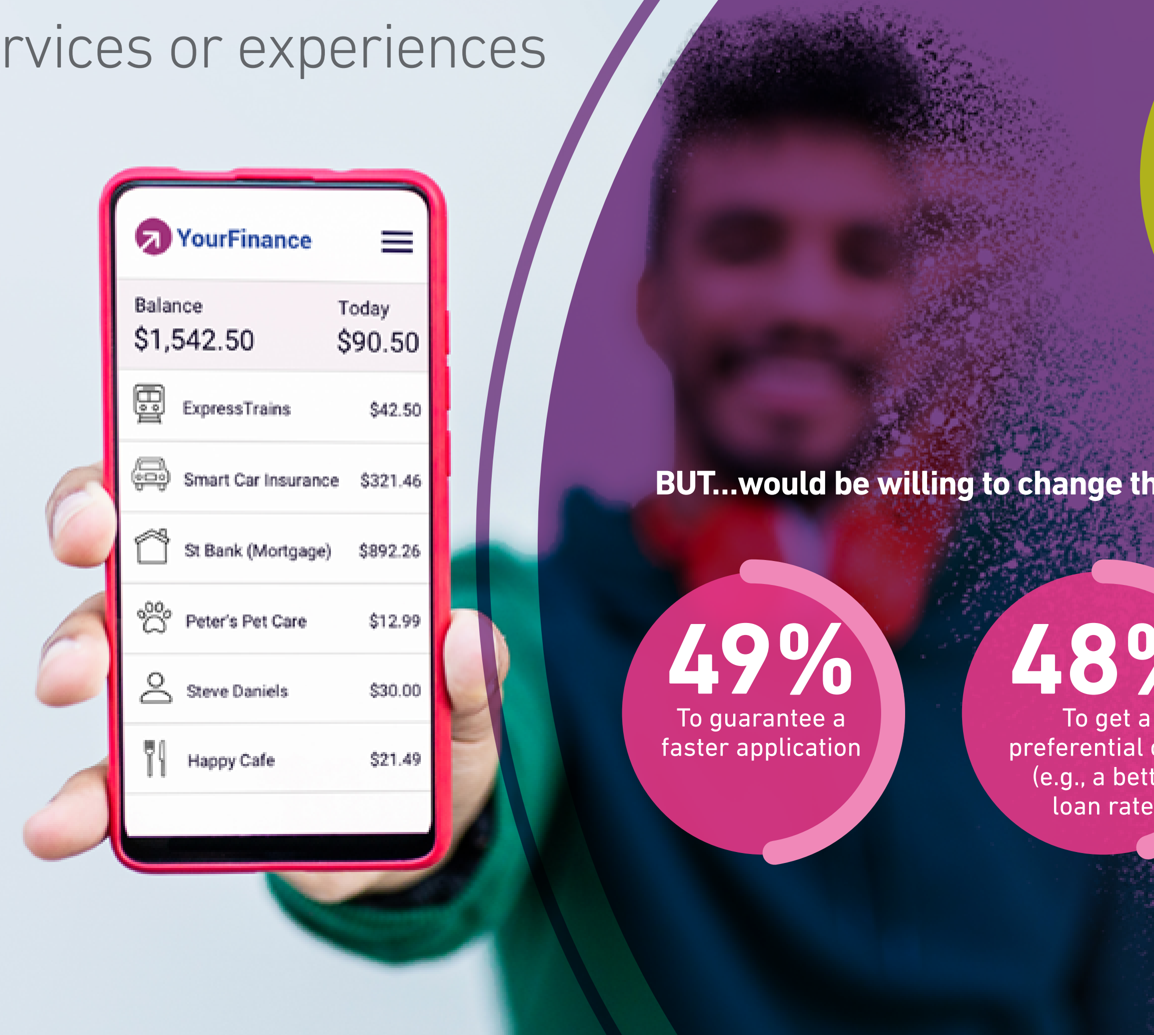
Consumers find it difficult to understand how companies use their data

Base: 3119 consumers in EMEA who have completed an online credit application in the last 12 months with a Financial Services or Telecommunications provider
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022

The real opportunity for Open Banking lies in the "**value exchange**" and the extent to which consumers see the benefits from shared data in the form of improved services or experiences

49%

of consumers are very likely or likely to share their financial information via banking app



A CLEAR **VALUE EXCHANGE** IS KEY

21% are unlikely to share their transaction data

BUT...would be willing to change their mind for the right reason:

- **49%** To guarantee a faster application
- **48%** To get a preferential offer (e.g., a better loan rate)
- **46%** To ensure you did not have to send physical paperwork

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Most businesses have invested or plan to invest in Open Banking with significant value observed from live projects

39% of businesses have invested in Open Banking, with a further 47% planning to do so. The attractiveness of Open Banking is clear for Financial Services and Telco businesses, including the promise of a more convenient and personalised customer experience, as well as improving the accuracy of creditworthiness and affordability assessments for lending or financing decisions.

Most firms have invested or are planning to invest in open banking

Already invested

39%

Invested already

43% Financial Services

32% Telecoms

My organisation is already seeing significant value from its open banking projects

52%

Overall

51% Financial Services

55% Telecoms

Planning to invest

22%

Planning to invest in next 12 months

19% Financial Services

27% Telecoms

25%

Planning to invest in next 2-5 years

24% Financial Services

27% Telecoms

Base: 587 EMEA decision makers at Financial Services and Telecommunications firms
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022

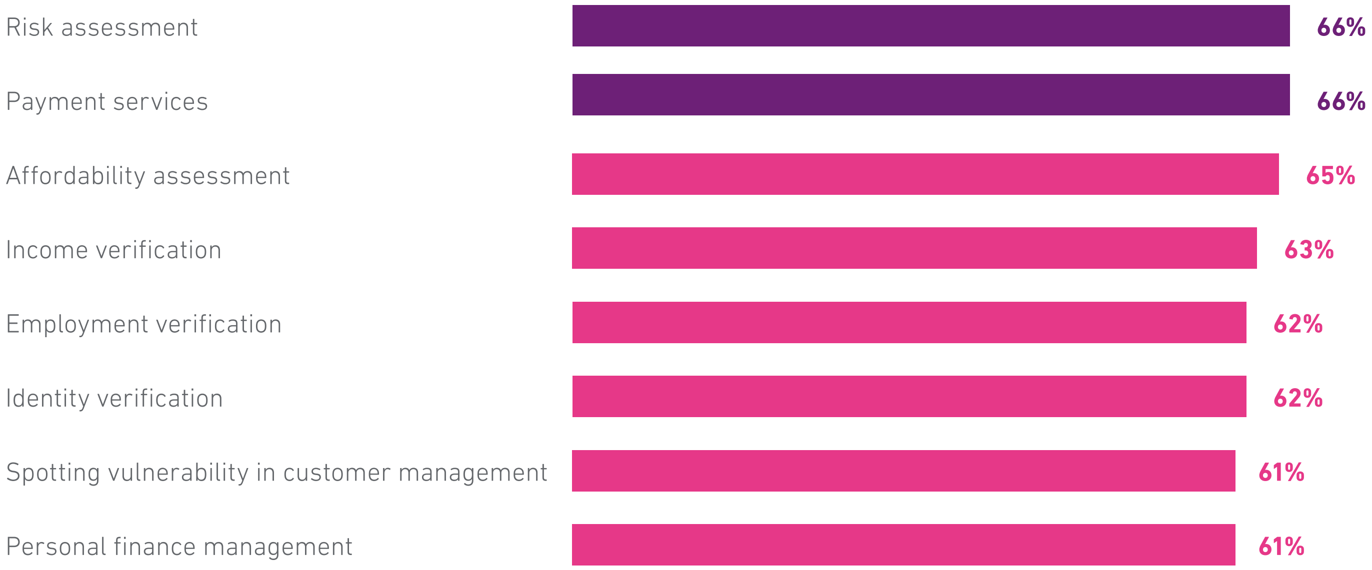
Regional callouts

68% of businesses in the Netherlands have invested in Open Banking, the highest in our survey. Only 21% of Spanish businesses have invested in Open Banking, the lowest in comparison. However, 61% of businesses in Spain plan to invest within the next 5 years.

The priority use case for Open Banking is 'risk assessment' and 'payment services' with 66% of businesses highlighting these as a critical or high priority. Looking at the risk assessment use case, the depth of the data accessible from Open Banking means that businesses can use the transactional data to develop a standalone risk assessment score, which is comprehensive enough to be used instead of a bureau-based score. However, many businesses are in fact blending multiple data sources to provide even greater accuracy.

How much of a priority are the following Open Banking use cases for your organisation?

High / Critical Priority



This demonstrates the power of transactional data, and why almost two-thirds of businesses state risk assessment as the priority use case. It must be noted that the research highlights that the value of Open Banking is seen broadly, with a vast range of use cases being highlighted as high or critical priority. Given that transactional data can provide insight into income estimation, signs of financial vulnerability, and identity verification, it is clear why most businesses yet to invest in Open Banking plan to do so in the short to medium term.

> Open Banking is creating huge opportunities, with **52%** of the businesses surveyed already seeing significant value from their Open Banking projects.

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Over time, Open Banking can provide better support for customers who expect firms to help them avoid missing payments

47% of consumers are likely to allow regular access to their bank transactions so the lender can monitor their financial circumstances and provide improved financial support. In the Netherlands and South Africa, this rises to 50%. There is a large base of consumers that are open to sharing their data in return for help and support.

In addition, more than half (51%) of consumers would like 'more support from the companies I borrow from to ensure I don't miss payments'. Transactional data from Open Banking can provide a step change in this regard, by better identifying signs of vulnerability through behavioural signals observed through the data. It improves the ability to quantify the extent of vulnerability by identifying signs of stress through an aggregated view: such as a fall in income combined with a shift in spending to high-priority items. This provides operational teams with the ability to proactively contact customers to offer support, with adjustments to payment plans or flexible payment holidays, to support sustainable lending.

> **46%** of consumers are unlikely to recommend a company to a friend after receiving a poor customer experience online.

The future? A move from Open Banking to Open Data

Beyond the PSD2 regulation, Open Banking is paving the way for Open Finance – an industry-led initiative looking to increase the scope of financial data sharing beyond payment accounts. Open Data goes beyond Open Finance, connecting consented account data from other sectors including insurance, telecoms, energy, and even government held data. All of this data can benefit Financial Services and Telecoms businesses in terms of how they interact and support customers.

Open Data will accelerate the move away from the old world of manual customer steps, such as printing and sending of documents – a big cause of application or checkout abandonment. Secondly, it will allow for a reduction in the digital steps that still create friction in the process, such as downloading a payslip from one portal and then uploading it to another.

In the new world, data will be transferred effortlessly post consent, so that the flow of information happens near instantaneously

People are increasingly managing their financial lives online, and in the online world convenience is key and an increasing expectation. Businesses offering financial services, or products with financing, in the case of Telcos, have previously struggled to match the customer experience offered in other sectors due to the additional checks needed to meet regulatory requirements. This is understandable, but with Open Data there are opportunities to significantly reduce the time to decision, improve the overall digital experience and enhance the type of support for customers in their credit journey.

Open Data may also involve changes in the way we manage identity. For example, in June 2021 the European Commission proposed a universal European Digital Identity system. This would be available to all EU businesses, citizens and residents. It would allow them to store identity-related data and official documents, such as income statements, passports, and even educational qualifications, in a digital format. This data can then be used as a digital proof of identity across the Member States to enable citizens to access public and private services, ranging from renting a car to applying for a loan or a mortgage.

An example loan journey with Open Data

In theory, taking the example of a loan, personal identity and financial documents would be held in a personal identity wallet. The user would allow access to specific documents from their personal wallet, selecting only the documents that are required for the application process. These are securely sent to the lender for the purposes of completing the application checks. As you can imagine, the speed at which consumers can apply, and then businesses can verify identity and run financial checks, is shortened considerably.

If businesses can demonstrate the value of sharing their data, are transparent in how they intend to use the data, and can provide assurance on data security, then consumers have shown willingness to share their data.

Connecting identity with other personal information could significantly improve the customer journey, but security is critical.

The challenge of rising fraud vs a seamless digital experience

Most consumers are concerned about fraud in their online interactions and more than 1 in 3 have been the victim of a data breach

63% of consumers are concerned about fraud when interacting online, and 39% have been the victim of a data breach. In an increasingly digital world, fraudulent attacks are becoming more sophisticated. Device emulation, credential stuffing, and remote access trojans are just some of the modern attack methods used to target individuals and businesses. As a result, consumers are wary, and businesses are fighting to stay ahead of these emerging threats.

> **42%** of consumers tend to use the same passwords for different online accounts

Fighting fraud is difficult, with attacks constantly evolving and becoming more sophisticated

NOW

ATTACK	PREVENTION
Covid-19 specific scams	Layered solutions
Device emulation	Evolved device intelligence
Credential stuffing	Digital device behaviour
Synthetic identity fraud	Physical biometrics
Remote access trojans	Authenticated consumer data
Social engineering	Machine learning analytics
Human emulation	Behavioural analysis

Sophistication of attacks and prevention required

ATTACK	PREVENTION
Phishing	OTP
Basic trojans	Client-side detection
HTML manipulations	Device intelligence

THEN

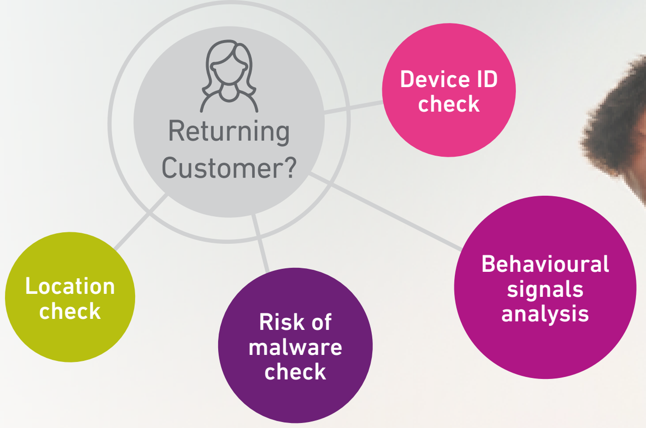
The impact of fraud has had a direct influence on the prioritisation of core business objectives. 'Investing to improve protection against fraud' is now the joint top business priority for organisations according to our study, up from fourth position last year. There are a number of concerns that businesses have relating to fraud, such as the ability to accurately verify identity digitally, as well as balancing the need to improve revenue numbers whilst reducing fraud losses. Balancing revenue growth and fraud reduction is difficult, requiring important alignment between commercial and fraud teams.

Increased costs and number of referrals are the primary factors preventing firms from effectively managing increased fraud

The top challenges preventing organisations from successfully managing the costs and risks of increased fraud are the difficulties associated with managing multiple types of fraud prevention software (41%), increased delays and costs associated with referrals (36%), and an inability to align fraud strategies with revenue growth strategies (32%). With the delays and costs of referrals causing concern, it is surprising to see that less than one third of businesses measure 'manual review rates' in their fraud performance metrics.

With tactics used by fraudsters becoming more sophisticated, additional fraud prevention tools are required, and as a result 49% of businesses have increased their budget for fraud prevention.However, adding more fraud prevention software can impact the customer journey, creating additional steps that lead to abandonment, missed sales, and ultimately lost revenue.

Top challenges preventing firms from successfully managing costs and risks of increased fraud



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36% Increased delays and costs associated with referrals

41% Difficulties managing multiple types of fraud prevention software

32% Inability to align fraud strategies with revenue growth strategies

Consumer expectations for speed and simplicity are increasing but at the same time they are demanding more from a security perspective. But too much focus on security and conversion is impacted. Revenue is lost. Not enough, and the cost of fraud increases with brand reputation at stake. There is no simple answer, but many businesses are now looking at how they can better connect services internally and then deploy dynamic workflows based on the type of interaction and desired risk appetite.

This is often referred to as orchestration. Orchestration allows firms to configure automatic, pre-defined customer journeys based on their desired risk appetite. This means that different customers, for example, two prospects from different countries, can experience a different journey with relevant identity and fraud services called dynamically based on the specific journey workflow. Used effectively, it helps manage multiple fraud solutions to deliver the optimal balance between risk and reward.

Finding the balance between a simple customer experience and a winning fraud prevention strategy is difficult with 58% of consumers abandoning an application in the last year

58% of consumers have abandoned an application for finance at least once in the last 12 months. Some of the main reasons were the process taking too long, having too much information to complete, and too many checks. This is not a new problem but it is becoming more of an issue for consumers that have high expectations for speed and convenience.

In fact, a 'simple application process' is the second most important factor in the decision when getting a loan or credit card, behind loan rate or fees. We are living in the convenience economy where consumers are often frustrated by having to wait. According to our study, a simple process was more important than the speed of access to funds, security of the provider, and even more than ensuring they could afford the repayment plan. This is significant, and shows that businesses who have a simple application process should be actively promoting this to consumers.

The stakes are high. Get the application process wrong, and it could cause long-term damage. More than 1 in 3 customers (36%) are unlikely to use a company again after experiencing a slow application process. 42% of consumers are more likely to tell their friends when they've experienced a poor customer experience rather than a good one. This means a bad experience could mean losing more than one customer. It is therefore important to continuously invest in a simple, yet secure application process. One that has the right mix of active and passive checks and can deliver a balanced experience that limits friction whilst combatting fraud. As Open Data provides more opportunities to add convenience and simplicity to the customer journey, progressive businesses will undoubtedly look to take advantage.

A simple application process is more important than ensuring affordability, security, and speed of access to funds

WE ASKED:

Thinking about getting a loan or credit card, what are the most important factors in your decision?

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Cloud, Advanced Analytics and the rise of Machine Learning

62% of businesses believe that Artificial Intelligence and Machine Learning are already radically changing the way they do business

Most businesses believe that AI and ML are already radically changing the way they do business. They are leveraging AI and ML across a variety of different areas, with data management (45%), fraud risk decisioning (44%), and credit risk models (41%) making up the top three. However, adopting advanced analytics does bring added complexity, and this is recognised by our business respondents. The biggest challenge is the increased IT complexity required to handle AI and ML (48%) – something firms are still getting to grips with. In addition, with techniques and applications evolving rapidly, 33% of businesses state that a lack of model development expertise is their biggest challenge for AI and ML.

Investment in AI and ML comes at a time when businesses have access to more data than ever before. Analysing new data, combining it with existing data, and turning it into meaningful insight brings challenges. 61% of businesses state that 'blending and enriching data sources to create more predictive analytical models' is very challenging or challenging. But this is where AI and ML deliver the most value. It allows firms to manage and contextualise vast amounts of data from multiple sources. ML makes it easier to take advantage of new data sources quickly, understand what the data is revealing, and therefore enable faster time to market for the testing and deployment of new credit risk and forecasting models.

The research highlights difficulties in bridging the gap in expertise, together with increased IT complexity. Despite these challenges, firms are seeing significant value. And, with 41% stating that they need more advanced analytical models to better assess customers for credit risk and affordability decisions, it is clear that ML is seen by many businesses as the answer to this.

To embed new technology, such as ML and Blockchain, scalable computing power is required. As a result, this makes cloud very attractive to businesses, and why we see strong investment in both cloud and advanced analytics within our findings (section 4). In fact, 79% of businesses that have invested in cloud-based software applications stated 'access to more computing power' as a very important or important reason for deciding to invest. 76% stated 'greater flexibility and scalability of services' as very important or important, making it easier to consume additional services.

Explainability of complex ML models remains a challenge, with almost a third of businesses (33%) stating this as their biggest challenge

For lending or financing decisions, Machine Learning can unlock the ability to deliver models with enhanced predictive power for creditworthiness, affordability, and fraud assessments. This translates to greater revenue and improves operational effectiveness. In fact, within the onboarding process, 51% of businesses state that 'using AI/ML to improve operational effectiveness' is a critical or high priority initiative. Nevertheless, businesses using ML-based models must ensure they are fully explainable, otherwise they risk fines and possible reputational damage. Any ML model developed for credit decisioning must have a transparent methodology built in. The good news for businesses is that ML explainability is now a reality and is already being deployed successfully in credit decisioning. As explainability becomes more widely adopted, concerns and challenges are likely to disperse.

What factors are making it difficult for your organisation to make credit risk and affordability decisions?

Firms find credit risk and affordability decisions difficult due to the need to update models in faster cycles

The need to update fraud and risk models more frequently (43%) is the top factor contributing to the difficulty of making credit risk and affordability decisions. This connects to the second biggest factor, the need for advanced analytical models to better assess customers (41%). Businesses require better models, but they also require those models to be updated on a more frequent basis. The pandemic, changing macroeconomic factors, and evolving regulatory guidelines means that faster time to market is essential to keep pace and to be able to adapt to changing customer circumstances whilst successfully managing risk.

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Common functional challenges for clients in relation to the need for faster update cycles:

- **Lack of agility in implementing new strategies at speed.** For example, ingesting, testing and deploying a newly developed ML model.
- **Slow insight to action** – difficulty learning from existing strategies and then finding ways to accelerate the improvement opportunities.
- **Lack of autonomy for risk teams**. This depends on the business, but many seek more control for business users with less reliance on technical support for model changes. More independence and flexibility means lead time on changes is shortened.

Being able to implement and deliver new models, rules, and strategies at speed can be a competitive advantage with business improvements realised quicker, and therefore investment in advanced analytics and digital processes is being prioritised by our respondents.

EU AI Act

In 2021 the European Commission launched the EU AI Act proposal to promote trustworthy practices within the Artificial Intelligence space. The EU AI Act applies not only to users but providers of AI systems located within the EU, and impacts providers located outside the union operating within. This means that even if companies are not based in the EU will have to either comply with the EU AI Act or leave the EU business area entirely.

97% of business respondents in our survey are aware of the EU AI Act, and 81% either agree or strongly agree that it will have a big impact on how their organisation runs its business. There are different levels of AI systems classified according to the new regulation. For example, systems that evaluate a person's creditworthiness might be classified as AI high-risk systems, with adequate transparency measures required for operators.

As a result, businesses will need support to assess which of their AI systems are likely to be high-risk. Therefore, we expect to see businesses seek partner support with that assessment, to help them perform a gap analysis to understand the effort required and the impact on AI strategies. 82% of businesses believe that their organisation will need partners to support operational changes required due to the EU AI Act.

The future: business investment plans and budget prioritisation

Fraud prevention and customer experience are the top business priorities for the next 12 months, followed by customer growth

Fraud has become a greater priority, with fraud rates on the rise. Improving the experience of customers sits alongside fraud protection as the highest priority, as businesses continue to invest in ways to differentiate the customer experience from competitors. As covered earlier, fraud and customer experience are inextricably linked.

43% of consumers believe that an online application is inconvenient if it takes too many steps to prevent fraud. Yet, 55% of consumers think it is important to verify identity online when interacting with Financial Services businesses, and 45% believe it is important when interacting with Telco businesses.

It is a very fine balance and one that requires constant adjustment and monitoring to understand the impact on conversion and fraud KPIs. Growth through new acquisitions remains a key focus, as well as investment in SaaS and cloud technology, supporting the global trend that is witness to many firms moving infrastructure away from on-premise.

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Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022

Top business priorities over the next 12 months shows **fraud** has become more important

TOP 5 CRITICAL / HIGH PRIORITY

Businesses plan to expand or upgrade cloud-based software adoption

In terms of technology adoption, the findings suggest that many businesses have already invested in cloud-based software, however 44% are actively expanding or upgrading what they have. This highlights a cloud focused strategy for many firms with clear expansion plans for cloud-based software components.

The proportion of businesses actively expanding/upgrading their cloud-based software is significantly higher than the other tech areas of Machine Learning (28%), Artificial Intelligence (24%), and Open Banking (25%). 26% have adopted cloud-based software but are not actively expanding or upgrading, which could be due to the size of the organisation or an already mature cloud programme. 18% are planning to adopt cloud-based software in the next 12 months. ML is the biggest technology area for expected investment, with 31% of businesses planning to invest in the next 12 months.

Tech priorities: What is your organisation's plans for the following?

	CLOUD-BASED SOFTWARE	MACHINE LEARNING (ML)	ARTIFICIAL INTELLIGENCE (AI)	OPEN BANKING
Expanding or upgrading adoption	44%	28%	24%	25%
Adopted, not expanding/upgrading	26%	25%	37%	38%
Planning to adopt in the next 12 months	18%	31%	27%	20%

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Regional callouts

- A high proportion of Danish companies (24%) plan to adopt cloud-based services in the next 12 months, compared to the EMEA average (19%).
- Dutch companies have big cloud expansion plans with 63% 'expanding or upgrading adoption' compared to the EMEA average (44%).

Concerns around control, approach, and timescales for transition are key reasons for non-investment in cloud-based software applications

For those businesses that have decided not to invest in cloud-based software, 39% state that they have 'concerns about the level of control' it will have over cloud applications and services. 36% are concerned about the 'approach and timescales for transition', and 31% believe cloud-based services are 'not secure enough to meet regulatory requirements' in their markets.

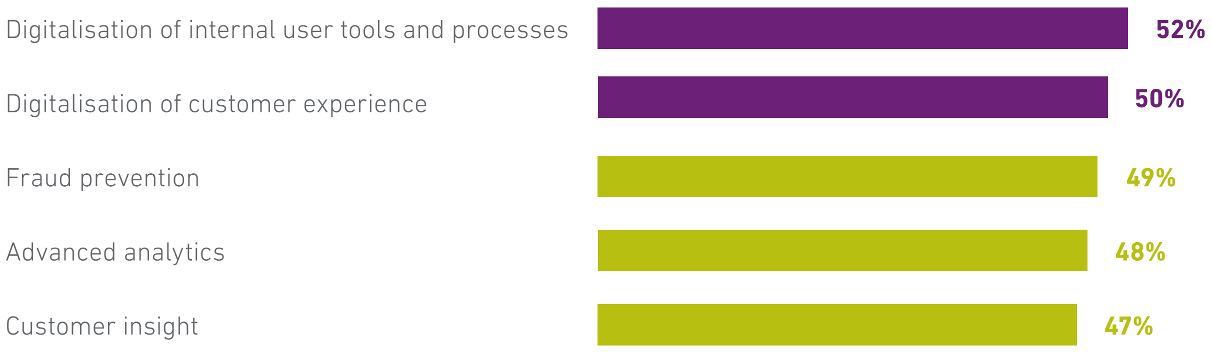
The top existing technology priorities for organisations are cybersecurity, Artificial Intelligence/Machine Learning, and technology integration programs

Cybersecurity is the major tech priority for businesses over the next 18 months, followed by AI and ML, as well as technology integration programs. This is also reflected in the year-on-year prioritisation for budget increases, with fraud prevention, advanced analytics, and digitalisation of tools and processes all receiving uplifts in spend by around half of organisations surveyed.

Digitalisation is a major focus of investment, both in terms of direct customer experience and digitalisation of internal tools and processes, as businesses continue to drive more efficient and effective operations. Digital investment will bring value and benefits to the core priorities highlighted in this research, for example 64% of businesses highlighted 'Reducing the friction associated with verifying the identity of customers' as a high or critical business priority. Therefore, investment in electronic identity verification would reduce friction, help digitalise the customer experience, and would transform a manual internal process into a digital one.

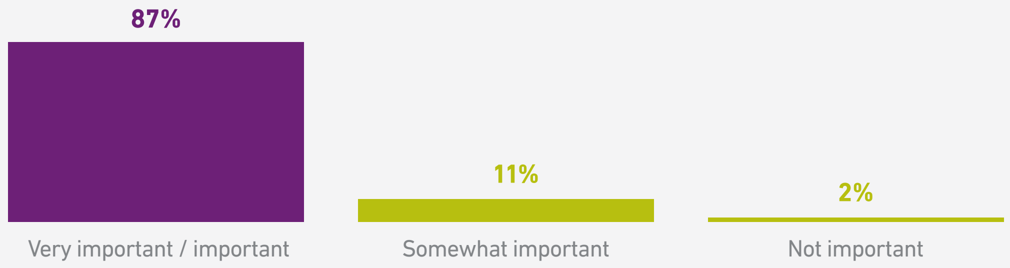
Year-over-year budget increase for the next 12 months

We have increased budgets in this area:



Looking for some of that budget spend? You must have good environmental credentials

Thinking about the purchasing decision of a new supplier, how important are the environmental credentials of the company when making a decision?



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Key takeaways

Data and Open Banking

Businesses continue to invest in Open Banking, with the primary use cases being risk assessment and direct payment services. Consumers are concerned about data privacy and generally believe businesses should be doing more to protect their data. However, almost 1 in 2 consumers are happy to share data from their banking app, with many more willing to do so for the right value exchange. Businesses are seeing significant value from their Open Banking projects and plan to utilise the investment across a wide variety of use cases, helping to safeguard the return on investment.

Fraud and CX

Businesses and consumers are more concerned about the threat of fraud. As a result, fraud prevention is now the number one priority for organisations, according to the research. The top challenge preventing firms from successfully managing the costs and risks of increased fraud are the difficulties associated with managing multiple types of fraud prevention software, in an environment where more solutions are required to stay at pace with emerging threats. The challenge remains for businesses trying to prevent fraud whilst balancing a simple and seamless customer experience.

Advanced analytics

Most businesses believe that AI and ML are already radically changing the way they do business. They are leveraging AI and ML across a variety of different areas, with data management, fraud risk decisioning, and credit risk models making up the top three. Working with advanced analytics brings added complexity, and with techniques and applications evolving rapidly, nearly a third of businesses state that lack of model development expertise is their biggest challenge for AI and ML.

Investment and budget plans

Investment to improve protection against fraud is the main priority for businesses, along with improving the customer experience. Investment in digital transformation continues, with most businesses increasing budgets for digitalising internal processes and tools and digitalising the customer experience. Investment in Software-as-a-Service (SaaS) is also a priority for organisations, with 42% of business expanding or upgrading adoption.

FIRMOGRAPHICS

TOTAL	N=587
DENMARK	N=105
GERMANY	N=103
ITALY	N=106
NETHERLANDS	N=65
SOUTH AFRICA	N=104
SPAIN	N=104

Company Size

500 to 999 employees	24%
1,000 to 4,999 employees	32%
5,000 to 19,999 employees	26%
20,000 or more employees	18%

Industry

Job position

C-level executive	18%
Vice president	22%
Director	30%
Manager	29%

Revenue

$100M to $199M	10%
$200M to $299M	9%
$300M to $399M	15%
$400M to $499M	17%
$500M to $999M	18%
$1B to $5B	18%
>$5B	12%

Financial Services Sector (n=369)

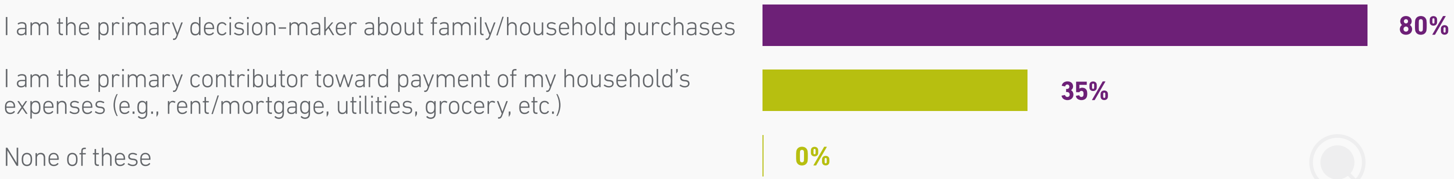
Banking	40%
Automotive financing	23%
Commercial finance/leasing	21%
Consumer lending	16%

Base: 587 EMEA customer, data, and fraud decision makers at Financial Services and Telecommunication firms
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022
Note: Percentages my not equal 100% due to rounding.

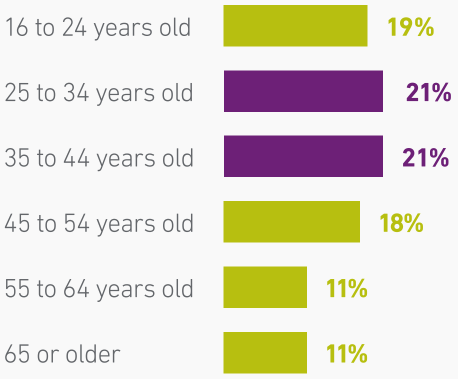
DEMOGRAPHICS

TOTAL	N=3119
DENMARK	N=520
GERMANY	N=517
ITALY	N=515
NETHERLANDS	N=514
SOUTH AFRICA	N=526
SPAIN	N=527

Household decision-making



Age



Base: 3119 consumers in EMEA who have completed an online credit application in the last 12 months with a Financial Services or Telecommunications provider
Source: A commissioned study conducted by Forrester Consulting on behalf of Experian, August 2022
Note: Percentages my not equal 100% due to rounding.

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