

Explaining Experian

November 2006



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Introduction

Experian is a global leader in providing information solutions to business clients and consumers. It helps organisations to find new customers and develop and manage existing relationships by providing data, decision-making solutions and processing services. It also helps consumers to understand, manage and protect their personal information and to help them make more informed purchase decisions. Experian's vision is for its people, data and technology to become a necessary part of every major consumer economy around the world.

1 Overview of the business

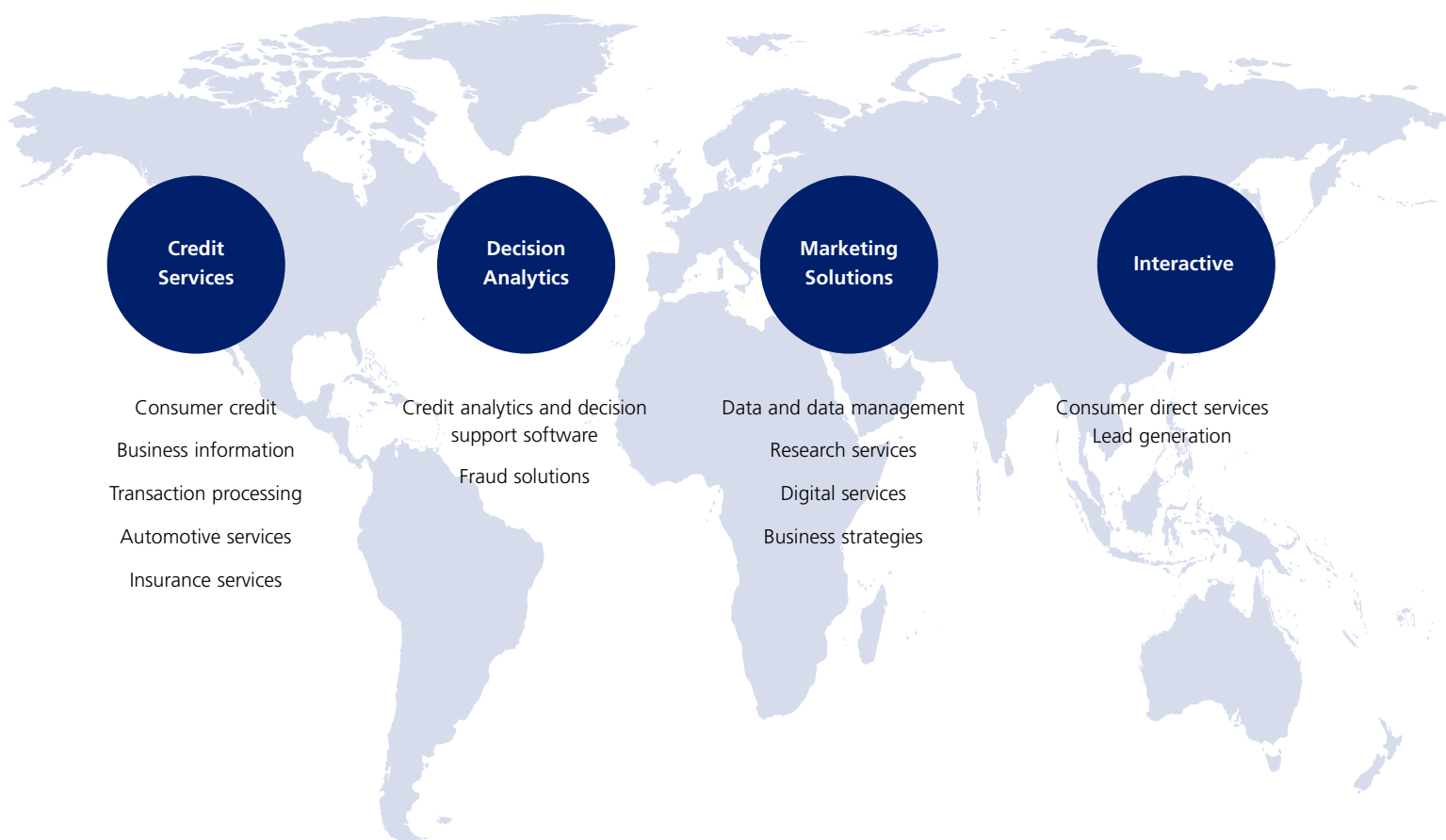
This interim edition of Explaining Experian has been updated to reflect the new reporting segments, or principal activities, Experian will be using to report its financial performance. Experian is managed on a geographic basis across the Americas; the UK and Ireland; and EMEA/Asia Pacific and has four principal activities:

- **Credit Services:** acquires, processes and manages large, comprehensive databases containing the credit application and repayment histories of consumers and businesses. Proprietary technology is used to organise and maintain this data.
- **Decision Analytics:** unlocks the value of the Credit Services data and helps clients by applying analytical tools and software to convert data into business decisions.
- **Marketing Solutions:** acquires, processes and manages large and comprehensive databases containing geographic, demographic and lifestyle information on consumers to help clients acquire new customers and manage existing ones.
- **Interactive:** an Internet marketing business with two types of activity: direct-to-consumer provides credit information directly to consumers, and lead generation connects consumers with businesses on the Internet.

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Explaining Experian

Principal activities



Sales by activity

| | Credit Services | Decision Analytics | Marketing Solutions | Interactive |
|---|-----------------|--------------------|---------------------|-------------|
| Sales (\$m) ¹ | 1,499 | 325 | 627 | 628 |
| % of sales | 49% | 11% | 20% | 20% |
| Year to March 2006 underlying growth ² | 8% | 13% | 6% | 25% |
| Number of people (FTE) ³ | 6,541 | 1,517 | 2,973 | 768 |
| Sales per FTE (\$k) | 222 | 226 | 224 | 1,131 |

¹ Sales are for the year to March 2006 and exclude discontinuing activities

² Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

³ As at March 2006, excluding central activities

Major databases

US

Consumer credit database: 215 million consumers.

National business credit database: more than 19 million businesses.

National vehicle database: more than 500 million vehicles.

INSOURCE database: consumer marketing information on 215 million consumers in 110 million households.

BehaviorBank: self-reported consumer marketing information submitted by 40 million individuals and 35 million households.

Z-24 catalogue database: over 2.8 billion catalogue orders across 109 million households.

UK

UK consumer credit database: 45 million consumers.

National business database: records on 4 million limited and non limited active UK businesses with over 5 million contact names.

UK limited companies database: over 5.2 million companies of which 2.4 million are current and 2.8 million dissolved. Over 15 million directorship records are also held.

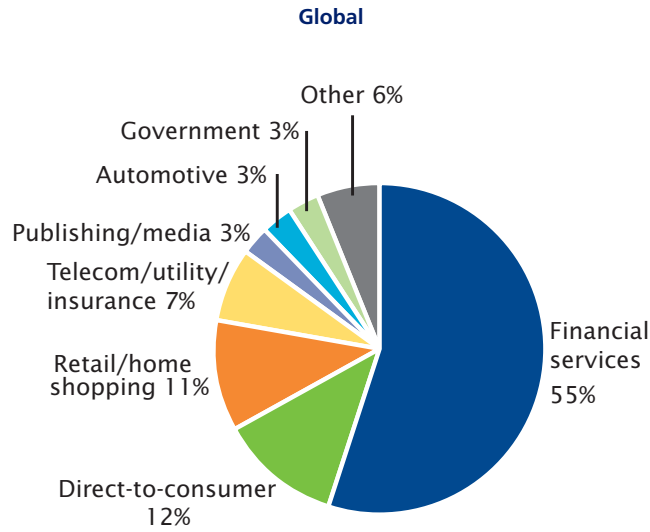
UK Car Data Check: holds live data on 31 million vehicles and over 90 million DVLA registration records in total.

UK marketing databases: lifestyle data on 8.4 million households and 14 million individuals.

Motor insurance database: holds data on 26 million motor insurance policies and 29 million vehicles. It receives 1.8 million online enquiries per month.

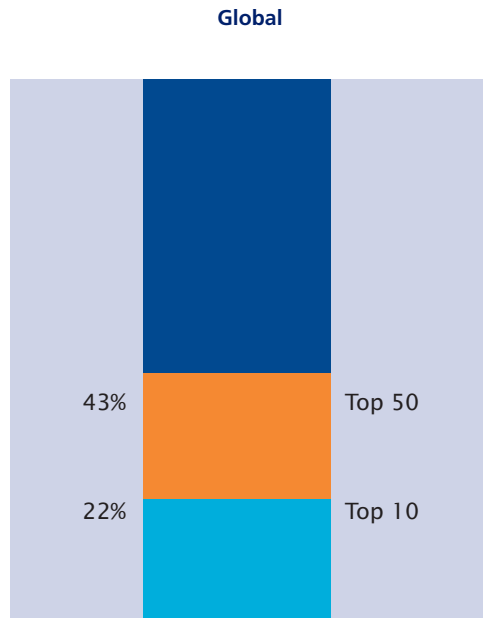
Market and client profile

Market profile



Approximate % of sales by vertical market
Sales are for the year to March 2006 and exclude discontinuing activities

Client profile

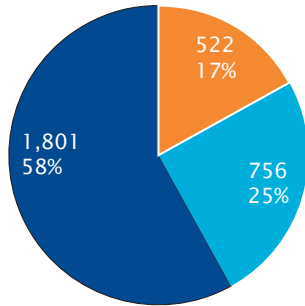


Sales are for the year to March 2006 and exclude discontinuing activities. Sales exclude Consumer Direct
Of the top 50 clients, at least 85% have been doing business with Experian for five years or more

Financial analysis

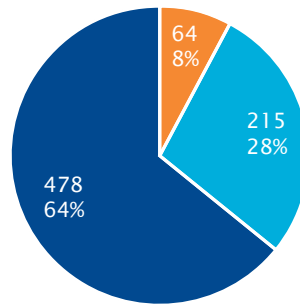
Geographical split 2006

Sales (\$m)



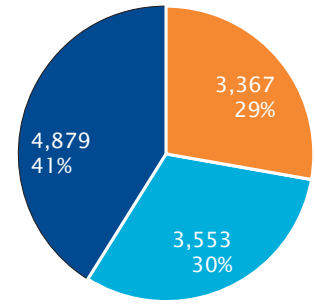
■ Americas ■ UK & Ireland
 ■ EMEA/Asia Pacific

EBIT (\$m)



■ Americas ■ UK & Ireland
 ■ EMEA/Asia Pacific

Employees (FTEs)



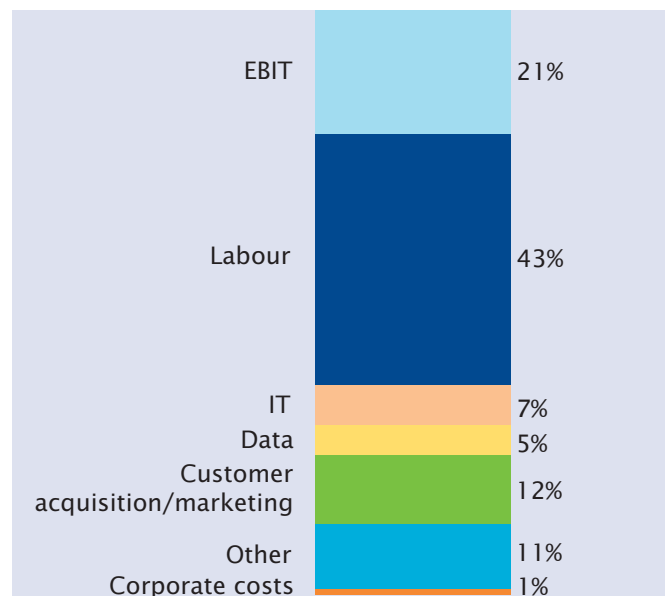
■ Americas ■ UK & Ireland
 ■ EMEA/Asia Pacific

All analysis excludes discontinuing activities

Cost profile

Global

100% of sales



Costs are for the year to March 2006. Direct business only, excluding discontinuing activities

R&D: about 5% of sales

'Other' includes other depreciation, occupancy, royalties and voice telecommunications

Sales mix

Americas

| | Credit Services | Decision Analytics | Marketing Solutions | Interactive |
|---|-----------------|--------------------|---------------------|-------------|
| Sales (\$m) ¹ | 766 | 63 | 355 | 617 |
| % of sales | 43% | 3% | 20% | 34% |
| Year to March 2006 underlying growth ² | 13% | 14% | 5% | 22% |

¹ Sales are for the year to March 2006 and exclude discontinuing activities

² Growth excluding discontinued activities and corporate acquisitions

UK and Ireland

| | Credit Services | Decision Analytics | Marketing Solutions | Interactive |
|---|-----------------|--------------------|---------------------|-------------|
| Sales (\$m) ¹ | 323 | 185 | 236 | 11 |
| % of sales | 43% | 25% | 31% | 1% |
| Year to March 2006 underlying growth ² | 2% | 9% | 6% | 175% |

¹ Sales are for the year to March 2006 and exclude discontinuing activities

² Growth excluding discontinued activities and acquisitions at constant exchange rates

EMEA/Asia Pacific

| | Credit Services | Decision Analytics | Marketing Solutions |
|---|-----------------|--------------------|---------------------|
| Sales (\$m) ¹ | 410 | 76 | 36 |
| % of sales | 79% | 14% | 7% |
| Year to March 2006 underlying growth ² | 5% | 27% | 14% |

¹ Sales are for the year to March 2006 and exclude discontinuing activities

² Growth excluding discontinued activities and acquisitions at constant exchange rates

Key details

Some major clients

| | | | |
|------------------------|------------------|-------------------------|------------------|
| Air France | Comet | Hilton International | Orange |
| American Express | Commerzbank | HMV | Procter & Gamble |
| Arcadia | Coors Brewers UK | Household | Royal Mail |
| Argos | Crédit Agricole | Homebase | SIEBEL |
| Bank of America | Crédit Lyonnais | HSBC | Société Générale |
| Barclays | Debenhams | John Lewis | Somerfield |
| Barclaycard | Dell | Kookmin Bank | Tesco |
| BMW Financial Services | Discover | LEGO® | Thorntons |
| BNP Paribas | eBay | Lloyds TSB | Toyota |
| Boots | Egg | Marks & Spencer | UNICEF |
| B&Q | First American | Mazda | Verizon |
| Burberry | Ford | Morgan Stanley | Waterstones |
| Burger King | France Télécom | National Australia Bank | Westpac |
| Capital One | Gap | Nedcor | Yahoo! |
| Citicard | HBOS | Next | |

Experian operates in over 60 countries around the world



Countries where we have offices:

| | | | |
|-----------|-----------|-------------|----------------|
| Argentina | Estonia | Japan | Russia |
| Australia | Finland | Mexico | Singapore |
| Austria | France | Monaco | South Africa |
| Brazil | Germany | Netherlands | Spain |
| Bulgaria | Greece | New Zealand | Sweden |
| Canada | Hong Kong | Norway | Turkey |
| China | Ireland | Poland | United Kingdom |
| Denmark | Italy | Romania | United States |

Key markets and solutions

| | Australia/NZ | Bulgaria/Romania/Russia | Canada | China | France/Belgium/ North Africa | Germany/Austria/ Switzerland | Italy | Japan | Latin America | Middle East/Pakistan | Netherlands | Norway/Sweden/ Denmark/Finland/Estonia | Republic of Ireland | South Africa | South East Asia | Spain/Portugal | Turkey | UK | US | |
|----------------------------|--------------|-------------------------|--------|-------|---------------------------------|---------------------------------|-------|-------|---------------|----------------------|-------------|---|---------------------|--------------|-----------------|----------------|--------|----|----|---|
| Credit Services | | | | | | | | | | | | | | | | | | | | |
| Consumer bureaux | | ● | ● | | | | ● | | | ▼ | ● | ● | ● | ● | | ● | ▼ | ● | ● | |
| Business information | | | | | ▼ | | ● | | | | | ● | ● | | | | | ● | ● | |
| Transaction processing | | | | | ● | ● | | | | | | | | | | | | | | |
| Automotive databases | | | | | | | ● | | | | | | | | | | | ● | ● | |
| Insurance services | | | | | | | | | | | | | | | | | | ● | | |
| Property information | | | | | | | ● | | | | | ● | ● | | | | | ● | | |
| Decision Analytics | | | | | | | | | | | | | | | | | | | | |
| Decision support | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Application processing | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Fraud solutions | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Marketing Solutions | | | | | | | | | | | | | | | | | | | | |
| Data and data management | ● | | | | ● | ● | ● | | | | ● | ● | ● | | | | ● | | ● | ● |
| Research services | | | | | | | | | | | | | | | | | | | ● | ● |
| Digital services | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Business strategies | | | | | | | | | | | | | | | | | | | | |
| Micromarketing | ● | | | ● | ● | ▼ | ● | ● | | | ● | ● | ● | | ● | ● | | ● | ● | |
| Economic forecasting | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Interactive | | | | | | | | | | | | | | | | | | | | |
| Consumer direct service | | | | | | | | | | | | | | | | | | | ● | ● |
| Lead generation | | | | | | | | | | | | | | | | | | | ● | ● |

▼ Service offered via third party

Key global competitors

| | Credit Services | | Decision Analytics | Marketing Solutions | Interactive | |
|-------------------|-----------------|------------------------|--------------------|---------------------|-----------------|-----------------|
| | Information | Transaction processing | | | Consumer Direct | Lead generation |
| Acxiom | | | | ● | | |
| Certegy/Fidelity | | ● | | | | |
| Choicepoint | ● | | ● | | ● | |
| D&B | ● | | ● | ● | | |
| Doubleclick | | | | ● | | |
| Equifax | ● | | ● | ● | ● | |
| Fair Isaac | | | ● | ● | ● | |
| First Data Corp | | ● | | | | |
| Harte-Hanks | | | | ● | | |
| infoUSA Inc | | | | ● | | |
| Interactive Corp | | | | | | ● |
| Intersections Inc | | | | | ● | |
| TransUnion | ● | | ● | | ● | |

Global management

| | |
|-----------------------|---|
| Don Robert | Chief Executive Officer, Experian |
| John Saunders | Chief Executive, Global Operations, Experian |
| Paul Brooks | Chief Financial Officer, Experian |
| Chris Callero | Chief Executive Officer, Experian Americas |
| Roger Aubrook | President, Experian-Scorex |
| Richard Fiddis | Managing Director, UK, Ireland and Northern Europe, Experian |
| Nigel Fine | Managing Director, EMEA and Asia Pacific, Experian |
| Ed Ojdana | Group President, Experian Interactive |
| Deb Zuccarini | Group President, Marketing Solutions Group, Experian Americas |

Global management biographies

Don Robert – Chief Executive Officer, Experian

Don Robert graduated from Oregon State University with a degree in Business Administration. He began his career with U.S. Bancorp, a multi-state bank holding company, where he held positions of increasing responsibility over 15 years. From there he joined Credco, Inc., the nation's largest specialist credit reporting company, as President. In 1995, Credco was acquired by First American Corporation and over the next six years Don Robert held positions as Executive Vice President of Mortgage Origination Services and President of First American's Consumer Information and Services Group. In 2001, Don Robert joined Experian from First American, becoming Chief Executive Officer of Experian North America in December 2002. In February 2005, he took responsibility for Experian globally as Chief Executive Officer of Experian Group. Don Robert joined the Board of the former GUS plc in April 2005. His other business appointments include director and compensation committee chairman of First Advantage Corporation, member of the Chapman University Board of Counsellors and past Chairman of the Consumer Data Industry Association.

John Saunders – Chief Executive, Global Operations, Experian

John Saunders joined Experian in 1983 and was appointed Chief Executive of Experian's UK operations in 1996. In 2000 he was appointed head of Experian's International business. Prior to joining Experian, John Saunders was responsible for the credit operations at GUS Home Shopping and at Reader's Digest UK. He was appointed Chief Executive of Global Operations in February 2005 and is also responsible for Experian-Scorex globally. John Saunders serves as a director and trustee of the Money Advice Trust, the UK's leading charity aiming to increase the quality and availability of money advice in the UK. He is also Chairman of Experience Nottinghamshire, the county's official destination management partnership.

Paul Brooks – Chief Financial Officer, Experian

Paul Brooks graduated from Cambridge with an economics degree and went on to qualify as a Chartered Accountant with KPMG. He then joined ICI where he worked for the Plastics Division in Brussels and Corporate Reporting Group in London. After five years with GKN's Industrial Services Division, mostly spent as Divisional CFO in the USA, Paul joined Inchcape, latterly as Inchcape Marketing Services Finance Director, based in Singapore. Paul Brooks joined Experian in April 1999 as Chief Financial Officer UK / Rest of World and was appointed Global Chief Financial Officer, based in Costa Mesa, California, in October 2001.

Chris Callero – Chief Executive Officer, Experian Americas

Prior to joining Experian, Chris Callero spent more than 27 years at Bank of America where his roles included Group Executive Vice President, managing several national businesses including consumer lending, small business, interactive banking, eCommerce, ATMs, debit cards, deposit products, retail investments, insurance and liability risk management. He also previously served as Chief Operating Officer at Wink Communications, a leading interactive television company. Chris Callero serves as Chief Executive Officer of Experian Americas, having been appointed to this position in February 2005. He most recently served as President of Experian's credit services business, having joined the company in 2002.

Roger Aubrook – President, Experian-Scorex

Roger Aubrook is President of Experian-Scorex and leads the Decision Analytics area of the business, which includes scoring, consultancy, the associated software and hosted services. He has responsibility for the development and delivery of Experian's credit bureau software and hosted services in emerging global markets. He is also the global leader of Fraud Solutions. Roger Aubrook joined Experian in 1983 to create the first credit-scoring consultancy in the United Kingdom. He was responsible for the design, development and implementation of Experian's family of Strategy Management software products and services. He has over 30 years experience in financial services as a user and a vendor.

Richard Fiddis – Managing Director UK, Ireland and Northern Europe, Experian

Richard Fiddis joined Experian in 1999 and was appointed Managing Director for UK and Ireland in 2004, adding the Nordic region to his responsibilities in 2005. He was previously Group Managing Director of Lorien plc, a management consultancy and IT resourcing company. Prior to that, he was European Vice President, Sales and Marketing for a US-based enterprise resource planning software and services business. Whilst in this role, Richard founded and ran a joint venture software business with IBM UK, his previous employer for 14 years. Richard joined IBM after completing a PhD and working as a metallurgist in the South African gold mines.

Nigel Fine – Managing Director, EMEA/Asia Pacific, Experian

Nigel Fine joined Experian in 1999 and was appointed Managing Director for EMEA & Asia Pacific in 2004. Prior to joining Experian he was an Associate Partner with Andersen Consulting (now Accenture), specialising in outsourcing solutions for the utilities and chemical industries. Nigel Fine held senior global management responsibilities during his ten years with Courtaulds (now Akzo Nobel) in its worldwide coatings business, the leading supplier to the marine, yacht and aerospace industries. He has a degree in civil engineering and worked for John Laing Construction on major infrastructure projects in the United Kingdom and overseas. He is a chartered engineer and has an MBA from the London Business School.

Ed Ojdana – Group President, Experian Interactive

Ed Ojdana joined Experian in 2002 and is Group President of Experian Interactive, our Internet marketing business, which provides direct-to-consumer services and lead generation for businesses. Ed Ojdana enjoyed a diverse and extensive career before coming to Experian, holding senior-level positions in finance, marketing, strategic planning, operations and management consulting. He served companies in a broad range of industries, including consumer goods, real estate, distribution, and entertainment. Ed Ojdana received a bachelor's degree in engineering from Notre Dame University, a master's degree in engineering from the Ohio State University and a master's in business administration from the University of Dayton. He also holds a doctorate in marketing and economics from the University of Southern California.

Deborah Zuccarini – Group President, Marketing Solutions Group, Experian Americas

Deborah Zuccarini is President of Experian Marketing Services and leads the organization's target marketing and information services to the catalog and mass mailing industries. She previously served as Executive Vice President and Chief Marketing Officer of Experian Marketing Solutions. Prior to joining Experian, Deborah Zuccarini was Chief Operating Officer for Nykamp Consulting Group in Chicago. At Nykamp, she led the firm's consulting practice and staff areas, directing customer relationship management (CRM) services consulting to Fortune 500 clients in multiple industries. Deborah Zuccarini has written numerous articles on all aspects of marketing and is an active member of the Direct Marketing Association's Retail and Catalog Councils, Retail Advertising and Marketing Association and the National Retail Federation. She has a Bachelor of Science degree in business administration from Central Michigan University.

2 What we do

Data

At the core of Experian are its comprehensive databases of credit and marketing information on consumers and businesses. These databases, derived from both public and private sources, contain extensive high quality information that not only has historical depth, but also significant breadth across various types of data. The comprehensive portfolio of data maintained and owned by Experian makes it a partner of choice to many clients as it offers a greater breadth of information than any single competitor.

Decisions

Building on this foundation of data, Experian uses proprietary analytical tools to analyse and interpret the data and to help business clients to turn raw data into critical decisions in a timely and consistent manner. Its tools also help consumers to make more informed financial and purchasing decisions more quickly.

Distribution

Experian has a very broad distribution network helping both business clients and consumers. It sells to clients in over 60 countries around the world with offices in 32 countries. It also serves clients in many different markets including the financial services, retail, telecommunications, automotive and public sectors. This broad distribution platform for consumer and business client information is unmatched within the global information solutions industry.

- 2.01 **Credit Services**
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- 2.38 Consumer direct
- 2.40 Lead generation
- 2.44 Comparison shopping

Credit Services

Credit Services acquires, processes and manages large and comprehensive databases containing the credit application and repayment histories of consumers and businesses. Proprietary technology is then used to organise and maintain this data. Experian uses proprietary search and match systems and application software to deliver to its clients a wide variety of credit reports and reporting services on both consumers and businesses to its clients.

This helps Experian's clients to lend profitably to their customers, maximise revenue and minimise risk. Credit Services also operates transaction processing services, mainly in France, which helps banks and other clients with their back office functions. It also includes Experian's real estate information joint venture called FARES and its automotive and insurance databases.

Consumer credit

Experian's goal as a consumer credit reporting agency is to help lenders make better informed lending decisions and to make it quicker and easier for consumers to obtain finance. When a consumer applies for credit, lenders usually contact a credit reporting agency for a consumer credit reference check to confirm the consumer's identity and creditworthiness. Lenders use credit information to manage the risks associated with lending money to consumers including determining whether to offer loans, setting credit limits and interest rates and in the management of existing accounts, for example using the credit information to assess accounts in default.

Over the past four decades, Experian has developed core expertise in acquiring, processing, managing and operating very large and comprehensive databases that are the foundation of its consumer credit business. Experian operates 14 consumer credit bureaux across the world maintaining information on approximately 320 million consumers. In the US, Experian's consumer credit bureau maintains very detailed and current histories on how over 215 million adult consumers have paid both past and current credit obligations. The US consumer credit database is ranked by industry analysts as one of the largest databases in the world and includes over 10 billion lines of data. In addition to the US, Experian maintains consumer credit histories in total on over 100 million consumers in the UK, Spain, Italy, Norway, Denmark, Netherlands, Ireland, South Africa, Bulgaria, Russia, Romania, Estonia and Canada. Experian also licenses proprietary credit bureau software to organisations in Turkey, Kuwait, Saudi Arabia and Pakistan for the development and operation of independently owned credit bureaux.

A credit reporting agency is an independent broker of information, drawn from a range of sources, provided either by the lenders or sourced from third parties. This data varies by country, but typically may include:

- court judgments or equivalent for the country of operation;
- bankruptcy information;
- information on repossessions;
- information provided by the financial services industry on suspected fraudulent applications;
- previous and forwarding addresses;
- association and alias information;
- collections data;
- electoral roll records;
- credit account information, which is provided by lenders to allow them to access each other's credit history information, they store copies of their customer credit information with consumer credit reference agencies like Experian. Typical examples of credit account information are mortgages, personal loans, credit and charge cards, mobile phone accounts and rental information.

To check a consumer's credit history and store information with a credit reference agency, a company must have a legitimate need or permissible purpose for accessing the data and must notify the applicant of their intention to contact a credit reference agency. In the UK, a company must hold a consumer credit licence (typically held by banks, building societies, finance houses, major retailers and telephone companies). In the US, permissible purposes for accessing a consumer credit report are defined by federal law. The laws of each country will vary in respect of the hosting of such data and access to it.

As a credit reference agency, Experian does not make any lending decisions or offer any comment or advice on particular applications, but simply provides factual information. Lenders then use that information, often with other data, such as that included on an application form and any previous agreements with the applicant to help them decide whether or not to lend. Experian is not told whether its information has affected the lender's decision or, in fact, what that decision is. Only the lender concerned knows why an application was accepted or declined and (outside of the US) lenders are not under any legal obligation to tell people why they were refused credit. However, most lenders will follow their local industry code of conduct, which encourages the education of consumers.

- **VantageScoreSM** is the US credit reporting industry's first credit score developed jointly by the three national credit reporting companies to deliver consistent, objective credit scores on consumers from across their respective databases.

VantageScore was developed as a direct result of client demand for a more consistent and objective approach to credit scoring.

Clients will also use Experian's suite of notification services to drive their marketing, risk and retention programmes. The suite includes:

- **Risk triggers** provide daily notification of changes in a customer's credit behaviour including new delinquent account information, new public record filings or other negative credit information – that enables the client to take quick action on potential high credit risk accounts.
- **Marketing triggers** provide daily notices of credit-active consumers who are most likely to respond to specific pre-approved credit offers.
- **Retention triggers** identify customers within the client's customer base who have started new credit account relationships or made new inquiries that will help clients understand the ongoing credit activities of their most profitable customers.

Benefits of consumer credit reporting

- underpins economic growth by providing information and tools needed to extend credit to consumers and businesses;
- helps consumers obtain credit, where appropriate, quickly and conveniently;
- helps lenders establish an applicant's credit worthiness and therefore grant credit quickly, where appropriate;
- keeps interest costs lower than they would otherwise be as lenders can make allowances for bad debt risks;
- helps combat fraud;
- enables consumers to obtain a copy of their consumer credit file at any time to understand what information the credit reference agency holds.

Experian's superior credit information creates competitive advantage

The client

The client is one of the largest and most successful department stores in the US. By concentrating on its niche of being family-focused and value-oriented, this client has differentiated itself from its competitors by offering moderately priced national-brand apparel, shoes, accessories and home products. The company also offers a store credit card, making affordable and efficient credit available to its targeted customer base.



The issue/challenges

Today's successful retailers must offer their customers services that directly fit their needs. This includes extending credit where required as quickly and efficiently as possible to enhance the customer shopping experience. Credit extended requires high quality decisioning based on up-to-date, accurate data to ensure that credit quality remains acceptable.

Once a new credit account is established, a second issue involves establishing a robust account activation and retention programme, relying on technology and information to drive marketing, risk and retention decisions. The ideal solution would be a notification system that provides the retailer with daily updates to customer account information to enable them to cross-sell, up-sell, monitor and control risk faster and more efficiently than was previously thought possible.

The solution

After a highly competitive vendor-selection process, the client awarded Experian a multi-million dollar contract to be its primary consumer credit data provider for a three-year period. To enable efficient and accurate credit decisioning, Experian provides online access to its consumer credit reporting database where it maintains credit information on approximately 215 million US consumers. Experian's reputation as the highest quality provider of credit reporting services is based on the File One database, which pulls together all of the credit information for a single consumer in one file using sophisticated search and match algorithms to update and retrieve data. **Based on the superior quality of information Experian provides, the new contract displaced a competitor that held the account for the past eight years.**

Business information

Experian owns seven business credit bureaux across the world, maintaining information on about 30 million businesses, typically small to medium-sized enterprises. Experian helps clients by providing them with industry leading data to assist them in making credit and marketing decisions. Experian owns and operates business credit bureaux in the US, UK, Italy, Denmark, Norway, Estonia and Ireland, and hosts databases for third parties in France.

A business information report contains publicly available information on a company captured from local or nationally available sources such as Companies House in the UK or public record filings in the US, together with other available sources of information.

The success of a business is often dependent or linked to the financial stability and track record of its directors, so information is also available on company directors' financial status (Note: some information on directors' financial status will be available only to companies with a consumer credit licence and this service is not available in the US).

This information is available in various levels of detail, with delivery by a number of connections, including the Internet.

As part of a typical report, the user will receive some or all of the following:

- company registration and incorporation details, company number and registered address;
- ownership details and principal activity of the company;
- trading addresses and phone numbers;
- names, home addresses, nationality of company directors and company secretary (outside of US);
- payment behaviour information (up to a 12-month history of how quickly the business is paying its bills);
- Commercial Delphi (International) or Commercial Intelliscore (US) – a company credit risk score and rating. The rating gives Experian's recommendation of the maximum amount of credit the company should be allowed and the credit score expresses a degree of risk, based on both business and (where appropriate) consumer information;
- Small Business Intelliscore (US) which combines commercial and personal information on a business and its owner;

- any negative information such as county court judgments, winding-up petitions, tax liens and Uniform Commercial Code filings or bankruptcies in the US;
- turnover, profit and loss and balance sheet information (UK – up to ten years history where available).

US

- **Business Credit Database** 19 million business records in the US with over 200 summarised credit attributes available.
- **Public Record Extract** with approximately 30 million credit records from state and federal public records source. Experian offers public record information in batch mode to provide users with access to corporate records, fictitious business names, bankruptcies, tax liens, judgments and Uniform Commercial Code filings for direct marketing purposes.

UK

- **Limited Company Database** Experian's Limited Company Database is a dynamic version of public record information on over 5.2 million UK limited liability companies and includes details of payment behaviour, credit information and risk assessments. The result is a comprehensive up-to-date analysis of the financial and trading performance of every single UK company.
- **Directors Database** contains personal details on all UK Company Directors and Secretaries; current/previous/dissolved directorships, secretaryships and partnerships; convictions; disqualifications; plus full consumer details.
- **Non-Limited Company Database** Experian's Non-Limited Database is a valuable decision-making tool for evaluating the track record of small businesses and making informed risk management decisions. By providing insight into the financial background and payment history of a small business, along with relevant personal information on its proprietors, the depth of Experian's non-limited information is extensive, with information on over 2.9 million UK small businesses, partnerships and sole traders.

Ireland

- registration details on all registered Irish companies;
- financial information on over 100,000 registered Irish companies;
- details of all registered judgments against businesses since 1991;
- details of all directors of companies in Ireland;
- registration details of all business names in Ireland.

France

- **Infogreffe** database collecting legal information on companies, from les Greffes des Tribunaux de Commerce (more than 180 registrars of the trade tribunals);
- **Telefirm** French Chamber of Commerce and Industry – extensive business-to-business marketing database (data on 1.8 million companies).

Italy

- integrated database of public positive and negative information (from Courts, Chambers of Commerce, Land Registry offices) with more than 19 million records registered;
- Italian Chamber of Commerce data on companies (reports, balance sheets, company structure, CCJs, administrators files);
- real estate data: more than 1.5 million reports on Italian properties.

Denmark

- registration details on all 550,000 Danish companies;
- registration details on all directors and board members of Danish companies;
- financial data on all 170,000 registered Danish companies.

Norway

- registration details on all 750,000 Norwegian companies;
- unique registration of all managing directors and board members registered in Norway;
- financial data on all limited companies that have been in business more than 12 months.

Estonia

- registration details on all 150,000 Estonia companies;
- registration details on all directors and board members of Estonia companies;
- financial data on all 64,000 registered Estonia limited companies;
- register for bad payers.

Taking the risk out of commercial leasing

The client

A client of Experian since 1994, this financial services provider has purchased from Experian's Commercial Lease Decision Score. The client is a unit of a large commercial finance company, a global leader in developing and providing financial solutions and services to equipment manufacturers, distributors, dealers and their end users.



The issue/challenges

The client wanted to shorten its turnaround time when screening applications for lease funding while at the same time improving the quality of the decisions that are made.

The solution

Experian's Commercial Lease Decision Score was chosen because of two key attributes. First, Experian developed an industry-specific leasing risk model that was an ideal fit for the client. Second, Commercial Lease Decision Score was available via mainframe delivery, which meant that it could be installed in the client's automated credit application process.

The client's automated decisioning system retrieves an Experian Commercial Lease Decision Score and integrates the risk score into the client's decision matrix that generates either an approval for a specific monetary amount or a referral to a credit analyst for individual attention.

The Commercial Lease Decision Score enables faster, accurate and consistent decisions saving the client time and improving credit quality.

Business lending solutions

Acquired in August 2005 by Experian, Baker Hill has been focused on the banking industry for more than two decades. It delivers solutions that address the needs of banks, when lending to small and medium-sized enterprises and works as a trusted advisor to its banking clients. Baker Hill understands banking processes, knows how to implement technology to enable those processes, and has a long history of client success. More than 1,100 financial institutions in all segments have drawn on the company's business expertise to improve critical processes, and have chosen Baker Hill's relationship management, credit origination and portfolio risk management solutions as their enabling technologies.

Baker Hill offers complete integrated technology solutions and general consulting and training for the financial services industry. Baker Hill was an early industry leader in providing client relationship management systems, offering web-based origination solutions that address a bank customer's entire relationship cycle.

The solutions offered combine client management systems with process-flow solutions and can be easily integrated with an organisation's existing technologies to improve customer service.

- Solutions from Baker Hill cover banks' relationships with small and large businesses and consumers. Their small business capability strengthens Experian's offering in the US.
- Increasingly Baker Hill's competencies and solutions are being combined with Experian's and have resulted in the launch of new products including Portfolio Risk Advisor, which combines risk management solutions with the power of Experian's scores and data to give financial organisations a greater understanding of the strengths and weaknesses in their credit portfolio.
- Relationship management solutions include One Point and Baker Hill Advisor which enable a client to integrate all commercial lending processes and create a single credit file and then a cross-departmental client file for each client relationship, ensuring everyone in the organisation dealing with the client is working from the same base of information.
- Baker Hill's credit customer acquisition solutions (origination solutions), involve an automation of the origination and underwriting process to free relationship managers of manual processing tasks. With four solutions sharing one common technology platform there is less risk of redundant data entry and a reduced error rate. The solutions cover the entire loan process from application to underwriting and acceptance and document preparation and booking.

More than 1,100 banks turn to Experian's business process solutions

The client

Established in 1954, this client bank went public in 1989. The bank currently has \$1.3 billion in assets and 19 offices serving North and South Carolina.



The issue/challenges

The client wanted to start a business banking division without a big up-front investment, to grow its market share aggressively, to automate its lending systems and to make the resultant process changes run smoothly.

The solution

The bank turned to Baker Hill's Bank2Business small business origination solution to help provide an automated loan underwriting system with credit scoring capabilities. Baker Hill provides a four module browser-based credit origination solution that provides banks with a common platform for lending. For the client it solved the problem of providing uniform decision-making for business loans across the whole organisation.

The solution went live in less than 90 days. The manager responsible for setting up the business banking division commented: "At my previous bank, I had a whole team of people to do the same thing that Bank2Business does...and that old system took a long time to implement. With Bank2Business we were up and running in a very short time."

One obstacle involved training the more senior bankers. Some were not comfortable with computers; others, with the Internet. The bank used Baker Hill's Advisory Services to help it implement the system and to train its users.

Currently, the bank has a delinquency ratio of almost 0% and greater consistency and accuracy in decisions across branches and the field. The client is very satisfied and commented: "This solution puts us in the forefront. We are on track for very significant loan growth. Our bank needs this solution. We wouldn't want to be without it."

Transaction processing

Experian's transaction processing operations in France cover a wide range of business processes providing the staffing, technology, systems, facilities and resources needed to support a full-service solution to organisations. Clients are able to outsource, fully or partially, particular business functions such as cheque processing, payment card processing, electronic services and remittance processing to assist businesses and public sector organisations in operating 'no paper' processes.

Experian offers a comprehensive range of transaction processing services in France to manage different methods of payments. These procedures can be structured to complement an organisation's portfolio of services and include:

- Payment management: Experian, a leader in cheque processing in France and one of the major players in card and remittance processing, helps organisations in various markets including the banking and utilities sectors to benefit from best cash-flow management. It is able to handle all related services including research and rejection on behalf of its clients and every year processes an average 1.35 billion cheques and 125 million remittances. Experian manages relationships with five million cardholders and over 550 million debit card transactions in France, collects information from 120,000 POS terminals and delivers 25 million authorisations.
- Account and document processing: Experian carries out diverse back-office activities, partially or fully, on behalf of clients, combining these services with other areas of expertise such as multimedia call centres, risk management tools, payment solutions and marketing services. Types of back-office services available include fulfilment of vouchers, questionnaires, orders and applications using digital technology, management of an organisation's customer database, loyalty programmes and subscription management e.g. travel cards in the Paris area.
- Electronic transactions: Experian continues to develop its electronic services offering Payline®, a solution to manage and secure distant and online payments and also offers consultancy and solutions to help organisations migrate from paper-based process management to electronic procedures. Experian has developed, and operates and manages, on behalf of the French Association of Chartered Accountants, the Web portal, www.jedeclare.com dedicated to electronic transmission of returns for both social and value added taxes and also works with the Bailiff National Chamber to manage electronic transmission of certified documents.

Experian delivers a revolutionary travel card to young people in Paris

The client

The client is a partnership made up of Parisian transportation companies offering young people the opportunity for cheaper travel rates in the Greater Paris area.



The issue/challenges

The client wanted to develop and manage the process for issuing yearly passes to school children and students under the age of 26 and offer a subscription-based tariff giving young people access to cheaper fares, with minimum staff and administrative costs to the client.

The solution

Experian's solution was to design a dedicated information system and provide data processing and management expertise, as well as process management and online access to personal files through a secure extranet. Experian also provided computer maintenance and business continuity planning and worked closely with the transportation organisations to set up and operate a complete processing centre on behalf of the partnership. In addition, Experian managed the transport subsidies to which travellers were eligible.

The result is that every year large numbers of pupils and students subscribe to a yearly pass, allowing them to benefit from a reduced fare when using public transport in the Île de France area of Greater Paris. The service offered allows Experian to collect and approve all subscription forms and supporting documentation, capture and check the personal details of applicants, process payments and issue the travel passes. The centre and the information system were designed by Experian to provide complete transparency to the consumer. With this solution Experian has created a fully scalable service including managing the subscription programme. Ninety per cent of the 720,000 cards issued yearly are delivered between June and October.

Automotive services

Experian provides vehicle history information in the US, UK and Italy, to help manufacturers, dealers, finance providers, insurers, auction houses, government agencies and consumers to understand the risk associated with any given vehicle.

Vehicle history information is used to establish whether a vehicle is currently registered as stolen, has outstanding finance or has been registered as a write-off. A vehicle history check can also establish the market value of a vehicle, whether or not the vehicle has changed owners or been imported and the accuracy of the odometer reading.

Fraudulent representation of used vehicles poses a significant risk for consumers and a potential liability for dealers, finance providers and insurers. In the US around 40% of all vehicles that are declared a total loss or write-off are eventually rebuilt and put back on the road, often in different locations, making it very difficult for the buyer or seller of a vehicle to detect the fraud.

Some of the various elements that an Experian vehicle history report may feature (dependent on country location) are:

- valuation based on the age, type and mileage of the vehicle (UK only);
- make/model, noted mileage, year of manufacture, colour, date of registration and engine number;
- number of previous vehicle owners and date of last change;
- mileage from odometer readings to identify possible mileage discrepancies;
- details of outstanding finance on the vehicle – even if the number plates have been changed;
- damage from major accident along with classification code of damage (UK only);
- fleet information – whether a vehicle is known to be rented, a taxi-cab or a company vehicle (US only);
- forfeiture information – whether a vehicle has been abandoned or repossessed (US only);
- theft – reported lost/stolen or recovered from theft – chassis number and registration number cross-match with appropriate model details;
- CO₂ emissions.

The benefits of using a vehicle history report

- helps consumers discover any adverse information to assist them in making an informed buying decision;
- helps dealerships reduce risk, both financial in terms of making a sound investment and legal in terms of compliance with legislation;
- helps finance institutions and insurers reduce financial risk by providing specific vehicle history;
- helps provide auction houses with full disclosure at auction, enabling quality standards to be maintained and increasing residual re-sale value;
- helps government bodies assist law enforcement in tracking vehicles.

Vehicle history information enhances online auction service

The client

The client is the Internet's largest marketplace for buying and selling goods, providing a global platform where individuals can buy, sell or trade practically anything. On a given day, there are millions of items listed on the site across thousands of categories. A large and growing part of the client's online auction business is the sale of used vehicles.



The issue/challenges

To improve the consumer shopping experience and reduce concerns about using an online auction to purchase a used vehicle, the client wanted to provide consumers with accurate and timely information about the history of the vehicle. The vehicle history information needed to be closely integrated within the overall vehicle shopping experience. The goals were to make access to vehicle history reports easy for the online shopper, increase the value of the automobile listings and enhance the probability of online bids.

Experian automotive experts worked closely with the client to develop a comprehensive solution for online buyers – a solution that would allow online shoppers to link to Experian to purchase a vehicle history report after clicking a button on the vehicle-listing page. The associated vehicle identification number (VIN) automatically transfers to Experian's AutoCheck site, the most robust vehicle history site available, alleviating the need for the shopper to enter the cumbersome 17-digit alphanumeric VIN number. Shoppers are then given the option of buying a single report or a '10 pack' of reports to help with their online vehicle shopping. Shoppers are also provided with educational information about the importance of using vehicle history reports.

The solution

AutoCheck provides instant web-based access to information to investigate and assess a used car or light truck's history. It includes an odometer check, vehicle specifications (year, make, model, engine size and number of doors) and damage reports (instances of flood, fire, hail or accident damage).

The client chose Experian over the incumbent information provider noting that Experian's team was more willing to propose a solution to benefit both the consumer using the service, and the client, and develop a pricing strategy that provides its shoppers with preferred pricing.

Insurance services

Experian's insurance services division in the UK provides dedicated sales, account management, systems and business consultancy service teams, who work with insurance organisations to deliver comprehensive information solutions for marketing, underwriting, risk assessment, claims handling and fraud prevention and detection.

The range of services enables insurers to target new customers more precisely, improve pricing accuracy, prevent fraud, reduce costs and build more successful customer relationships.

A number of databases and services have been developed or tailored specifically by Experian for insurance organisations including:

- **Vehicle provenance/history checks** (marketed as Car Data Check through the AA in the UK and AutoCheck in the US and Italy). Advanced vehicle identity and provenance systems containing details of all registered vehicles. They are widely used in the motor insurance quotation, underwriting and claims processes. Electronically available vehicle information instantly confirms a vehicle's identity and highlights any inconsistencies. Benefits to insurers include minimising fraud and data inaccuracies and increased efficiency through reduced call duration and better customer service.
- **Claims and Underwriting Exchange (CUE)** UK insurance industry shared databases of household, motor and personal injury claims. This data has uses at all stages of the customer life cycle from quotation and policy acceptance, through to renewal and claim. Insurers benefit from fraud prevention by the identification of non-disclosure and concurrent claim activity with other insurers, improved customer service through reduced call time and confirmation of claims history and more accurate pricing.
- **Motor Insurance Database (UK)** a motor insurance industry initiative which holds details on all UK insured drivers, covering 26 million motor insurance policies and 29 million vehicles. The Motor Insurance Database was established to provide an effective tool in the campaign against uninsured driving in the UK and to comply with the 4th EU Motor Insurance Directive. Over 80 insurers contribute policy details and the database is used by both the police and insurers to combat uninsured driving.
- **Whatif?** provides insurers with market analysis and rating comparisons on household, private motor, commercial vehicle and motorcycle insurance products. Whatif? Direct provides rating comparisons on insurance products available on the Internet.
- **RiskPoint™** geographically enabled risk mapping system that enables insurers to overlay all its policies to view and analyse its complete exposure to risk and sums insured on a single visual mapping system.
- **Perils** data models with rating and geographical information on subsidence, theft, wind, coastal and river flooding, freeze and fire to assist insurers in the rating process and verify pricing. For claims, Perils data can help assess potential fraud and analyse and validate claims.
- **Unclaimed Assets Register (UAR)** a database of over five million owners of unclaimed financial assets. The UAR helps financial institutions, such as insurers, pension companies, unit trusts and listed companies to address the issue of lost customers and gone away investors by providing sophisticated electronic tracing and acting as a central repository for owners of unclaimed investments. The UAR's search service helps consumers and probate professionals recover lost investments, such as life policies, pensions, unit trusts and share dividends.
- **Existence Verifier** assists the pension industry to ascertain the likelihood of pensioners being deceased in order to identify and cease overpayments. Information, drawn from the Office of National Statistics is enhanced with Experian data to create a database of over 13 million records that provides an effective, efficient verification process for pension schemes and annuity providers.

In addition, many products and services from Experian's comprehensive portfolio provide support to the UK insurance market.

These include:

- **Mosaic** a geodemographic segmentation system used for customer profiling, target marketing and rating;
- **Pixel** individual and household level demographic information for segmenting consumers;
- **Canvase** a comprehensive source of lifestyle data on 14 million UK consumers;
- **Consumer database** customer identity authentication services and risk assessment;
- **Limited and non-limited company databases** holds details on UK and overseas businesses and directors;
- **Strategy Management** helps clients make the right decision at each stage in the life cycle of customers – from the targeting and acquisition of new business, through to day-to-day customer management and the continuing development of a profitable relationship.

FARES (First American Real Estate Solutions)

History

In December 1997, Experian formed a joint venture with First American Corporation into which Experian contributed its US property database businesses. The joint venture, known as First American Real Estate Services (FARES) is a subsidiary of First American Corporation (NYSE – symbol FAF) and is 20% owned by Experian. Experian accounts for FARES as an associate showing its 20% share of FARES profits but no sales.

First American Corporation specialises in offering mortgage lenders all of the information required to underwrite mortgage loans in the US. This includes Title Insurance (against the risk that a newly acquired piece of property has a defective title, for example because of an undiscovered tax lien or a forged deed). FARES forms the major part of First American's 'Real Estate and Information Services' division.

Products and services of the FARES joint venture

FARES aim is to offer a 'one-stop shop' for information required on property transactions (including re-mortgaging). The information is normally provided to mortgage lenders rather than those purchasing the property. Services include:

- mortgage credit information - through its c.30% ownership of First Advantage Corporation (FADV);
- tax monitoring – FARES advises property mortgage lenders of the status of property tax payments due on real estate securing their loans (i.e. whether they have been paid or not);
- flood certification – FARES has a flood reporting database, giving details of all reported insurance claims resulting from flood damage. As a result it can certify where a property is not at material risk from flooding;
- property valuations – these can be either manual (based on an appraiser visiting the property) or automated (using FARES database information on the size and location of the property);
- mortgage document preparation;
- property inspections – this is the physical inspection of properties in the foreclosure process.

Sources of data

Property data is collected from public sources (e.g. county/municipal tax assessor and recorder's offices) and commercial and private sources which enhance the data with demographics, property characteristics and amenity information. The national coverage extends to 85% of the entire real estate activity in the US with data on 100 million properties updated annually, and on average two million property and mortgage transactions each month.

Data content

The database includes the following types of data:

- complete owner name and address;
- property location information;
- where available, detailed property characteristic information;
- sales and transfer records, arm's-length transactions, nominal transfers, foreclosures and deeds to trust;
- mortgage financing records;
- tax assessor maps.

Decision Analytics

Decision Analytics unlocks the value of Experian's vast Credit Services data assets and/or other data sources by applying analytical tools, scoring, software and systems to convert data into valuable business decisions. Decision Analytics offers two key services: credit analytics and decision support software and fraud solutions.

Decision Analytics' products are often used as the key method of entry into new geographic markets. There is significant market growth opportunity for the business because of its potential for global reach and its position at the forefront of product development and innovation. This opportunity is enhanced by the ability to combine the products with Experian data.

Credit analytics and decision support software

Experian has developed and refined a global expertise in statistical analysis and scorecard development to enable clients to make consistent, high-quality and efficient decisions about credit risk, customer marketing and account management.

Credit analytics and decision support software offers clients complex statistical analytical tools to predict likely customer behaviour and reactions. Services include: application scoring (which can be used at the time of opening an account to predict the probability of the account falling into arrears in the future); behavioural scoring (which can be used throughout the customer relationship to assess performance and reassess a customer's suitability for additional products, based on their previous account activity payment history and credit behaviour); and marketing response scores (which can be used to predict the likelihood of a response to a new offer of credit). Experian also offers bespoke decision support software to enable clients to process applications more efficiently and to implement, manage and optimise customer strategies.

Statistical analysis of data is used to define the characteristics (variables) that are most predictive of a consumer's future behaviour. A scorecard typically contains a list of 15-20 characteristics each of which is assigned points that reflect whether it is a positive or negative indicator of future behaviour. Usually, the characteristics that are associated with high risk result in an applicant losing points, while those linked to likely good performance (number of years in present job, for example) will gain points. When the points for all the characteristics are added together, the result is the final score for each individual.

This final score is judged against a pre-set range that the lender has determined is an acceptable risk, based on the ratios of good accounts to bad accounts. A credit cut-off score is the lowest acceptable final score, and any applications that score below this are rejected or are offered a product with different pricing and terms. There is not usually one single characteristic that would cause an application to be rejected - the scorecard balances all elements and it is the overall picture that counts.

Types of scoring models available include:

- **Application scoring** models used by lenders at the time of issuing a new credit arrangement to assess statistically the probability of the account falling into arrears in the future. Scoring enables the lender to consistently assess the risk of taking on new applicants and correctly identifying the quality of an applicant against the lenders own criteria before choosing whether to accept or decline the applicant.

- **Behavioural scoring** used throughout the customer life cycle with a business; helps to assess performance and reassess a customer's suitability for additional products, based on their previous account payment history and credit behaviour.
- **Credit risk scoring** uses previous payment history to predict the likelihood of future credit risk. Credit risk scoring helps reduce the number of low quality, high-risk credit applicants that would previously have been accepted by the lender. Credit risk scores are also used to help set pricing and terms for new credit offers.
- **Credit marketing response scores** used to predict the likelihood of a consumer to respond to a new offer of credit.

Why do organisations use scorecards?

- unbiased analytical assessment, not reliant on an individual judgment;
- decisioning is consistent whenever and wherever it is applied;
- provides the lender with improved control over acceptance levels and bad debt levels;
- reduces bad debts typically by 15%-30% over traditional subjective decisioning.

Why is scoring good for the consumer?

- applicants are treated equally - not subject to the personal views of credit underwriters;
- offers made are relevant and targeted;
- creditworthy applicants are more likely to have their applications accepted;
- by screening out those accounts most likely to go bad, companies can expand the number of other applications that are accepted;
- by controlling bad debts, companies are keeping costs down and thus interest rates, making products more affordable.

Strategy Management

Experian's Strategy Management solutions help leading companies around the world to make more intelligent, faster decisions throughout the customer life cycle; on whether to accept a new (and unknown) customer, extend the credit arrangements for an existing customer or target them with new products.

Strategy Management is used at every point of the relationship with a customer, from first targeting and accepting the customer into the organisation, to monitoring their performance and determining when would be the best time to offer new or additional products. In the event that an account falls into arrears, Strategy Management can define what processes to adopt with regard to managing the account through to collections and recovery, including suggesting appropriate follow-up actions at every stage of the process.

One of the key features of Experian's Strategy Management solutions is that from their own PC, clients can design and test new strategies. By segmenting customers based on similar characteristics and applying scorecards for a range of objectives, an organisation can accurately assess an individual against their objectives and make the right decision in order to achieve their goals. Strategy Management solutions may be integrated with application processing, marketing or customer management systems. They may also operate independently in an organisation to guide strategy and policy decision-making.

Typical users of Experian's Strategy Management solutions include credit risk underwriters (making the decisions about who to lend to), credit marketers (deciding which variation of a product to offer a given applicant or existing customer and on what terms) and credit risk managers (deciding on the mix of applicants for the company to balance financial risk and returns).

Benefits for a credit-issuing organisation:

- increase the number of 'accepted' credit applications without increasing financial risk;
- reduce origination costs;
- generate customer loyalty by providing rapid and tailored decisions for each individual;
- speed and control in the development and delivery centrally of both customer acquisition and customer management strategies;
- ensure consistency of rules and strategies deployed throughout a branch network and over multiple geographies.

Benefits for a consumer:

- faster acceptance of credit applications;
- better customer service – quicker acceptance, more targeted marketing offers;
- not reliant on subjective decisions of individuals.

Performance maximisation (Strategy Optimization)

Experian's Strategy Optimization helps leading companies around the world make the best decision about each account in a portfolio to yield the highest profit and return on investment.

Extending the benefits of Strategy Management solutions, Strategy Optimization maximises profit and return on investment by identifying the most profitable decision for each and every customer interaction. These decisions are made while satisfying business goals and operational constraints and addressing the customer's needs and preferences. Experian's optimisation technology uses patented mathematical algorithms to calculate these decisions across portfolios, or on a recurring basis such as is required in application processing.

Strategy Optimization can be used at every point of the relationship with a customer. The optimisation technology can be deployed stand-alone or within Experian's Strategy Management solutions to ensure an efficient, integrated and superior decisioning solution.

Benefits for a credit-issuing organisation:

- maximises profitability and return on investment for every customer interaction;
- flexible, easy to use software;
- ability to arbitrate across competing business goals, objectives and operational constraints;
- robust simulation and decision planning.

Application processing

Experian offers a range of scalable application processing solutions around the world, to manage all stages of the credit application process, from capturing applicant information, verifying, analysing and scoring the information and implementing a lender's acquisition policy.

Experian's application processing systems help lenders to reduce the cost and time taken to prepare data whilst improving the speed with which an application can be processed. Data is captured from a lender's completed credit application form, over the telephone or online, and can be combined with additional information derived from existing databases, either within the client organisation or from other third party sources (including links to over 70 credit bureaux around the globe).

Experian's application processing systems, incorporating Strategy Management, are designed to ensure that appropriate data can be input to a lender's systems simply and efficiently, providing intelligent help features, short-form address capture (eliminating the need to type out standard address elements in full) and applicant address targeting. All these features help lenders to reduce the cost and time taken to prepare data and train their staff to use the system. For the consumer they improve the speed with which an application can be processed.

Key products and systems include:

- Transact SM (software);
- Connect+ (hosted solution);
- Autoscore.

Benefits:

- streamlines business processes by providing full automation of the customer acquisition process;
- enhances customer service and product take-up with decisions delivered in seconds at the point of customer contact;
- fraud losses and associated reputational losses minimised by incorporating application and identity fraud checks;
- improves customer decisions by incorporating shared data from many other lending organisations into the process;
- data assessed via sophisticated analytics and a rules based decision engine;
- improves management information and understanding of customer trends by using comprehensive reporting facilities.

Typical users of application processing systems include:

- banks;
- credit card issuers;
- organisations that grant personal or trade credit;
- mortgage lenders;
- insurers;
- retail finance companies;
- mobile communications providers;
- home shopping companies;
- online lead generation companies.

Net profit per customer improved through pre-screening and business development solutions

The client

The client is a leading provider of credit cards to mainstream American customers throughout the US. This client develops relationships with partners to offer branded credit cards.



The issue/challenges

To be successful in the extremely competitive credit card market, the client needed a solution that would instantly pre-screen prospective customers for its credit cards, using the client's own credit criteria.

The solution

Experian-Scorex offered Transact SM to **provide the client with the instant pre-screen functionality that was needed, as well as the ability seamlessly to link the client and its partners.**

This is an application processing solution that automates and customises the entire application processing system, from point of application through new account set-up. In addition, it offers sophisticated decision-making software that enables clients to improve the quality of new accounts introduced into customer portfolios.

Experian's team offered the client a fully integrated, seamless solution that gave them advanced risk management tools to establish, maintain and monitor the criteria they wanted applied to the incoming customer prospects.

This successful sales effort has brought new business to Experian in the form of a multi-year and multi-million dollar contract.

Customer service levels improved and bad debts reduced by fifty per cent

The client

The client is the UK's leading office supplies provider with thousands of small business customers making large numbers of generally small purchases. The client is renowned not just for the quality and breadth of its offering and pricing but also for its customer service, especially the fast turnaround of orders. The client already uses commercial credit scoring to ensure all the necessary credit vetting is undertaken prior to processing orders in a fast and efficient manner.

The issue/challenges

Due to data quality, the client's existing credit scorecard system did not provide consistent credit ratings and was unable to provide decisions. The client decided to undertake a rigorous data trial to check the data quality of its existing system against an Experian automated decisioning system. **In 85–90% of cases, the Experian system returned a full report and credit score, even on the smallest of companies. This compared very favourably with the client's existing supplier, who only returned a full report in 17% of cases.**

The solution

The client switched to Experian as a result of the trial and was provided with access to the online commercial credit application processing system, incorporating online business and consumer information as well as Commercial Delphi, a highly predictive scoring solution.

This online approach has enabled the client to improve the speed and quality of its credit decisions and has made a huge difference to debt reduction. By the end of the first year of use, it had reduced bad debt by fifty per cent – directly influenced by the new credit scoring system, which is used to credit check new and renewed business. Existing customers are now checked on a rolling 12 months basis.

The Credit Controller for the company commented: "The fact that Experian is able to access lots more information, including the track records of directors, County Court Judgment history and payment performance data, has been hugely valuable and made a considerable difference to our business. We are able to make more profitable decisions more effectively and have considerably reduced our exposure to risk and unpaid debt. Customer service levels have also improved thanks to the speed and quality of our credit decisions."

Fraud solutions

Experian offers a range of fraud prevention tools which are used by hundreds of the world's leading financial institutions. By sharing valuable and timely information about known fraudulent applications and transactions with other business sectors nationwide, greater fraud prevention success can be achieved.

Experian's fraud solutions include:

- Anti-money laundering software which enables financial institutions and other businesses to track, detect, manage, investigate and report suspicious activity. It provides analysis of how money moves in, around and out of financial institutions and other businesses by profiling customer and account activities and monitoring transaction trends. It can also generate risk scores based on customer and account profiles and transactional activities. Experian also offers identity verification, fraud prevention and authentication for compliance with government regulations, including the US PATRIOT Act.
- Authentication services provide the information needed to instantly verify customer identity and prevent fraud while conducting secure transactions online and at call centres.
- Credit card verification checks whether a customer is using a valid, authorised credit card. It authenticates the user's link to the card in real-time to avoid transaction processing delays and potential fraud. Charge-backs and fraudulent transactions can be reduced significantly by verifying that consumers are using authorised credit cards.
- Detect provides significant savings to credit grantors as it highlights fraud at the point of application, instantly, in real-time, before the loan or personal finance facility is granted. Detect finds fraud by comparing the new application details with a range of data sources to identify anomalies that highlight potential fraudulent applications.

A powerful fraud checking system and predictive fraud scorecard are used to interpret unusual matches in the data, which can indicate that the application may be fraudulent.

All types of application fraud can be uncovered, from serious cases of impersonation and identity theft, to 'soft fraud' cases, where people manipulate their application details in order to improve their chance of gaining additional credit.

The results of the processing are passed back to the client's decisioning system and then presented in an easily understood user interface, designed to assist underwriters to recognise the relevant fraud condition.

Experian's Detect is an extremely robust, predictive application fraud solution. By flagging potentially fraudulent and high-risk applications, it helps reduce fraud charge-offs, increase approval rates and boost the client's bottom line and protect consumers from identity theft fraud.

- E-identitycheck combats identity fraud by providing a qualitative assessment of the degree of confidence a client can have in a customer's identity. It accesses several hundred million consumer information records in Experian's database and then applies powerful Detect processing, which highlights identity fraud. The results of the processing are displayed in the form of an identity index value with the data that was used to calculate it.

E-identitycheck can be used in detecting fraud across the retail sector – such as Card Not Present fraud and in demonstrating compliance with anti-money laundering legislation.

- Fraud Shield is Experian's most advanced fraud detection technology in the US. It offers protection from even the most sophisticated application fraud by launching a comprehensive series of checks, searches and counters to screen every application.
- Fraud Shield Score is a unique solution that combines the most predictive fraud and high-risk indicators into one score for US clients. It helps identify which applications are most likely to be fraudulent or in need of further review. It is highly predictive of potential fraud and first payment default.
- Hunter identifies fraudulent new accounts or claim applications throughout the financial services, telecommunications, retail and insurance sectors. It does this by automatically checking new applications and claims against themselves, any previous applications or claims, suspect information and known fraudulent data. The latest version, Hunter II, provides online functionality, enhances workflow to increase productivity amongst fraud prevention teams and uses artificial intelligence techniques to rank and prioritise matches according to their potential for being fraudulent.
- National Fraud Database in the US is the first shared database of known cases of fraud. Experian has joined forces with a consortium of businesses from several industries to provide a single-point of access to consumer and commercial fraud records. The National Fraud Database is a powerful resource used to highlight fraud patterns and define and identify fraud attributes.

Subscription to the National Fraud Database is open to any business entity that needs information on known fraud records and represents data from a variety of sectors including banks, credit card issuers, telecommunications providers, automotive companies, retailers, insurers and mortgage lenders.

High fraud-risk applicants screened out and application processing streamlined

The client

This major US monoline credit card issuer has approximately 48 million accounts and is growing by 10,000 accounts per day. In business for more than eight years, the company has about 12,000 employees.

The issue/challenges

To maintain responsive customer service while minimising fraud risk, this financial services client needed to enhance existing verification capabilities in terms of scope, speed and accuracy.

The client's objective was to improve the detection of credit card application fraud prior to activating the card. This required expanding existing fraud detection resources to encompass a broader range of applicant data, thereby increasing the opportunity to identify known fraud indicators. At the same time, the client required comprehensive authentication capabilities that streamlined processes and provided the ability to make more decisions about more accounts with fewer red flags and manual reviews.

The solution

To achieve its goals, the client implemented Experian's Authentication Services, powered by Experian's extensive verification database of more than 215 million consumers and 19 million businesses. In order to ensure a positive business impact, Experian actively consulted with the client throughout a testing process comprising 800,000 new applications over a six-month period.

The implementation resulted in proven verification capabilities well beyond the client's previously existing data sources, including the ability to verify an applicant's address, as well as cross-match name and address with social security number, birth date and driver's licence information. In addition, the client was able to identify high-risk addresses and telephone numbers; reduce potential fraud; streamline application processing through faster coding and enhanced access; and cut costs.

Experian's solutions enabled the client cost-effectively to increase accuracy, reduce manual reviews and undeliverable mail and streamline its operations – boosting response to good customers while realising a 13% reduction in application fraud losses. **According to the company's operations manager: "As the result of implementing Experian's Authentication Services, we're looking at overall annual savings of \$18 million."**

Online fraud prevention saves client £1.5 million

The client

Part of a major motor dealer group in the UK, the client provides the finance for two specific dealerships and their customers nationwide. The client currently operates in 16 countries and finances over 850,000 new and used vehicles.

The issue/challenges

Often fraudsters will prey on new companies, as they do not expect that they will have the systems in place yet to fight fraud. From day one, the client wanted to send out a clear message that they take a hard line against fraud and wanted to identify, in real-time, potentially fraudulent applications for finance to reduce the company's exposure to risk.

The solution

Experian's Internet-based fraud prevention system, Detect, delivered £1.5 million worth of savings during the first nine months of its use. The Experian system works in real-time to spot potentially fraudulent applications for credit and is being used by the client to screen all applications for motor finance for both new and used cars.

The Dealer Services Manager at the client, said: "The £1.5 million worth of fraud savings have been made as a direct result of using Detect across our dealer network. We work in a fast-paced environment and it was critical that our fraud prevention system provides fast decisions. As Detect is online, there is a real-time turnaround on decisions, ensuring that Experian continues to meet its customer service target levels. Fraud referrals can be done quickly and in a non-intrusive manner and we are able to focus resources on high risk and fraudulent applications.

"Even though sales and applications for finance are done face-to-face, businesses cannot afford to rely on paper-based documents as proof of identification, especially as stolen or copied identification is often hard to spot. We have been surprised how sophisticated and predictive the level of information is with Detect."

The client has been able to spot potential frauds by individual customers and businesses including incidents where customers provide false address, bank or employment details to hide fraudulent activity or where there is an impersonation of a genuine low-risk customer.

Experian provides credit bureau information and predictive scoring as part of the risk management service, along with Detect, to help minimise the company's exposure to risk and enable the client to make fast, accurate and consistent lending decisions. Utilising Experian's advanced scoring techniques to accurately assess customers' value and propensity to pay, the client is also reducing its exposure to bad debt.

Marketing Solutions

Marketing Solutions helps clients to acquire new customers and to manage their relationships with existing customers across multiple channels. It acquires, processes and manages large and comprehensive databases containing geographic, demographic lifestyle and attitudinal information on consumers.

By appending hundreds of characteristics (e.g. type of residence, number of people in the household, estimated income and consumer interests such as leisure, sports and shopping preferences) to the data held in the databases, Marketing Solutions provides clients with information and tools designed to assist them in matching the relevant offer or product to the right customer.

Marketing Solutions also assists clients in planning and executing communication campaigns through a variety of media channels, ranging from direct media such as mail, email, SMS, Internet and telephone to mass media such as newspaper and television advertising.

Data and data management

Databases

Experian enables clients to communicate effectively with their customers through multiple channels. Experian helps clients target consumers and businesses for customer acquisition, development and retention campaigns, managing and executing those campaigns and finally, measuring and refining marketing strategies. Its marketing databases are the foundation to these skills.

Experian has a collection of databases that provide geographic, demographic, financial and lifestyle information on millions of consumers around the world and on businesses in the US and UK. This information allows Experian to offer highly targeted lists of potential customers to its clients and to enhance the information held by its clients about their existing customers. Clients seeking consumer information can make selections based on the profiles of their most profitable customers or select from specialist lists, such as new parents, new homeowners or investors.

The Canvasse and BehaviorBank lifestyle databases in the UK and US use large-scale surveys that provide insight into the buying habits and interests of consumers. This self-reported information ranges from the age, income and occupation of consumers to their hobbies and individual brand preferences. Experian has also developed information sharing among data providers, such as Z-24 in the US and Club Canvasse in the UK, which brings together shared customer transactional data from other catalogue retailers. Searching and selecting lists of names is carried out by Experian on behalf of clients or by clients themselves at their desktop using Internet-based technology. Data is delivered via labels, tape, CD ROM, file transfer protocol or secure email.

Experian is one of the world's largest information providers and provides clients with the ability to identify customers (list), understand customers better (list enhancement) and predict response and purchase behaviour (analytics). Experian's breadth, depth and quality of data provides it with a clear competitive advantage.

US databases

- **BehaviorBank** consumer-supplied lifestyle data with coverage on more than 35 million households.
- **Business Owner Link** over 6 million demographic records on both the business and the owner help clients modify their marketing efforts to appeal to specific audiences.
- **CircBase** co-operative database of direct mail responders for publishers, covering 161 publications and 63 million subscribers.
- **Cottage Industry File** over 3 million home-based businesses identified on the National Business Database. This segment is unmatched in the industry by all major competitors.
- **Hotline File** allows clients to target new business and recently relocated businesses, with more than 250,000 new or recently moved businesses added each month.
- **INSOURCE** National Consumer Database – one of the largest marketing databases in the US, with information on 215 million consumers in 110 million living units including new parents, new homeowners and new movers.
- **The National Business Database** the largest and most extensive B2B marketing database in the industry, contains information on more than 19 million businesses, with a unique combination of geographic, demographic, legal, finance and credit data.
- **Z-24** collects and shares information from over 700 catalogue retailers.

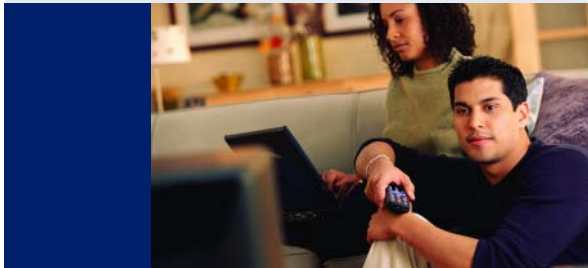
UK databases

- **Canvasse** self-reported data on over 14 million individuals selectable by over 6,000 lead-to-purchase variables.
- **Club Canvasse** shared customer transactional data from approximately 225 mail order organisations.
- **National Business Database** (incorporating Yell data) Experian holds marketing data on over 4 million businesses and 5 million contacts in the UK; from single person businesses operating from home, to multi-subsidiary corporations. Data is captured from a combination of public and unique sources including Companies House, Thomson and Yell, in addition to our own in-house Directors Database, corporate tree information and credit and risk file.
- **National Canvasse** Electoral Roll replacement, comprising compliant information supplied by consumers in the past 12 months; provides comprehensive coverage of the UK adult population.

Experian's data enhancement tools improve customer insight and reduce cancellations by 50 per cent

The client

The client is a leading media and technology company that develops, licences, markets and distributes technologies, products and services targeted at the television guidance and home entertainment needs of consumers worldwide. It is among the strongest media brands in the US and reaches approximately 100 million households in the US through a magazine, TV channel, an online TV guide, a website and on-screen services.



The issue/challenges

The client created an Information Management Group to build analytical models for improving response rates and customer retention. The company wanted the most accurate and effective data to enhance their customer information and develop models. After testing several data sources Experian's information delivered the best results and the client's Information Management Group was tasked with expanding their modelling services to improve the results of marketing campaigns across the company.

The solution

The client developed a corporate database including approximately 57 million unique customers and a campaign management system. The company enhanced the database with more than 100 Experian data elements including demographics and lifestyle information to determine consumer attitude and product interest. It also enhanced new-to-file records each week and refreshed the entire database annually.

Experian's Express Processing for Data Enhancement gives the client fast turnaround. The service uses electronic file transfer and full automation to expedite processing. With Express Processing, project specifications are established once, thoroughly tested and then put into action to provide the client with regular, fast and exact delivery.

Experian's INSOURCE demographics such as age and estimated income and BehaviorBank self-reported information are especially useful for the client's marketing programmes. The company uses Experian's data for advanced analytics and customer segmentation to give advertisers insight into their customers and to improve the value of the client's list rental file. The client also uses its analytical models to select the best prospects from Experian's INSOURCE, New Movers and BehaviorBank data sources to build high performing prospect lists for acquisition campaigns.

The client now uses Experian data in analytical modelling applications for renewal marketing, cable marketing, advertising, research and platforms such as TV Games, SkyMall, Interactive Program Guides and online.

Cable marketing response and retention models created with Experian data have reduced cancellations for the client's products by fifty per cent. The resulting cost savings were around one million dollars annually.

Renewal price, premium and response models have generated thousands of new subscribers at no cost. New business response models are generating increased revenues and reduced costs.

Database marketing

ClarityBlue, acquired in January 2006, designs, builds and manages marketing databases for large companies with millions of customers allowing them to undertake multiple transactions on a daily basis and through different channels.

ClarityBlue helps its clients to make better-informed decisions more quickly about how to target and acquire new customers and retain existing customers. It works for financial services providers, entertainment companies, mobile phone operators and Internet service providers. Its clients include Barclaycard, BSkyB, Morgan Stanley, O₂ and Orange.

When developing marketing databases for its clients, ClarityBlue uses its own unique technology platform and analytics to integrate data and software that best meet its clients' needs. In particular, it can link companies' existing information on customers with external data sources to create a complete picture of customer behaviour. Its key competitive advantage is that its technology platform is very fast and flexible, speeding up decision-making and reducing the lead time for delivering marketing campaigns. This is supported by ClarityBlue's extensive board-level consulting expertise which helps to embed it at the heart of its clients' marketing strategies and processes.

ClarityBlue's software and services enable its clients to use existing and prospective customer information to improve their business decision-making processes and to effectively manage customer relationships, which in turn allows organisations to grow profit, reduce marketing costs and retain customers.

Its integrated direct marketing platform incorporates:

- a library of complex and unique data management components including data integration, cleansing, matching and pre-processing of customer and prospect data;
- a highly visual front-end enterprise marketing management application that supports marketing automation and resource management capabilities, strategy and planning, workflow management, digital asset management and measurement and reporting; analytics, optimisation and campaign management;
- Elements™ - designed to be configurable to create tailored solutions that meet a client's diverse needs.

Customer data integration

Customers want to be recognised the instant they contact a company they already deal with. If a customer already has a relationship with a company and orders a product or service from them, they do not want to be mailed about a better deal on the same product or service a couple of days later.

Nor do they want to receive mail from different divisions of the same company, each addressed differently. Companies lose customers constantly because of these irritations, caused by a failure to manage their own data and integrate what they know about each of their customers. This costs businesses millions in lost potential sales and new customer recruitment initiatives.

Experian launched Truvue in the US and Europe to enable businesses to integrate multiple data sources to get a single, accurate view of each customer.

Truvue uses Experian's core experience in name and address matching but adds an extra dimension by using the largest, most comprehensive reference database to provide a more accurate match, even if the consumer has moved address.

Truvue initially cleanses and integrates customer data, assigning a persistent identifier to each unique consumer record, giving it the ability to track customers over time. Once the Truvue ID is assigned, Experian can identify changes in consumer data and push updates to clients. The Truvue process eliminates unnecessary data handling and implements a more efficient database update process.

Which organisations and industry sectors can benefit from Truvue?

Truvue is designed to help companies with multiple product offerings, many delivery channels, complex company structures and multiple business divisions or group companies, in a variety of industry sectors.

These include:

- financial services;
- insurance;
- utilities;
- automotive;
- telecommunications;
- government;
- healthcare;
- retail.

The benefits of using Truvue:

- consumers receive an improved, faster service and a sense of being understood fully by the company;
- businesses get a complete picture of each customer across all product lines, so understanding their full potential worth and purchasing preferences;
- timeliness – all potential contact channels within a company can be kept updated at any time;
- businesses that have just merged can identify ‘shared’ customers and cross-sell or up-sell more effectively across the organisation, eliminating duplication of marketing effort and inconsistency of approach;
- businesses get more from their existing CRM investment and improved marketing results.

Data quality services

QAS, a leading supplier of address management solutions, is a market leader in data integrity, supporting more than 9,600 customers globally.

With its QuickAddress range of software, QAS offers the most comprehensive range of data quality services in the marketplace bringing to market sophisticated data integrity solutions which enhance the quality of clients' data.

Research in 2005* showed that 73% of organisations worldwide believe that inaccurate data costs them money and 75% admitted that potential revenue is lost through missed business opportunities from not being able to use poor quality data to find or profile customers and prospects.

QuickAddress helps organisations capture accurate address data and conserve data integrity over time. This helps to enhance the experience of the customer dealing with that organisation and reduces the costs associated with poor data, increasing its ability to grow revenue through improved targeting and aiding compliance with data regulations.

Organisations who take advantage of the software cover a wide spectrum of industries including banks, universities, telecommunication companies, the police, retail stores, hospitals, online gaming websites, charities and major football clubs. The flexibility of QuickAddress means it can be tailored to suit any industry-specific requirements and business processes.

In addition, QAS' IDentifier range of software is designed to enable organisations to verify, find and track people. Fast and efficient electronic authentication of contacts minimises the risk of potential fraud and provides end users with security against ID theft. IDentifier uses unique combinations of market-leading proprietary and third party data sources to ensure reliable and effective identity management.

QAS' solutions bring tangible business benefits to organisations by enhancing and maintaining their most important asset – their databases. Any company that holds data on customers, suppliers, employees or distribution networks can benefit from the efficiency gains and cost savings achieved with QuickAddress and Identifier.

Key characteristics of the software are:

- **capturing, verifying and entering** address data quickly and accurately into any database or application, from as little as just the ZIP or postal code and house or building number;
- **cleaning and maintaining** address data regularly to keep address records up-to-date and qualifying for bulk mailing and postage discounts from national postal authorities;

- **integrating** QuickAddress functionality across the entire organisation via the desktop, CRM or ERP systems, intranet applications or on worldwide websites;
- **suppressing** database records using market leading suppression files, through the Intact from QAS service or QAS' desktop suppression software;
- **enhancing** the true potential of customer data with the addition of information from over 60 datasets;
- **authenticating** customer identities by comparing their details against personal information held on authoritative databases.

These award winning solutions are the result of a 14-year investment in technology development ensuring QAS delivers the highest level of functionality and service support.

Experian's other data quality services are offered in the US and the UK. They aim to make mailings more economical and efficient.

This includes standardisation of addresses, ensuring completeness (against nationally available verification sources such as National Change of Address files and nationally accepted address correction processes) through to eliminating duplicates and optimising postal expenditure.

The purpose of list enhancement is to ensure that the investment a company makes in its direct mail campaigns is maximised and that the desired marketing message reaches only the right customers, at the right addresses, with minimal delivery failure rates and within the fastest times possible.

Experian's comprehensive data and advanced technology resources ensure that the results delivered are consistent and to a high standard. In the UK, Experian Intact is a market leading data cleansing, suppression and enhancement service, processing in excess of 500 million records a year. In the US, Experian has pioneered many of today's address standardisation and targeting processes (such as inkjet personalisation and international address standardisation).

Experian's expertise has been built up over many years of working with the leading direct mailers in the US and the UK, identifying their marketing needs and developing appropriately flexible solutions to meet those needs.

* Source: International research conducted by Dynamic Markets in July 2005, on behalf of QAS. This research was compiled from 550 responses from six industries over 10 countries.

QAS adds value to new CRM solution for major telecommunications client in Australia

The client

This large telecommunications company, which has operated in Australia for more than ten years, recently invested in advanced Customer Relationship Management (CRM) technology to allow its call centre operators to optimise its high quality personalised customer service.



The issue/challenges

In a project undertaken by leading systems integration consultants, the client utilised a leading CRM solutions package. An important issue was to ensure address data integrity and speed of capture. The consultants chose QuickAddress Pro address management software from QAS as the solution.

The solution

A senior project manager commented: "The QAS products proved to be an exact fit for this niche requirement. QuickAddress Pro not only eliminates spelling errors from customer addressing but also reduces the time it takes operators to call up the correct information on a customer when dealing with them on the phone."

When prospective customers contacted the client's call centres to ask about services or apply for a phone, the QAS system allowed operators to call up a customer's correct details in as few as eight keystrokes. **It saved the operators time and ensured the accuracy of the address data drawn up.** QAS' Address Matching Approval System software is based on Australia Post's recently launched Postal Address File (PAF) and the product's PAF-verified accuracy virtually **eliminates the problems and expense incurred by returned mail due to inaccurate addressing.**

Using Australia Post's PAF guarantees address accuracy for over nine million addresses throughout Australia. Customers are billed monthly and the client has **the added benefit of being able to target customers with direct mailshots.** The consultants responsible for the integration commented: "Had this software not existed, the alternatives would have been too difficult and impractical to undertake."

The integration of Experian's QuickAddress Pro represented value for money to the client by satisfying its data integrity and address capture needs completely, whilst also enabling use of Australia Post's new Delivery Point Identifier (DPID) coding for discounted mailing.

Improved patient tracking saves hospital \$1.5 million and reduces bad debt by fifty per cent

The client

A large New Jersey-based hospital bills more than \$1 billion annually and handles 50,000 visits to its emergency room. With so many patients and records to handle, it is crucial that the hospital maintains accurate patient data, especially when it comes to addresses, for billing purposes.



The issue/challenges

Hospitals are increasingly bearing the burden of the nation's healthcare economics problems. Caught between expense caps from Medicare and Medicaid, rising heating and prescription drug costs and increasing numbers of uninsured patients, hospitals are experiencing high levels of unrecoverable revenue, or 'bad debt.'

The NJ hospital wrote off \$17 million in bad debt last year, \$3 million of which it attributed directly to inaccurate patient addresses. The hospital accounts payable staff and its collection agency simply couldn't trace patients in order to bill them. There are a certain number of patients who will never pay their hospital bills, but hospital leaders decided not to accept the address problems that were causing mountains of bills returned in the mail.

The solution

After testing QuickAddress Pro address validation software from QAS in the main registration and ER registration areas, the client quickly saw the potential for recovering bad debt. QuickAddress Pro validates addresses against official US Postal Service® data in real-time. Particularly impressive was QuickAddress Pro's ability to integrate seamlessly into the hospital's McKesson Series Hospital Information System.

By using QuickAddress Pro, the hospital was able to recover fifty per cent of the bad debt previously attributed to bad addresses, or \$1.5 million in the first year alone.

Research services

Simmons Research

Experian now collects data direct from consumers through the use of surveys and panels. Simmons Research was acquired by Experian in October 2004 and has been a leading chronicler of the US consumer for over 50 years. Vente Inc was acquired by Experian in 2005 and is a leader in online consumer research and permission-based marketing.

The Simmons' network of media experts, survey professionals, modelling statisticians and research analysts provide companies and advertising agencies with the critical marketing information needed to target their products, brands and media to today's consuming public. Its vast database, built from innovative syndicated and customised surveys, contain the most detailed usage information available on over 8,000 brands, 400 product categories and every media genre accessible in the US.

Simmons carries out research on everything from the products consumers buy and the brands they prefer to lifestyle and media preferences and is used by virtually every major marketing firm and advertising agency in the US. Simmons research data is the standard for planning, product development, brand building and consumer profiling for differentiating programmes and products from the competition.

Simmons' suite of solution-based products help clients in three growing areas:

Simmons National Consumer Studies: Each year Simmons interviews over 27,000 people nationwide in order to produce its well-known Simmons National Consumer Survey (NCS) on the marketplace behaviour of US adults. In addition, it collects comprehensive, insightful information on teens, kids and Hispanic consumers. Through partnerships with leading marketing companies, Simmons data is at the heart of leading segmentation systems such as Acxiom PERSONICX, Looking Glass COHORTS and Claritas PRIZM.

Simmons Integrated Marketing Solutions: By marrying behavioural data from NCS and transactional data from other companies such as MasterCard, AOL, AT&T and Nielsen Media, Simmons has created a series of powerful new segmentation systems. Its BehaviorGraphics model shows advertisers how to identify their best customers based on what they buy in stores and what they watch on TV at home. Choices3 provides researchers with advanced tools for correspondence mapping and cluster analysis.

Simmons Global Information Services: Affiliated with the World Wide Target Group Index (TGI), Simmons also provides consumer behaviour research data - similar to the US data - from people in over 50 countries worldwide.

Vente

Using its in-depth consumer data, Vente helps organisations get the most from their marketing budget by connecting businesses with customers and prospects quickly, accurately and on time.

Vente gathers information from consumers through its proprietary online survey platforms and its database is made up of self-reported data by consumers, (not third party sources or confidential consumer information), such as social security or credit card numbers. The millions of consumers in its database have given Vente permission to send them information and offers in which they have an interest. Self-reported data includes demographic and financial information as well as hobbies, interests, ailments and purchase intentions.

Whether they are entrepreneurial start-ups or brand leading multi-nationals, Vente's services allow companies to get the most from their marketing budgets by helping to:

- extend the reach and frequency of advertising and promotional messages;
- receive targeted leads real-time, daily, weekly or monthly as required;
- drive sales traffic to offline channel partners or websites;
- execute cost-effective customer acquisition and retention programmes;
- increase customer lifetime value;
- create brand advocates.

Vente's key differentiating factors include its emphasis on hygiene and security, as well as its capability to provide complete end-to-end email solutions and analytics to ensure increased return on investment for customer acquisition campaigns.

Digital services

In 2004, Experian acquired CheetahMail which undertakes permission based targeted email marketing campaigns on behalf of its clients (who supply the contact details of the customers to be targeted).

Globally, CheetahMail delivers emails to 33 countries across EMEA in 19 languages, 21 countries in Latin America in 3 languages and 7 countries in Asia-Pacific in 4 languages. As an example, KLM Royal Dutch Airlines utilises the CheetahMail system to send emails in over 15 languages from KLM offices worldwide. For the year ended 31 March 2006, CheetahMail sent nearly 11 billion email messages, an increase of over 60% from the previous year.

CheetahMail provides clients with the ability to manage, analyse and automate web and email marketing campaigns to build data-driven, relevant relationships with their customers. In addition, CheetahMail offers a broad range of client services including best practice consulting, creative design, programme management, strategic analytics and technical consulting.

Its clients are category leaders in industry verticals such as retail, financial services, media and travel.

Servicing over 350 world class organisations, CheetahMail's clients include Audi, CompUSA, Discovery Communications, J.Jill, Safeway.com, Sears and Wyndham Hotels, Hilton International, Adidas, HMV and Norwich Union. Founded in 1998, CheetahMail is headquartered in New York City with offices in Los Angeles, London, Dublin and Amsterdam.

CheetahMail's campaign and data management, and one-to-one messaging capabilities are complemented by its professional services offering which provides:

- campaign strategy, analysis and optimisation to help clients grow, evolve and maximise their email marketing programmes;
- analytic service offerings which combine in-depth campaign response analysis insights with strategic recommendations to improve the effectiveness of programmes;
- data services which focus on evaluating the suitability and applicability of a client's existing data to be used for the deployment of more highly targeted and personalised email campaigns;
- creative services which identify and remedy potential design flaws such as navigation or content errors;
- enhanced services which ensure the successful delivery of each message;
- SiteClarity, CheetahMail's next-generation web analytics solution, leverages the most robust tools for website data capture and multi-dimensional analysis.

Major retailer increases targeted email campaign conversion rates by two hundred and fifty per cent

The client

The client is a clothing retailer, founded in 1818 and well renowned across the US with 250 stores, one in most major cities, and a further 80 stores across Hong Kong, Taiwan, Japan and Italy.



The issue/challenges

The client was focused on ways to increase sales in its women's clothing line. Although it collected email addresses through opt-in processes, many subscribers had not identified their gender, leaving the clothing retailer unable to determine accurately which of its subscribers were men and which were women. The client did not want to alienate its customers for men's apparel by sending them a woman-focused email, so it decided to identify gender-based segments from its database utilising email response data.

With limited self-identified information given by subscribers, creating behaviour or demographic specific segments for more targeted campaigns became increasingly difficult.

The solution

Using CheetahMail's Advanced Analytics Tool, the client was able to conduct a real-time query of all subscribers who had clicked on any women's product from its last three months of campaigns. The query produced a segment that was nearly twice as large as the number of subscribers who had self-identified themselves as female. Believing a targeted women's line campaign sent to subscribers who had previously expressed interest in women's products would increase response, the client then executed the mailing.

Conversion rates from the campaign were 250% higher for the targeted women's line campaign than for the client's general mailing. The client had identified a segment that was most likely to purchase women's clothing and could track email responses over time through CheetahMail's system in order to gauge subscribers' interest levels in women's products versus all products. "This is a real testament to the importance of segmenting your database by subscriber behaviour rather than just self-identified data," said the client's eCommerce Marketing Manager. "CheetahMail's Advanced Analytics tools enabled us to identify segments that were not originally evident from information provided by subscribers."

Business strategies

Business strategies encompasses Experian's economic forecasting, consumer behaviour monitoring and prediction analytics services. The target market for these services is broad but centres on the retail, property and public sectors, predominantly based in Europe.

Experian has developed MOSAIC which is licensed to clients for an annual fee. MOSAIC is a classification system that categorises consumers and businesses in over 20 countries into clearly identifiable groups and types. This helps marketers and researchers to target the appropriate customer groups by providing insight into the demographic, socio-economic and behavioural characteristics and attitudes of customers. MOSAIC can also be used with other Experian decision-making tools to help retailers identify profitable locations for stores, assess the impact of a store opening, measure and predict store performance and manage branch networks.

Business strategies also analyses national, regional and local economies for a range of public and private sector clients and carries out extensive research into the underlying drivers of social, economic and market change. This research can be used by companies to help decide on which economies to operate in and by public policy makers.

Experian provides marketing decision support to many of the world's leading organisations including retailers. Experian helps them evaluate and plan their branch networks, forecast sales, optimise store space and manage their relationships with consumers.

The service is based on three key principals.

- Experian understands where people live, their demographics, lifestyles, behaviour and aspirations. This draws upon sources such as Experian's award winning Mosaic classification of consumers and consulting services such as the Future Foundation that monitor consumer trends and predict the future behaviour of consumers.
- Experian understands what and when people buy, through its ability to monitor and predict performance of national, regional and local economies and associated patterns of consumer expenditure.
- Experian understands where people shop using its databases of local market information, market research and retail locations data.

How does Experian help clients?

- understanding consumers - providing insight into the demographic, socio-economic, behavioural and attitudinal characteristics of consumers;
- managing customer relations - using customer insight to identify and develop profitable customer relations and target communication more effectively;
- identifying profitable locations for stores - advising retailers on the optimum locations for new outlets;
- assessing the impact of a store opening - assessing the impact of a new store on the sales of an existing store;
- measuring and predicting store performance - evaluating the performance of stores and forecasting turnover;
- managing branch networks - developing appropriate strategies for store networks in relation to pricing, merchandising, stock control, sales forecasting, space optimisation and marketing;
- strategic forecasting - identifying key economic, demographic, behavioural, social and cultural trends to help retailers future-proof their business.

Micromarketing

To develop long term profitable relationships with customers organisations need to be able to identify, understand and quantify differences between customers (and potential customers).

This is what is meant by micromarketing, the direct opposite of 'mass' marketing techniques.

This understanding needs to be across many dimensions, including socio-demographics, behaviour, performance, potential activity, attitudes and motivations. The more the strategy is understood and quantified, the more likely it is that the organisation can anticipate and satisfy the needs of the customer profitably. The role of analysis in gaining this understanding is fundamental.

What is Mosaic?

Mosaic is a range of classification systems that enables the segmentation of consumers and businesses into clearly identifiable groups and types. Examples include: Mosaic UK, Mosaic Public Sector, Mosaic Global and Mosaic Commercial. It is also available in 25 country specific versions enabling global coverage.

How is it created?

A Mosaic type is assigned to each household, business or geographic zone based upon a large number of statistical measures, originating from different sources and relating either to a business, an individual person, household, postcode or higher level geographic unit.

What is it specifically used for?

Everything from customer research, identifying who a client's customers are, the products they buy and where they buy them, to customer recruitment and tailoring customer communications to improve retention. It is also used extensively in branch and network planning and retail investment.

The service has recently been expanded through the acquisition of FootFall Ltd, a leading provider of retail data, analysis and consultancy, and a market leader in customer counting technology. FootFall Ltd has established customer counting as a key performance indicator, enabling retail property professionals to achieve maximum operational efficiency and assess performance on a continuous basis. The FootFall Index is regarded as the industry standard benchmark for shopper visits, is endorsed by the British Council of Shopping Centres (BCSC) and is available in the UK, Ireland, France, Italy, Spain, Portugal, Poland, Switzerland and Hong Kong.

Major food retailer expands its customer reach with the help of Mosaic

The client

The client is one of the UK's top five food retailers.

The issue/challenges

The UK grocery market is highly competitive and the major chains are constantly looking for ways to attract new customers. The client was looking to expand its offer and customer base with a non-food format in a new-style store that had been trialled in a handful of retail parks. The client approached Experian for advice on the best locations for these new stores.



The characteristics of the new stores, the locations and customer base were different to the rest of the retailers' estate. Rising rent levels on retail parks make the cost of experimenting with new store formats increasingly prohibitive so it was important to minimise the risk of opening in new locations by understanding as much as possible about the client's existing out of town stores. This knowledge could then be applied to all UK retail parks and other potential locations.

Insight was needed about the extent to which the new store format could provide sufficient draw through some of the secondary retail parks, or even if the stores could operate as stand-alone destinations. The limited number of stores already trading meant that store, catchment, demographic and footfall data would need to be combined with more general market research to gain insight about how the stores were being used.

The solution

Experian designed and commissioned customer exit interviews at each of the existing trial stores to understand shoppers' visits, where else customers were shopping and how their behaviour at the retailer's existing supermarkets had changed following the new store's opening. Responses to each questionnaire were amalgamated with Mosaic and drive time codes to uncover differences in customer perceptions and distance travelled to the store.

The research indicated that the concept had the potential to extend to stand-alone units and could also be applied to a limited number of town centres where there was adequate demand but existing levels of competition were low. It also indicated that the impact on existing food stores with a non-food range was limited.

Results from the research were used to create variables within location databases that were bespoke to the format. These indicated the rollout potential to other retail parks and a number of high streets. Variables were derived from a broad spectrum of Experian datasets including its 'Where Britain Shops' catchment areas, grocery market size database, Mosaic and drive times to competitors. The insights gained from the market research were used to score each location according to the mix of retailers already present, the proximity of competing venues and the demographic mix.

The project has enabled the client to widen its target list of potential locations by several hundred. This was achieved not only by identifying secondary retail parks that were previously deemed to have insufficient demand, but also by demonstrating the opportunities for adjusting the format for towns with either no appropriate or affordable retail park offer.

Economic forecasting

The Economic Forecasting unit offers insight and consultancy expertise in the following areas:

Economic forecasting and model building: develops and maintains highly sophisticated economic models of the UK and other major economies. Output from these models can provide businesses with detailed insights into the effects of economic change on their prospects. The unit can also build models that allow policy makers to assess the likely economic and social impact of various decisions.

Property analysis: specialising in retail and commercial property marketplaces, the unit can help property professionals and regeneration experts to understand and make informed decisions on investments in, and marketing of, property assets. This is made possible by combining the extensive knowledge of city centres, using the industry-standard Goad plans, and sophisticated analysis of catchment areas and local economies.

Public sector consultancy: provides strategic analysis to central, regional and local government including policy advice, local economic assessments, regeneration analysis and impact studies. Specialisms include local economic modelling, market research, skills and labour market analysis, and the socio-demographic determinants of educational, health and housing patterns.

Strategic consultancy and research: helps regional and local government agencies to develop strategies and formulate action plans. Techniques include scenario and futures analysis, socio-economic audits, market research on emerging trends, consultations and workshop leadership. All work takes place within an ISO quality framework and is based on a thorough knowledge of the regions concerned, policy frameworks and research evidence on the effectiveness of policies.

Below are some examples of the type of reports and services available.

Global Futures: Experian's Global Futures service provides a quarterly report containing extensive forecasts, analysis and information to help you understand the impact of the economic, financial and business climate on investments in over 40 countries.

European Regional Service: Experian's European Regional Service provides a wealth of historical data and ten-year forecasts for approximately 2,000 regions in 30 European countries. The service covers all key centres in the EU, including the new member states. Local area data is also available for a number of countries.

Regional Planning Service: The UK Regional Planning Service provides businesses and policy-makers with analysis of UK industrial and regional performance and is a respected and wide-reaching service. It provides comprehensive data and quarterly forecasts for the next ten years at UK and Government Office Region (GOR) levels.

Local Markets Database: Experian's Local Markets Database is an online service that provides instant access to high quality economic data and local area economic forecasts in a ready to use Internet-based format.

Scottish Futures: Scottish Futures provides timely research on emerging economic issues of direct interest to public and private organisations in Scotland. The forum provides an enhanced understanding of how Scotland's economy operates, enabling members to justify decisions on resource and allocation, build the case for specific policy interventions and develop organisational or thematic strategies that fit with the emerging economic environment.

UK Property Market Forecasting Service: Experian's UK Property Market Forecasting Service (UKPMFS) has been providing forecasts of rents, capital values, total returns and the underlying economic factors that have driven property markets for nearly a decade. Experian has been working with the property sector for almost 20 years, providing information and analysis to a broad mix of clients - owners, investors, developers, asset managers, occupiers, agents, public sector bodies and consultancies.

European Property Forecasts: The European Property Market Forecasting Service provides comprehensive and consistent forecasts of rents, capital values and total returns for the principal European centres as covered by IPD (Investment Property Database).

Skills Futures: The Skills Futures team provides in-depth knowledge and bespoke research on industry sectors, occupations and regional and local labour markets. The team works with both public and private sector clients to help them understand issues related to skills and the labour market.

In addition, recent acquisitions include:

Future Foundation Group: a London-based consumer think-tank and strategic consultancy whose main product is nVision, a web-based consumer intelligence service covering the UK and Europe. nVision draws on extensive research to determine significant changes in the consumer environment.

Catalist: an international provider of information on the retail petroleum and garage forecourt market. Catalist holds information on outlets in over 20 countries and its databases cover most of Western Europe, India, Japan and South East Asia.

Relocation plans shaped by Experian's forecasting and economic modelling skills

The client

The client is a major public sector employer and was seeking to relocate 20,000 public sector jobs out of London and the South East to other areas in the UK. A small review team was set up to manage the project.



The issue/challenges

The core task of the review team was to assess proposals from various departments for the relocation of select activities. In order to do this, the team needed a clear picture of the potential business benefits and pitfalls associated with relocation. This required an evaluation of the successes and failures of previous public and private sector relocations, along with an assessment of the economic impact of such relocations.

The solution

Following a competitive tender process, the review team commissioned Experian's micromarketing and economic forecasting division, Business Strategies, to carry out this work.

Through a series of interviews with senior staff from organisations that had gone through the relocation process, Experian identified what did and did not work, and why, and looked at how these lessons could be applied in the future. Considerable evidence was found demonstrating that relocation brings significant benefits to organisations, enabling them to reduce operating costs, reshape their culture and modernise working practices in the light of new technology.

For the assessment of the economic impact of relocation, the team revisited the conclusions of an earlier relocation review, examined the evidence for multiplier effect and considered the contribution that relocation could make to policies aimed at addressing regional economic disparities. They found that the **economic benefits of relocation for local areas have been greater than previously believed**. In addition, there are broader but less tangible benefits, such as the boost for skills and investment and increased confidence for future development and investment.

Interactive

Interactive has established a leading position in the US as a reliable information source for consumers for key financial transactions and purchasing decisions to lower the cost of daily living. It has two core business activities: Consumer Direct and lead generation.

In the UK and US, Experian Consumer Direct offers consumers the ability to check their credit report and score online and monitor the report for any changes. By enrolling in a credit monitoring programme, consumers are notified of any new or changed data reported on their personal credit file which is a possible indication of identity theft. This product enables them to monitor the accuracy and completeness of their credit report, manage credit obligations more effectively and control unauthorised access. Experian Consumer Direct charges consumers a monthly membership fee for its various monitoring products and a transaction fee for one-off purchases of credit reports or scores.

Through its lead generation businesses, Experian is a trusted intermediary on the Internet and connects consumers to businesses, enabling consumers to identify financial services products through LowerMyBills.com, research products and shop online through PriceGrabber.com and enroll in online education programmes through ClassesUSA and Affiliate Fuel. These businesses provide valuable free services to consumers to help them make more informed decisions. In turn, Experian is paid on a pay-for-performance basis by clients for each lead generated through this marketing service.

Interactive has relationships with leading portals including Yahoo, AOL and MSN. Interactive attracts over 22 million unique visitors to its various websites each month and it is the largest online financial services advertiser in the US.

Consumer Direct

Experian's direct-to-consumer operations are the clear leader in this fast growing market.

Among its products, Consumer Direct provides consumers with instant access to their complete credit history and monitoring products that provide email or text notices of any changes that have occurred to their credit report. It also provides identity theft prevention products, fraud resolution services and information protection products.

Experian continues to be the leader in the online consumer credit membership industry, building one of the largest financial services-related partner programmes and offering consumers immediate access to a full suite of credit products through co-branded partners. Experian delivers more than 500,000 credit reports monthly to consumers in the US to consumers who subscribe to the services.

Experian International has used the expertise of Experian in the US to launch a similar service in the UK.

Products – US

The direct-to-consumer offering in the US is comprised of the following Internet-based products:

- **Instant Single Credit Report** is a product which provides an easily readable credit report to an individual consumer. Reports are available for \$10.00 each.
- **PLUS Score** is a consumer-friendly product which provides current credit score information along with positive and negative factors affecting the consumer's score. The product is priced at \$5.00.
- **Three Bureau Report** provides instant online access to a report that combines Experian, Equifax and TransUnion credit information enabling consumers to review data maintained by all three credit reporting agencies in one easy to read format. Consumers also receive a free Experian credit score. This service is priced starting at \$34.95.
- **CreditCheck Monitoring** is a monthly subscription-based product which provides unlimited access to Experian credit reports and daily monitoring for each member. Additional financial tools and educational information are also included in the monthly subscription price of \$9.95.

- **Triple AlertSM** offers consumers daily monitoring of all three national credit reporting companies' credit reports and sends consumers notification via email and/or SMS mobile text alerts when critical changes are detected on any of the consumers' three credit reports. As part of their membership, consumers receive \$10,000 in identity theft insurance. They also have toll-free access to fraud resolution professionals should they become victims of fraud or identity theft. Educational resources such as articles on credit and financial calculators are available to members through their personal online credit centre. Triple Alert is available to consumers for \$4.95 per month.

- **Triple AdvantageSM** offers consumers daily monitoring of all three national credit reporting companies' credit reports and sends consumers notification via email and/or SMS mobile text alerts when critical changes are detected on any of the consumer's three credit reports. Members receive unlimited Experian credit reports and credit scores and also have the opportunity to purchase discounted reports at any time from the other two credit reporting companies. Monthly credit score trending, credit score analysis, a credit score simulator and \$50,000 in identity theft insurance are also included. Members have toll-free access to fraud resolution professionals in case of fraud or identity theft. Educational resources such as articles on credit and financial calculators are available to members through their personal online credit centre. Triple Advantage is available to consumers for \$12.95 per month.

Marketing channels

Marketing in the US operates through two primary channels:

- **Partner network** websites or links are established for clients with a large number of existing subscriber bases (i.e. financial services companies, major credit card issuers, Internet portals and ISPs). These clients use a mix of traditional and web-based direct marketing to attract customers including: web links, banner ads, statement inserts, email and direct mail. Premier partner sites include MSN, Yahoo! and AOL.
- **TV and radio advertising** Experian's direct-to-consumer initiative uses extensive television and radio advertising to attract new members.

Products – UK

- **CreditExpert** is an online credit monitoring and identity fraud protection membership service and was successfully launched in September 2003. Based on extensive consumer research, CreditExpert offers a premium online service for UK consumers and was adapted for the UK market from the successful US direct-to-consumer business model.

It is offered on a 30-day, no obligation, free trial, when a consumer orders a monthly membership for just £5.99. It is an identity fraud protection service and helps people to understand their credit commitments and manage their finances. By subscribing to this service a consumer can have:

- unlimited online access to their credit report;
- knowledge of their credit history before applying for a financial product;
- email and text alerts for early fraud detection;
- freephone advice from credit reference specialists;
- credit tips and tools to help manage their money;
- the opportunity to buy their credit score instantly;
- quarterly newsletters.

Consumers can also purchase their National Credit Score, which is available to members for £4.99.

CreditExpert's partner programme offers websites the opportunity to give their users access to CreditExpert and to educate users about the importance of credit monitoring and the increasing risk of identity fraud. Partners will generate revenue from every user that signs up for a free trial of the CreditExpert service.

CreditExpert partners with most of the leading online brands in the UK and currently has over 1,500 partners including MSN and Yahoo!

Consumer Direct's membership services business provides white label credit monitoring and fraud resolution services through re-sellers and directly to banks and other organisations. These organisations look to differentiate their products lines, retain customers and boost revenue by drawing on core product features from CreditExpert.

Online credit centre powered by Experian Interactive services

The client

The client is a leading Internet portal with an online financial information site, providing consumers with a broad range of comprehensive services and information essential to managing one's financial life.



The issue/challenges

Successful Internet portals must offer their customers a broad range of products and services that meet their needs and drive traffic and frequent access to the Internet site. Information about financial services, markets, investments and credit are some of the most frequently accessed sites on the Internet. To make the service unique, the client offers various convenient and customised subscriber services. These include timely access to a consumer's own complete credit information such as credit reports, credit scores and a credit monitoring product.

The solution

The client awarded Experian Consumer Direct a contract to be its exclusive provider of consumer credit reporting information and products. **Experian created a credit centre that is completely integrated into the client's financial site.** The credit centre is powered by Experian and provides consumers with access to their credit history information through:

- **Credit reports** convenient unlimited online access to the consumer's own report;
- **Credit scores** featuring the Experian Plus Score;
- **Credit monitoring product** provides daily monitoring of all three national credit reporting companies' credit reports and sends consumers notification via email and/or SMS mobile text alerts when critical changes are detected on any of the consumer's three credit reports.

Lead generation

Experian has recently built up a significant presence in the fast growing business of connecting consumers to companies over the Internet (online lead generation) where companies pay Experian for each lead forwarded. Experian Interactive now operates in the mortgage, online education and comparison shopping sectors.

Mortgages

LowerMyBills.com, acquired by Experian in May 2005, is a leading online mortgage lead generator in the US and the number one online financial services advertiser. Founded in 1999, the business has helped more than five million consumers save more than \$1 billion.

LowerMyBills.com's vision is to provide consumers with a one-stop Internet destination to obtain better deals on all their recurring monthly expenses. It has a leading position in the US market, connecting consumers seeking home mortgages with lenders best suited to provide them. The mortgage sector today accounts for the majority of its revenue, with the balance being in other sectors such as automotive lending, credit cards and insurance.

LowerMyBills.com attracts customers for mortgage lenders and others by advertising on a wide variety of websites including the major portals such as MSN, AOL and Yahoo!.

Consumers who click through on mortgage advertisements, for example, are taken to the LowerMyBills.com website, where they provide information relevant to the mortgage approval process. This information is then matched against the lending criteria of the clients of LowerMyBills.com and qualifying leads are passed onto up to four different lenders. LowerMyBills.com's national network of lenders includes nearly 600 companies.

The lenders then contact the consumer who can choose the most appropriate offer. LowerMyBills.com is paid for every lead passed on to each lender. This service is free for consumers.

The full range of other services to consumers also includes:

Credit card: customers save on finance charges by searching for finance houses with introductory rates, no annual fees, low fixed rates, rewards and cash back deals;

Loans – automotive: customers can quickly search and compare the prices of new cars or refinance their current car;

Insurance – automotive, life, homeowners and renters: customers can obtain quotes on automotive, life, home, and renters insurance from the biggest brand insurance companies in the US. The site can also provide quotes for automotive warranties;

Long distance: phone customers can save money on long distance calls in the US by quickly comparing the best in nationally advertised and hard-to-find plans side-by-side, with all charges clearly outlined. International rates are also available;

Wireless/cellular service: customers can get more minutes for less money by signing up for prepaid and free phones;

Internet access: customers can obtain a faster, more reliable connection for less by quickly searching and comparing the best Internet providers available in their area, obtain high speed access and surf the Web up to 50 times faster;

BillPay Plus: an enhanced capability which allows customers to review their bills in one free, convenient and easy-to-use website, and offers ways for customers to lower their monthly charges. Customers can receive and view bill details from more than 2,700 billers;

BillPay Plus' biller direct payment model: allows customers to pay their bills at the very last minute, without incurring late fees. Custom alerts also inform customers when bills are due, or when spending hits a predetermined limit, helping to prevent identity theft and fraud.

Online education

ClassesUSA was acquired by Experian in July 2005 and is a leading online higher education portal. Each month, more than 1.5 million adults visit the site, which has access to more than 150 accredited college and university partners.

Since entering the online higher education marketplace in 2001, ClassesUSA has fostered partnerships with a multitude of portals and websites and has built a reputation as one of the most trusted and recognised brands providing professional adults with access to online educational opportunities. ClassesUSA also publishes Online Degrees Magazine, a biannual national publication designed to empower adults considering distance learning as a tool to use to advance themselves both personally and professionally.

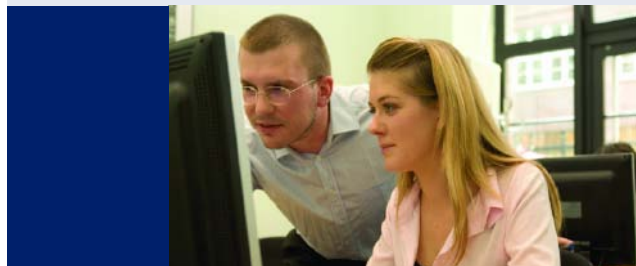
Affiliate Fuel, a leading performance-based advertising network acquired in April 2005, also operates in the education marketplace.

Affiliate Fuel has links with more than 1,500 high quality publishers to provide clients' products and services to consumers. Through its networks, clients can gain access to a wide consumer audience. The majority of Affiliate Fuel's current clients are educational establishments.

Volume of student prospects increased using ClassesUSA

The client

The client is a leading online university offering associate, bachelors and masters degrees across a number of different fields of study.



The issue/challenges

The client was launching a new, previously unknown brand with aggressive student recruiting goals. As a leading provider in the student recruitment field, ClassesUSA was a first choice in helping the client to meet this recruiting challenge. Through its exclusive partnerships with leading portals such as MSN and AOL, ClassesUSA was uniquely positioned to deliver the quality and volume of prospective students needed in order to make the brand launch successful. Based on the client's past performance as a partner of ClassesUSA, the expectation for success was high.

The solution

By leveraging its strategic partnerships, extensive partner network and creative lead generation strategies, ClassesUSA was able to launch very quickly the client's brand and begin to generate a large volume of quality prospective students interested in learning more about the university. **ClassesUSA's cost-per-lead campaign offered the client a low-risk recruitment alternative that ultimately exceeded the client's cost-per-student enrollment goals as well as delivering volumes beyond expectation.** The campaign, still active, was and is considered an unmitigated success by the client.

Comparison shopping

PriceGrabber.com was acquired by Experian in December 2005 and is a leading provider of online comparison shopping services that allows millions of consumers to search and compare information about products, services, merchants and sellers in order to make an educated purchase decision.

Through continued innovation and consistent focus on providing the best comparison shopping experience on the Internet, PriceGrabber.com has established itself as one of the most trusted and effective online destinations for discerning shoppers.

By using PriceGrabber.com, shoppers can instantly find and compare millions of unique products and services from thousands of merchants and sellers in over 20 product and service channels, thereby enabling users to find the right product/service from the right merchant/seller at the best price.

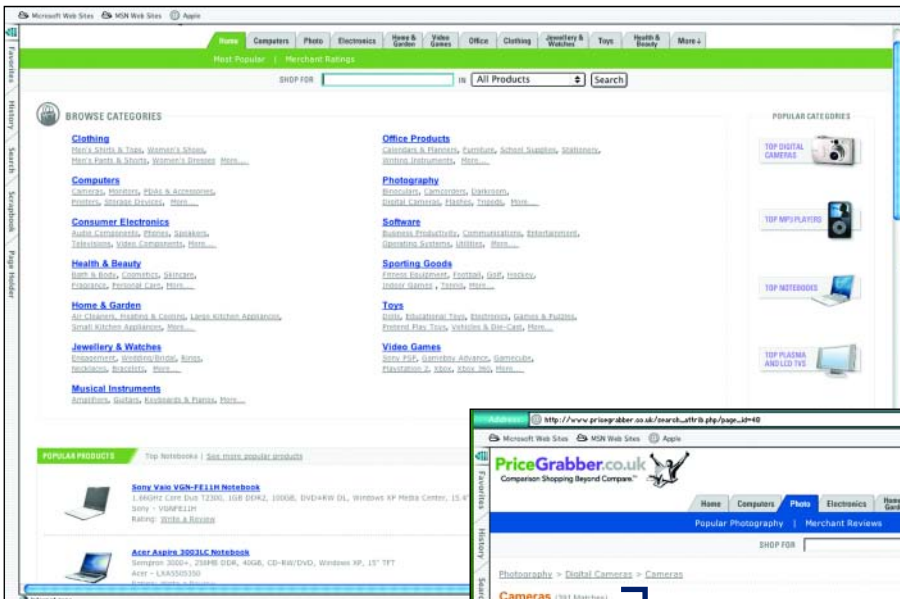
The sites' free, unbiased comparative information covers items as diverse as computer hardware and software, electronics, clothes, jewellery, movies, music, books, video games, photography and toys, comprising over 3.5 million products.

Information available on the site includes the BottomLinePrice™ (which includes tax and shipping estimates) product descriptions and technical specifications, consumer reviews of products and merchants, side-by-side product comparisons and email notification of personalised target prices (Product Tracker).

The company also underpins the comparison shopping functionality for a network of leading Internet sites, including MSN Shopping, AskJeeves, About.com and Comcast. The company offers comparison shopping in the US (www.pricegrabber.com) and has nascent international sites for Brazil, Canada, Mexico and the UK.

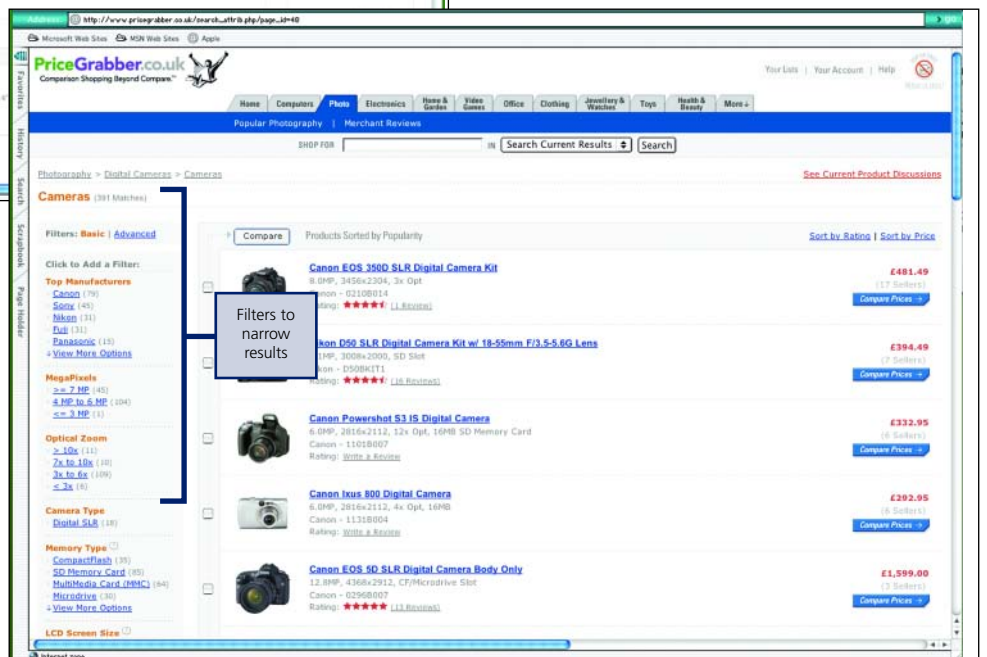
Below are some key statistics about the PriceGrabber website and the consumers who visit it:

- **11,000 merchants and sellers**
PriceGrabber offers 100 million monthly impressions exclusively to an audience that is in the process of making a purchase decision. In addition PriceGrabber offers product category targeted impressions so that advertisers can reach their media buying targets.
- **21 million unique shoppers**
21 million consumers visit PriceGrabber to shop for products across over 20 product channels. The reason this influential audience visits PriceGrabber is to determine what products to buy, which in turn offers an excellent platform for advertisers to promote their brand attributes.
- **300+ network of sites**
The PriceGrabber distribution network extends across 300 plus partner websites and many of the advertising placements extend across these web properties.
- **18-54 age range**
A young demographic lends itself to many years of purchasing power to come. Investment in brand equity through PriceGrabber yields a higher return on investment because of the extra years of purchasing power ahead.
- **67% college educated**
A more educated consumer pool translates into higher purchasing power.
- **\$71,000 average yearly income**
The PriceGrabber audience is financially capable of reacting to an effective message presented by an advertiser.

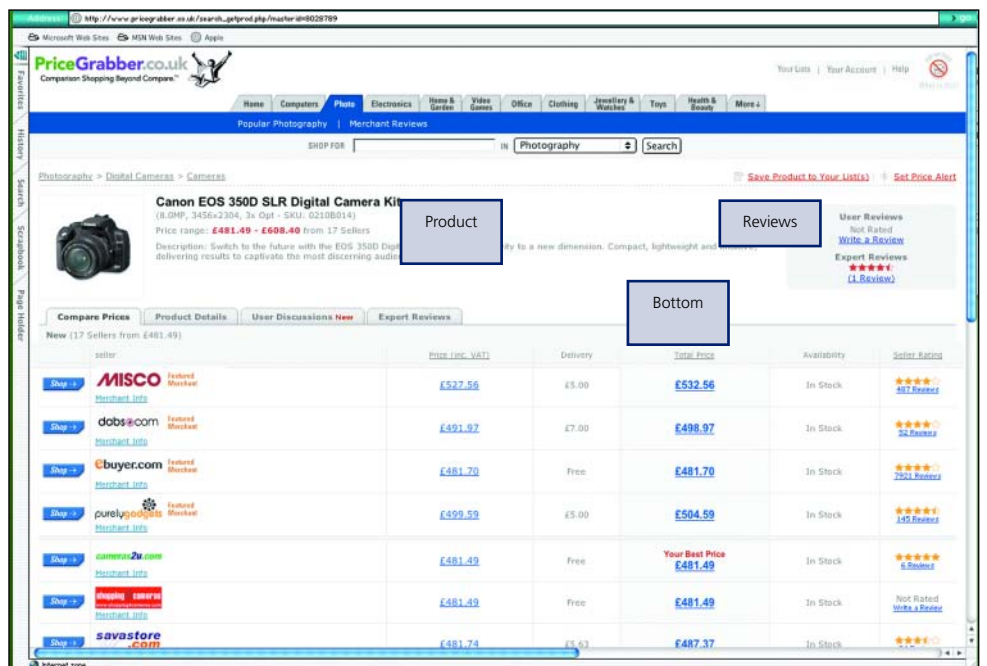


Home Page

Consumers are presented with clusters of relevant product categories...



...followed by multiple, branded choices within a product category



...and finally, the consumer can choose by price and/or merchant

3 Detailed financial analysis

This section provides further analysis on Experian's sales, costs, profit and major acquisitions.

- 3.02 Sales and profit
- 3.04 Sales analysis
- 3.06 Cost analysis
- 3.07 Cash flow
- 3.09 Major acquisitions

Sales and profit

Experian Global

| Year to March | 2004⁴ | 2005⁵ | 2006^{5/6} |
|---|-------------------------|-------------------------|---------------------------|
| Sales | \$m | \$m | \$m |
| Americas | 1,113 | 1,319 | 1,801 |
| UK and Ireland | 521 | 659 | 756 |
| EMEA/Asia Pacific | 380 | 483 | 522 |
| Total continuing activities | 2,014 | 2,461 | 3,079 |
| % continuing activities growth ¹ | 13% | 18% | 27% |
| % underlying growth ² | 7% | 9% | 10% |
| EBIT | | | |
| Americas | 316 | 356 | 478 |
| UK and Ireland | 139 | 180 | 215 |
| EMEA/Asia Pacific | 46 | 59 | 64 |
| Corporate | (33) | (30) | (31) |
| Total continuing activities | 468 | 565 | 726 |
| % continuing activities growth ¹ | | 17% | 30% |
| EBIT margin % ³ | 19.6% | 20.0% | 21.3% |

¹ Growth excluding discontinuing activities at constant exchange rates

² Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

³ EBIT margin excludes FARES EBIT

⁴ Prepared under UK GAAP

⁵ Prepared under IFRS

⁶ 2006 includes results from MetaReward incentive marketing websites (sales \$70 million – EBIT \$5 million) and large-scale UK account processing (sales \$79 million – EBIT \$36 million) both of which will be classified as discontinuing activities from 1 April 2006

Americas

| Year to March | 2004 ⁴ \$m | 2005 ⁵ \$m | 2006 ^{5/6} \$m |
|---|--------------------------|--------------------------|----------------------------|
| Sales | | | |
| Continuing activities | 1,113 | 1,319 | 1,801 |
| % continuing activities growth ¹ | 9% | 18% | 37% |
| % underlying growth ² | 7% | 10% | 13% |
| EBIT | | | |
| Direct business | 244 | 281 | 409 |
| FARES | 72 | 75 | 69 |
| Continuing activities | 316 | 356 | 478 |
| % continuing activities growth ¹ | | 13% | 34% |
| EBIT margin % ³ | 21.9% | 21.3% | 22.7% |

¹ Growth excluding discontinuing activities

² Growth excluding discontinuing activities and corporate acquisitions

³ EBIT margin excludes FARES operating profit

⁴ Prepared under UK GAAP

⁵ Prepared under IFRS

⁶ 2006 includes results from MetaReward incentive marketing websites (sales \$70 million – EBIT \$5 million) which will be classified as a discontinuing activity from 1 April 2006

UK and Ireland

| Year to March | 2004 ³ \$m | 2005 ⁴ \$m | 2006 ^{4/5} \$m |
|---|--------------------------|--------------------------|----------------------------|
| Sales | | | |
| Continuing activities | 521 | 659 | 756 |
| % continuing activities growth ¹ | 14% | 16% | 18% |
| % underlying growth ² | 11% | 7% | 6% |
| EBIT | | | |
| Continuing activities | 139 | 180 | 215 |
| % continuing activities growth ¹ | | 22% | 24% |
| EBIT margin % | 26.5% | 27.3% | 28.4% |

¹ Growth excluding discontinuing activities at constant exchange rates

² Growth excluding discontinuing activities and acquisitions at constant exchange rates

³ Prepared under UK GAAP

⁴ Prepared under IFRS

⁵ 2006 includes results from large-scale UK account processing (sales \$79 million – EBIT \$36 million) which will be classified as a discontinuing activity from 1 April 2006

EMEA/Asia Pacific

| Year to March | 2004 ³ \$m | 2005 ⁴ \$m | 2006 ⁴ \$m |
|---|--------------------------|--------------------------|--------------------------|
| Sales | | | |
| Continuing activities | 380 | 483 | 522 |
| % continuing activities growth ¹ | 31% | 18% | 11% |
| % underlying growth ² | 1% | 8% | 8% |
| EBIT | | | |
| Continuing activities | 46 | 59 | 64 |
| % continuing activities growth ¹ | | 18% | 9% |
| EBIT margin % | 12.1% | 12.2% | 12.3% |

¹ Growth excluding discontinued activities at constant exchange rates

² Growth excluding discontinued activities and acquisitions at constant exchange rates

³ Prepared under UK GAAP

⁴ Prepared under IFRS

Sales analysis

Experian Global

| Year to March | 2005 | | 2006 |
|-----------------------------|--------------|--------------|-----------------------------|
| | \$m | \$m | Change %¹ |
| Credit Services | 1,375 | 1,499 | 8% |
| Decision Analytics | 290 | 325 | 13% |
| Marketing Solutions | 501 | 627 | 6% |
| Interactive | 295 | 628 | 25% |
| Total continuing activities | 2,461 | 3,079 | 10% |

¹ Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

Americas

| Year to March | 2005 \$m | 2006 \$m | 2006 Change %¹ |
|-----------------------------|---------------------|---------------------|--------------------------------------|
| Credit Services | 662 | 766 | 13% |
| Decision Analytics | 54 | 63 | 14% |
| Marketing Solutions | 313 | 355 | 5% |
| Interactive | 291 | 617 | 22% |
| Total continuing activities | 1,319 | 1,801 | 13% |

¹ Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

UK and Ireland

| Year to March | 2005 \$m | 2006 \$m | 2006 Change %¹ |
|-----------------------------|---------------------|---------------------|--------------------------------------|
| Credit Services | 315 | 323 | 2% |
| Decision Analytics | 176 | 185 | 9% |
| Marketing Solutions | 164 | 236 | 6% |
| Interactive | 4 | 11 | 175% |
| Total continuing activities | 659 | 756 | 6% |

¹ Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

EMEA/Asia Pacific

| Year to March | 2005 \$m | 2006 \$m | 2006 Change %¹ |
|-----------------------------|---------------------|---------------------|--------------------------------------|
| Credit Services | 397 | 410 | 5% |
| Decision Analytics | 60 | 76 | 27% |
| Marketing Solutions | 25 | 36 | 14% |
| Total continuing activities | 483 | 522 | 8% |

¹ Growth excluding discontinuing activities and corporate acquisitions at constant exchange rates

Cost analysis

Experian Global

| Year to March | 2005 | 2006 | 2006 Change % ¹ | As a percentage of sales | |
|---|---------|---------|-------------------------------|-----------------------------|-------|
| | \$m | | | \$m | 2005 |
| Sales | 2,461 | 3,079 | 27% | 100% | 100% |
| Labour | (1,127) | (1,312) | 18% | (46%) | (43%) |
| IT | (183) | (218) | 21% | (7%) | (7%) |
| Data | (158) | (161) | 3% | (6%) | (5%) |
| Customer acquisition/marketing | (175) | (356) | 104% | (7%) | (12%) |
| Other (includes international recharges) | (299) | (344) | 19% | (12%) | (11%) |
| Total costs (before corporate costs) | (1,941) | (2,391) | 25% | (79%) | (78%) |
| Corporate costs | (30) | (31) | n/a | (1%) | (1%) |
| Total costs | (1,971) | (2,422) | n/a | (80%) | (79%) |
| EBIT – Direct Business | 490 | 657 | 36% | 20% | 21% |
| FARES | 75 | 69 | (8%) | 3% | 2% |
| EBIT | 565 | 726 | 30% | 23% | 24% |

Analysis excludes discontinuing activities

¹ At constant exchange rates

Experian – definition of costs

Labour Base payroll, bonus and commission, LTIP, pension, travel, recruitment and training

IT Computer costs (including depreciation) and IT telecommunications costs

Data Data purchased less amounts capitalised plus data amortisation

Marketing Mainly interactive in North America

Other Other depreciation, occupancy, royalties and voice telecommunications

Cash flow

Experian Global

Year to March

| | 2004 | 2005 | 2006 |
|--|-------------|-------------|-------------|
| | \$m | \$m | \$m |
| EBIT continuing activities | 468 | 565 | 726 |
| EBIT discontinuing activities | (11) | 2 | 1 |
| Total EBIT | 457 | 567 | 727 |
| Depreciation/amortisation | 207 | 195 | 204 |
| Capital expenditure | (201) | (205) | (212) |
| Working capital | 46 | 8 | 18 |
| Dividend from associates, less share of profit | (14) | (30) | (20) |
| Operating cash flow | 495 | 535 | 717 |

Major acquisitions



TRW

In November 1996, the CCN Group merged with the leading North American information business, Experian, formerly known as TRW Information Systems and Services. The new global company, known as Experian, became the world's leading supplier of information on consumers, businesses and property.

Cost: \$1.7 billion

Credit
Services



Direct Marketing Technology

Acquired in 1997, this North American target marketing company specialises in high volume data hygiene and merge/purge processes. Market leader in data processing and database marketing services for the catalogue and retail sector.

Cost: \$300 million

Marketing
Solutions



SG2

Acquired in February 1998, SG2 is a leader in the French cheque and debit card processing market.

Cost: £70 million

Credit
Services



Metromail

Complementary acquisition of a North American target marketing company in 1998, Metromail was the market and brand leader in providing information, data enhancement and processing services. Metromail was integrated with Direct Marketing Technology to complete the breadth and depth of services needed to service the entire direct marketing industry.

Cost: \$930 million

Marketing
Solutions



ConsumerInfo.com

Acquired in 2002, this was the first company to offer online credit reports and monitoring to consumers.

ConsumerInfo.com remains the leading supplier of online credit reports, scores and related information to consumers in the US. ConsumerInfo.com has delivered more than 10 million credit reports direct to consumers over the Internet.

Cost: \$130 million, plus performance related payments

Interactive



Nordic Info Group AS

Experian acquired a leading consumer and business information company in 2003 operating in Denmark and Norway to generate significant potential for future growth in this region. The Group comprises; RKI Kredit Information (RKI); Købmandstandens Oplysnings Bureau (KOB) in Denmark and CreditInform in Oslo, Norway.

Cost: £90 million

Credit
Services



Scorex

Experian acquired the outstanding shareholdings in 2003 in its joint venture with Scorex, one of the world's foremost developers of credit scoring solutions, application processing and customer management software. Experian-Scorex is one of the world's leading decision support businesses with offices in 28 countries providing risk management solutions to major financial organisations in more than 60 countries.

Cost: £70 million

Decision
Analytics



CheetahMail

Experian acquired CheetahMail, a leading email marketing and customer intelligence solutions firm, in 2004. CheetahMail's email delivery platform allows clients to send highly targeted and relevant emails to clients' permission-based subscriber lists. It is ranked by Jupiter Research as one of the top three leading email service providers.

Cost: \$31 million

Marketing
Solutions



QAS

Experian acquired the developer of the QuickAddress range of international address management software in 2004. QuickAddress captures, cleans and enhances the accuracy of address data for over 9,600 organisations worldwide and is the global leader in rapid addressing solutions.

Cost: £90 million

Marketing
Solutions



Simmons Research

In October 2004 Experian acquired Simmons Research, a leading provider of syndicated research information on what US consumers buy, where they shop, their attitudes and lifestyles and the media channels they use. Information is collected directly from more than 30,000 individuals who complete surveys about what brands they buy, what media they use and which Internet sites they visit. Simmons is the leading information survey used by media companies, advertising agencies and marketers to target marketing offers to the most appropriate consumer through the most appropriate media vehicle.

Marketing
Solutions



LowerMyBills.com

LowerMyBills.com, a leading online generator of mortgage and other loan application leads in the US, was acquired by Experian in May 2005 and complements its existing direct-to-consumer activities. It assists consumers in making the most cost-effective financial services decisions, while providing lender clients with high-quality leads for new borrowers. LowerMyBills.com's vision is to provide consumers with a one-stop Internet destination to obtain better deals on all their recurring monthly expenses. Its website is the most visited home loan service on the Internet.

Cost: \$330 million plus earn-out

Interactive



ClassesUSA.com

ClassesUSA.com was acquired by Experian in July 2005. It is a leading online higher education portal which enables professionals to find an online degree or certificate programme best suited to advancing their professional goals. Each month approximately 1.5 million adults visit the site, which has more than 100 accredited college and university partners. ClassesUSA is also the publisher of Online Degrees Magazine, a bi-annual national publication providing information on distance learning for adults.

Interactive



Baker Hill

Baker Hill, a provider of management and process flow solutions to the banking industry, was acquired in August 2005. It provides services to more than 1,100 banking, credit union and financial services clients with installations across the US, and recent expansion into international markets. Baker Hill introduced the first integrated relationship management solution for bankers and was the first to offer common platforms for loan origination across the commercial lending process.

Credit
Services



PriceGrabber.com

PriceGrabber.com was acquired in December 2005, and is a leading provider of online comparison shopping services in the US, with a nascent operation in the UK. It connects its online shoppers to merchants of all sizes, from large traditional retailers to smaller local sellers and also powers comparison shopping for websites such as About.com, Ask Jeeves, Bell South, Comcast and MSN. In November 2005 PriceGrabber.com provided comparison shopping services to over 21 million unique visitors.

Interactive

Cost: \$485 million



ClarityBlue

Acquired in January 2006, ClarityBlue designs, builds and manages marketing database solutions for large organisations with millions of customers who potentially make multiple transactions each day. Clients include some of the world's largest financial services providers, entertainment companies, mobile phone operators and Internet Service Providers.

Marketing
Solutions

Cost: £85 million plus earn-out

4 Key market indicators

Information in this section is sourced from various publications, from third party research services and Experian Business Strategies.

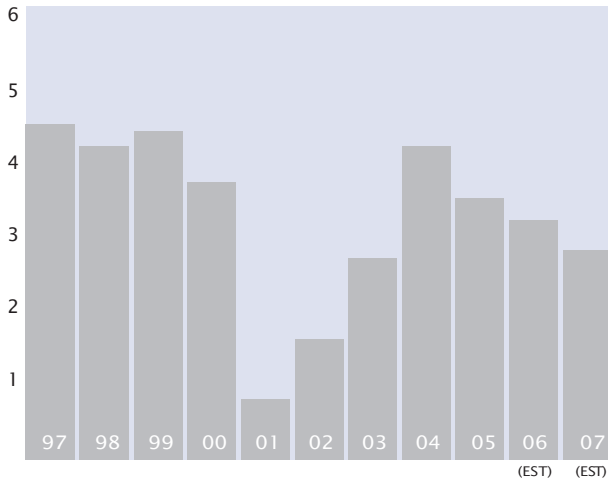
For further information about any of these market indicators, please reference the sources noted on each graph. You may also find additional research sources in Section 6 of this book.

- 4.02 Consumer spending growth
- 4.02 Consumer credit outstanding
- 4.04 Credit cards
- 4.05 Mortgages
- 4.06 Direct marketing
- 4.08 Fraud
- 4.09 Internet commerce
- 4.11 Online education

Consumer spending growth

US consumer spending growth

Annual % change

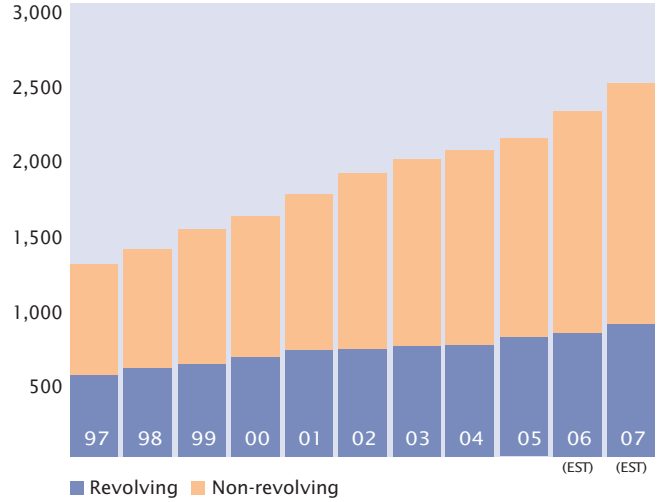


Source: US Bureau of Economic Analysis (www.bea.gov), Experian.

Consumer credit outstanding

US consumer credit outstanding

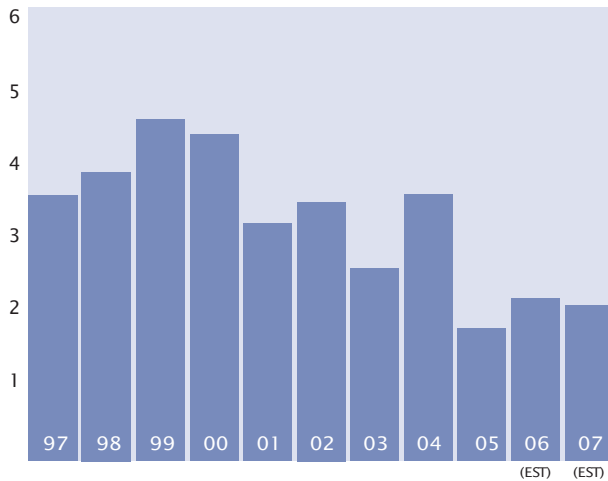
\$ Billion



Source: www.federalreserve.gov, Experian.

UK consumer spending growth

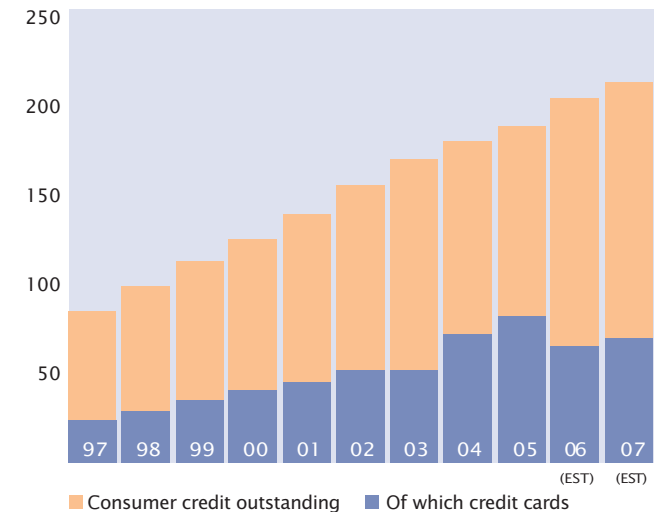
Real growth %



Source: Office of National Statistics, Experian.

UK consumer credit outstanding

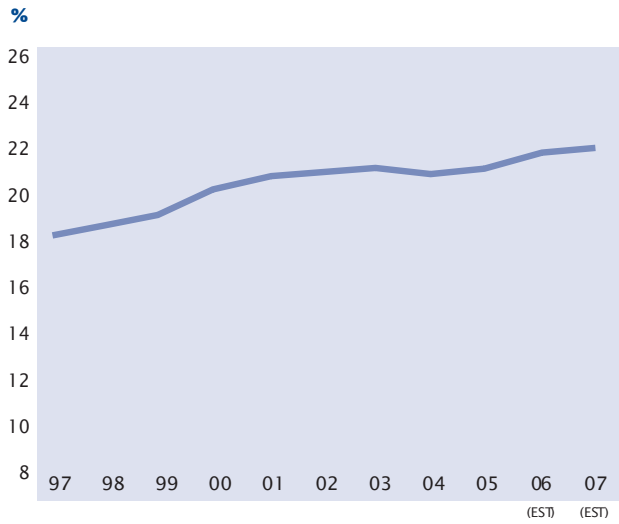
£ Billion



Source: Bank of England, Experian.

Consumer credit above includes overdrafts, personal loans, credit cards, store cards, hire purchase and other store credit agreements but excludes mortgages.

US consumer credit outstanding as % of household income



Source: US Bureau of Economic Analysis (www.bea.gov), Experian.

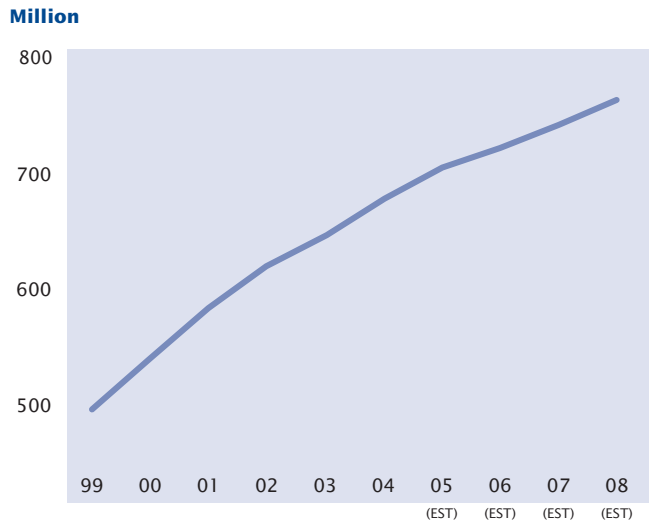
UK consumer credit outstanding as % of household income



Source: Bank of England, Experian.

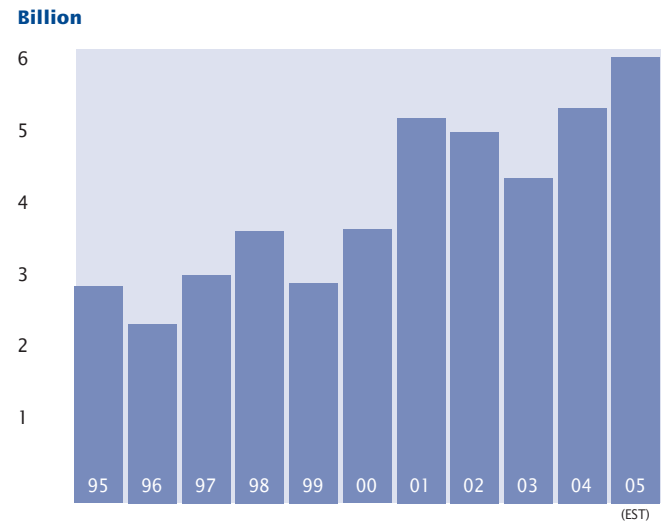
Credit cards

Number of credit cards in US



Source: Datamonitor 2004-US credit and charge cards.

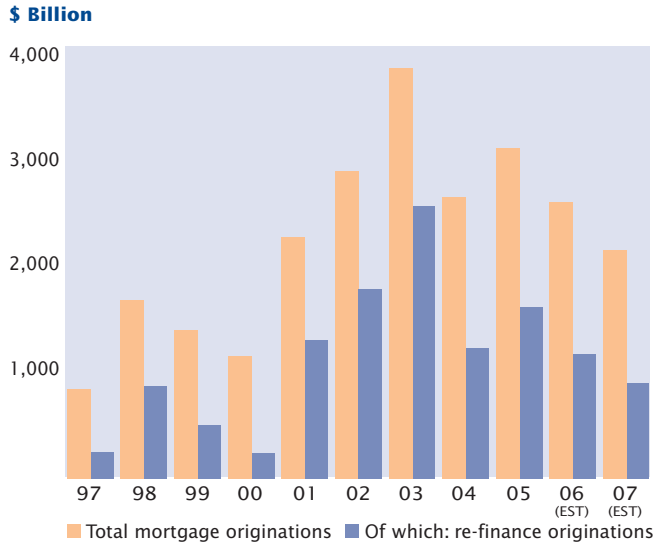
Credit card acquisition mailing volume in US



Sources: BAI Global (subscription-based direct mail acquisition tracking service) 1995-2000, Synovate 2001-2004.

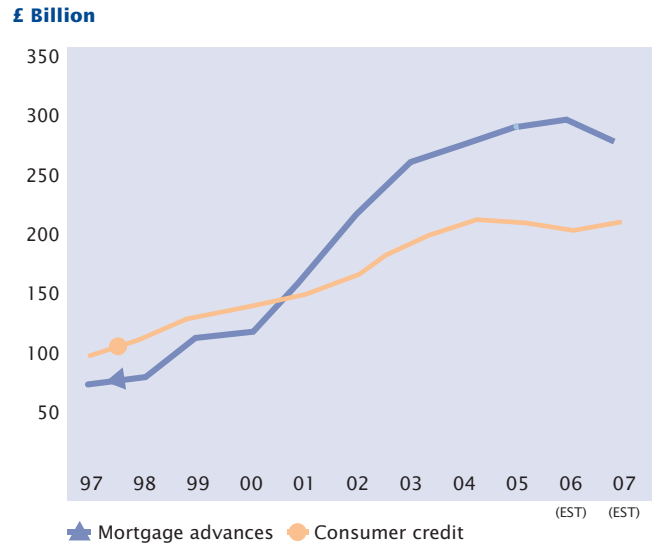
Mortgages

US mortgage originations



Sources: Mortgage Bankers Association of America, Experian.

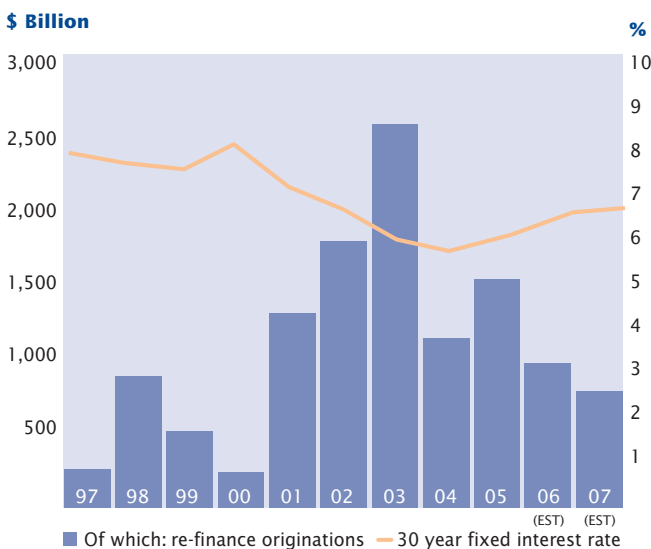
Gross new mortgage advances and consumer credit outstanding in the UK



Sources: Bank of England to 1999, Office of National Statistics 2000 onwards, Council of Mortgage Lenders, Experian.

Mortgage advances represent all new mortgage lending completed in a particular period (not the total mortgage balances outstanding at the time). It includes loans for house purchase, re-mortgages, further advances and top-up loans.

US refinance originations and interest rates



Source: Mortgage Bankers Association of America.

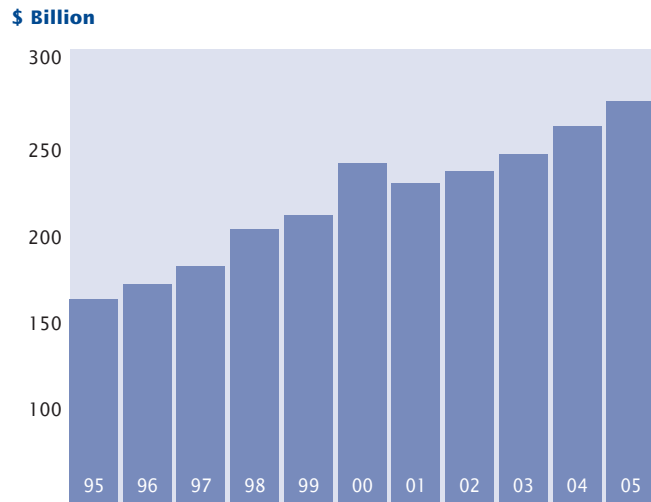
Total mortgage originations: value of secured and completed mortgage applications from a commercial or residential borrower.

Refinance mortgage originations: those mortgage originations which are refinances i.e. the repayment of a debt from the proceeds of a new loan, using the same property as security.

30 year fixed rate mortgage %: the fixed interest rate for 30 year mortgages (where the interest rate and payments will remain the same for the life of the 30 year loan).

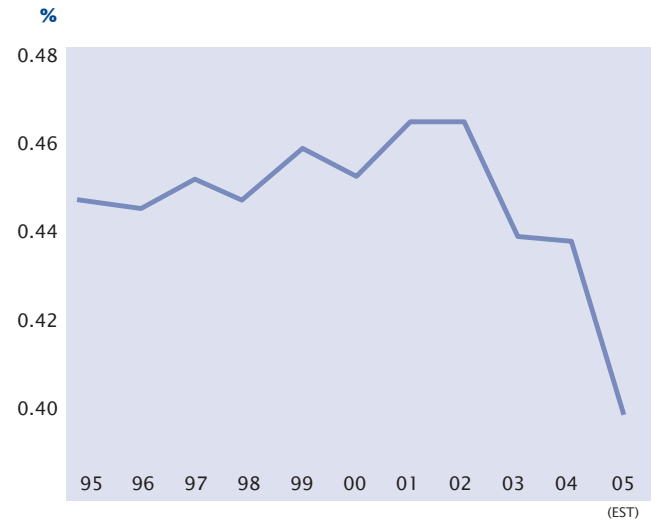
Direct marketing

US direct marketing spend



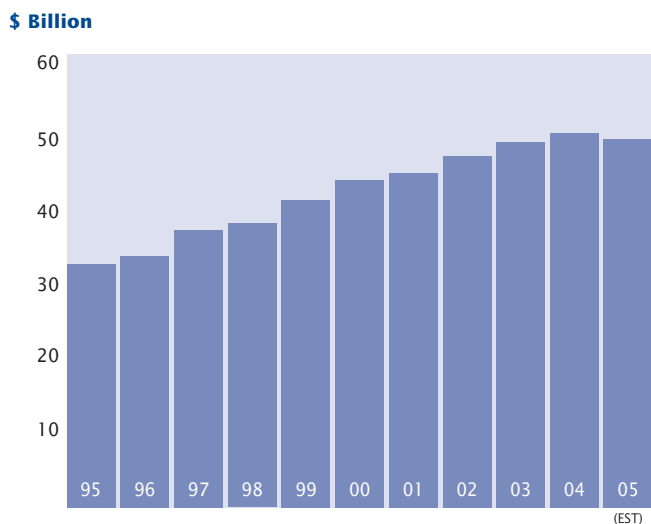
Source: Direct Marketing Association.

US direct mail spend as % of GDP



Source: Direct Marketing Association.

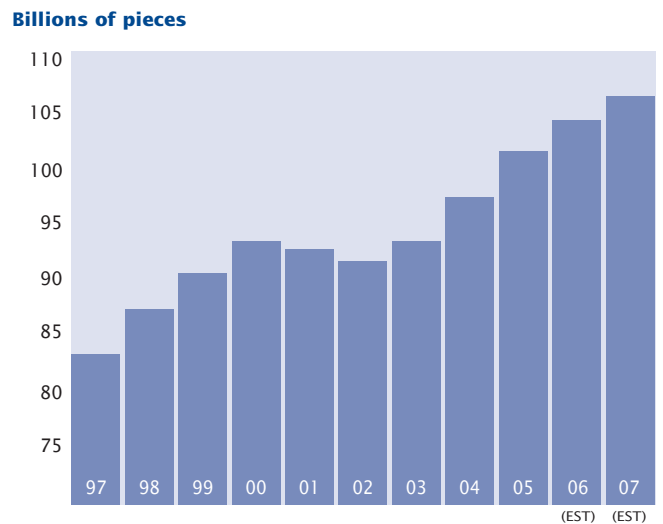
US direct mail spend



Source: Direct Marketing Association.

Direct marketing is broadly defined as any direct communication to a consumer or business recipient that is designed to generate a response in the form of an order (direct order), a request for further information (lead generation), and/or a visit to a store or other place of business for purchase of a specific product(s) or service(s) (traffic generation).

USPS standard A class mail volumes in US

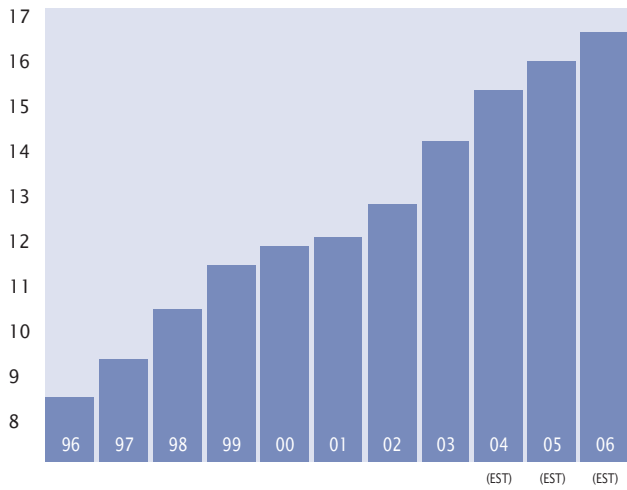


Source: www.usps.com/history (annual report).

Standard Mail weighs less than 16 ounces and includes circulars, printed matter, pamphlets, catalogues, newsletters, direct mail and merchandise. Standard Mail may be sent at pre-sorted rates and at automation rates. Standard Mail is formerly known as 3rd Class or Standard A Mail and is where the bulk of direct mail is categorised.

UK direct marketing spend

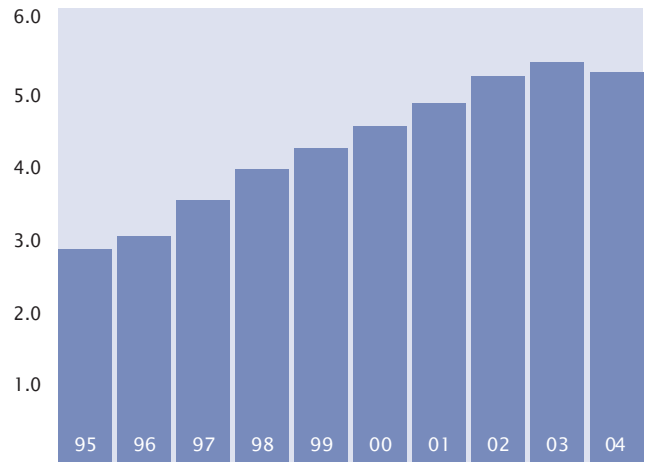
£ Billion



Source: Direct Marketing Association.

UK direct mail volumes

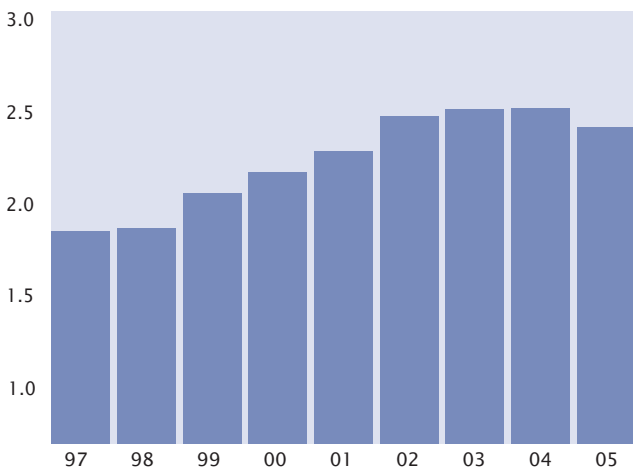
Billions of pieces



Sources: Direct Mail Information Service/Royal Mail.

UK direct mail spend

£ Billion



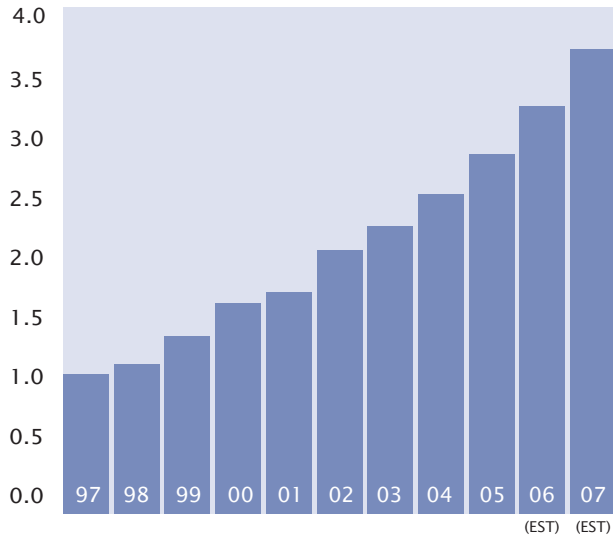
Sources: Direct Mail Information Service 1997-2005.

DMIS conduct research into direct mail across all major sectors, as well as into both business and consumer attitudes towards the medium.

Fraud

US credit card fraud losses

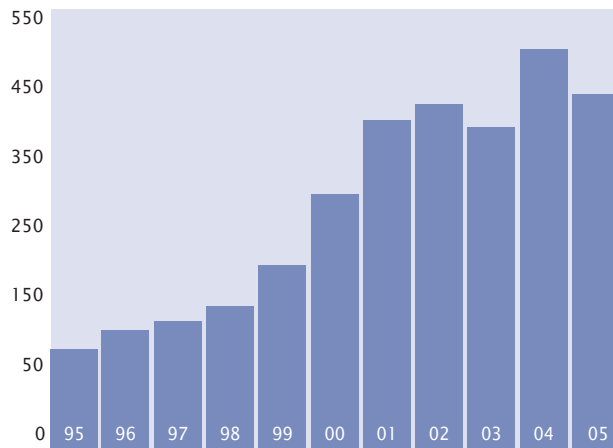
\$ Billion



Sources: Meridian Research 1996-2001, Frost & Sullivan Marketing Engineering 2002 onwards.

UK total card fraud losses

£ Million

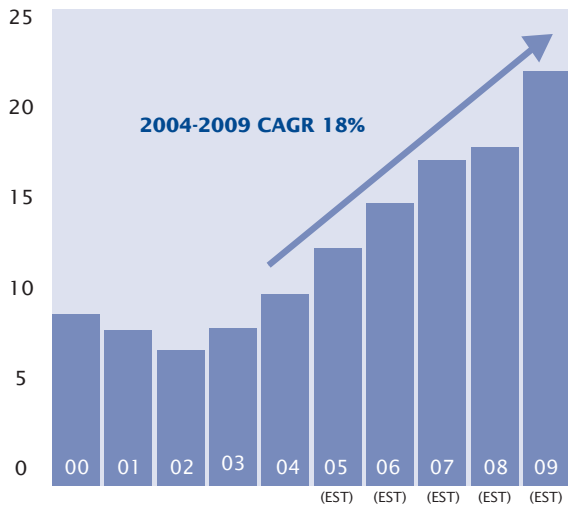


Source: APACS, Home Office research.

Internet commerce

US online advertising spend

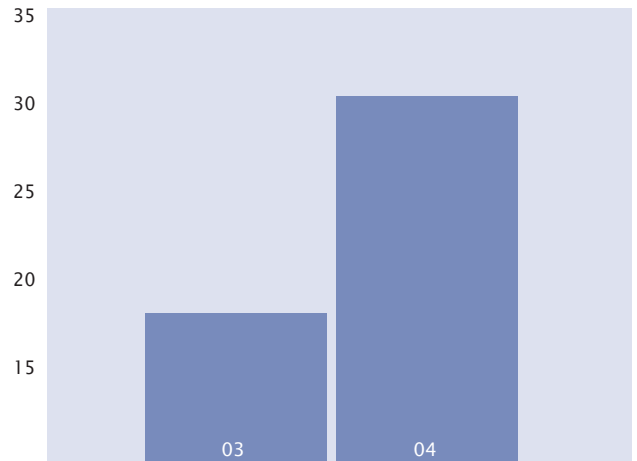
\$ Billion



Source: eMarketer.

US users of comparison shopping sites

%

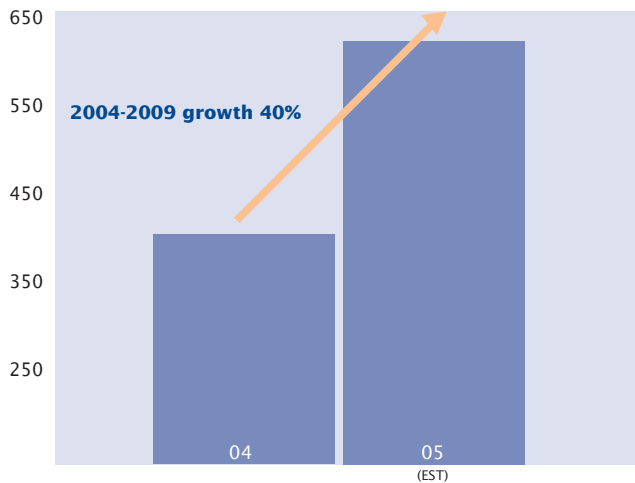


Source: Forrester Research, January 2005.

Base: All North American online consumers.

US comparison shopping services market

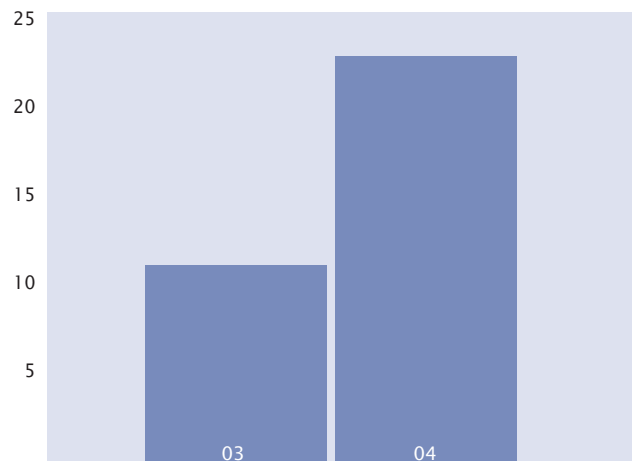
\$ Million



Source: Forrester Research, January 2005.

US purchasers from comparison shopping sites

%

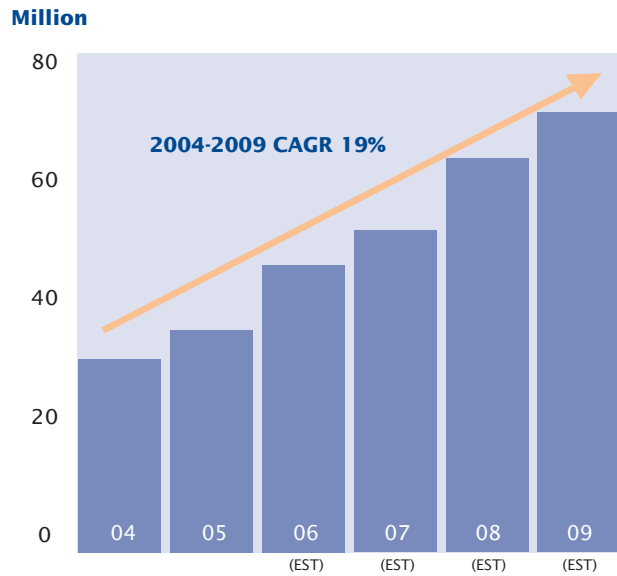


Source: Forrester Research, January 2005.

Base: All North American online consumers.

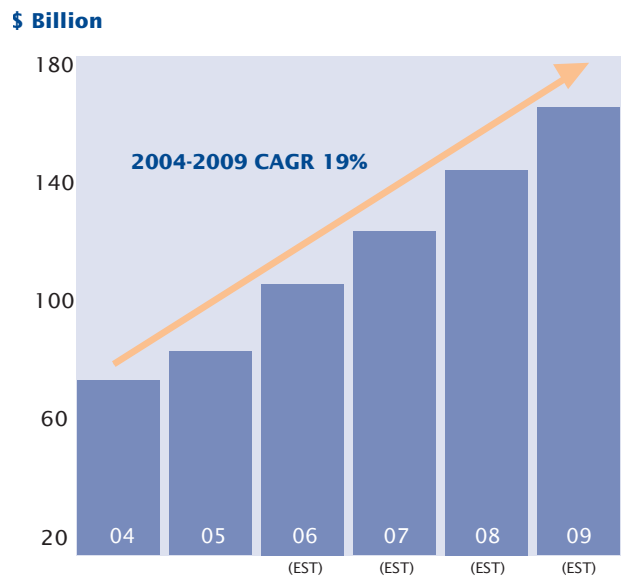
Internet commerce

US broadband households



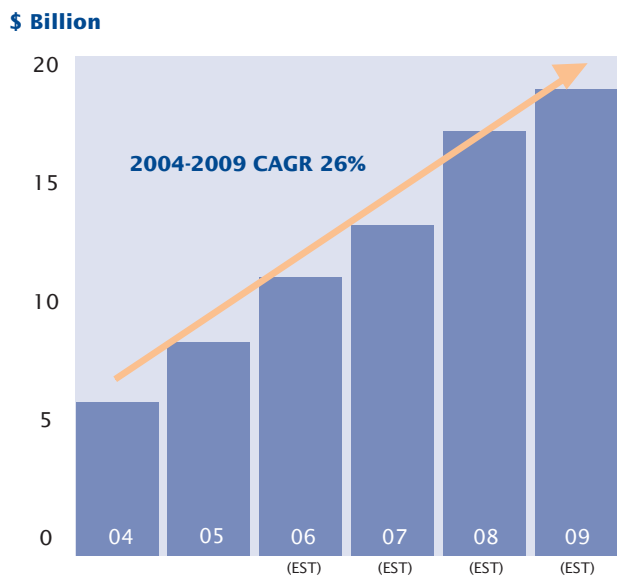
Source: IDC, March 2005.

US e-commerce revenue



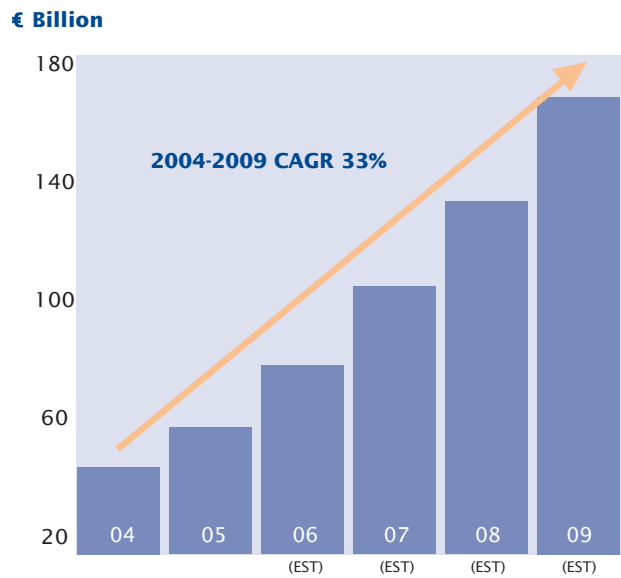
Source: IDC, March 2005.

Global search revenues



Source: JP Morgan, May 2005.

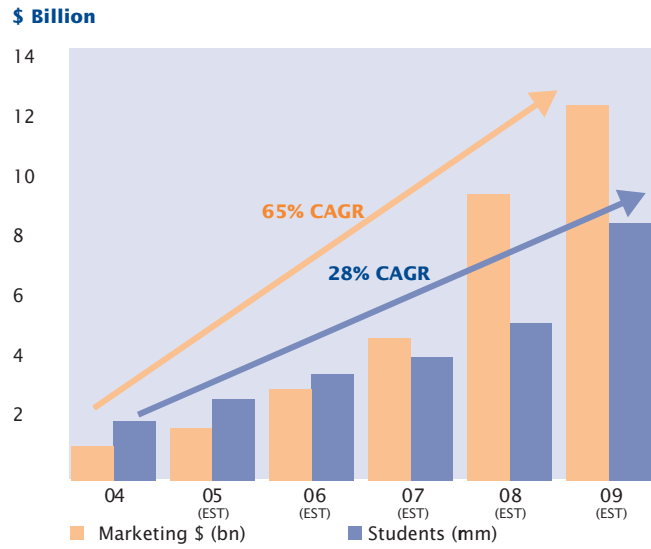
European e-commerce revenue



Source: Forrester Research, March 2004.

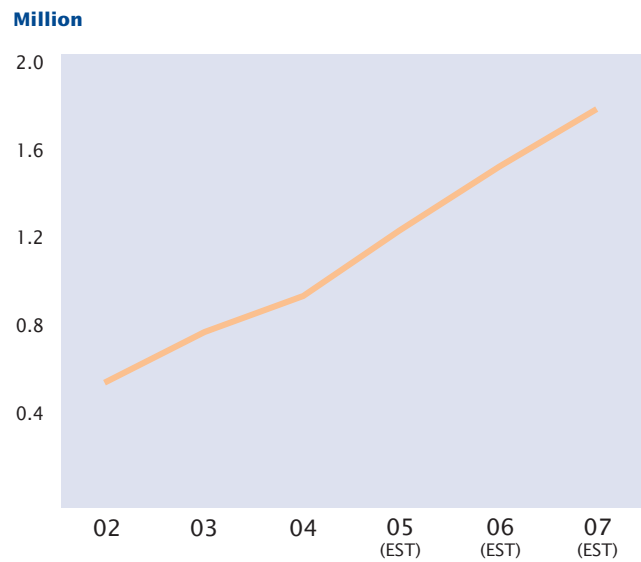
Online education

US industry online marketing spend vs. student enrollment



Source: eMarketer.

US students enrolled in 100% online distance education



Source: Eduventures.

5 Main products and services

On a global basis Experian provides hundreds of products and services.

Included in this section is a brief description of some of its core offerings with some new additions.

- 5.02 Credit Services
- 5.02 Decision Analytics
- 5.04 Marketing Solutions
- 5.05 Interactive
- 5.06 Major databases

Main products and services

Credit Services

Automotive databases - information on motor vehicles to enable analysis of sales trends, franchise profitability and location and planning of marketing campaigns, etc.

AutoCheck - vehicle history report provides the automotive industry and its customers with historical information about pre-owned cars and trucks.

Auto Prospect Online - online tool that enables automotive dealers to identify their most profitable prospects and then create and order direct marketing lists based on information obtained from the National Vehicle Database and the INSOURCE consumer demographic database (US).

Baker Hill Advisor - a secure, browser-based infrastructure system that manages all client information across all lines of a commercial lending business.

Baker Hill Origination Solutions - manages the entire commercial loan process, from origination to underwriting and acceptance to document preparation and booking.

BizApps online - web-based interface for business credit information service (US).

BizInsight online - web-based list selection and fulfilment system for the National Business Database and Hotline Databases (US).

Business information - financial and credit information on limited companies, sole traders, partnerships and company directors.

Candidate Verifier - CV pre-screening for employers and recruitment agencies. Includes previous employment and academic qualifications.

Car Data Check - vehicle history and specification verification service for used car buyers in motor trade, insurance, finance and auctions. Consumers can access the service through the AA in the UK.

Card processing and services - processing of debit, credit, subscription, loyalty and gift cards.

CEM - national consumer and business database supporting skip tracing/collections and identity verification. Includes information from the INSOURCE database with weekly telephone number adds from electronic directory assistance (US).

Cheque processing and services - processing of cheques to ensure that a payer's bank account is debited and funds are transferred to a payee's bank account.

Consumer credit bureaux - in US, UK, Republic of Ireland, Bulgaria, Canada, Denmark, Estonia, Italy, Netherlands, Norway, Spain, Romania, Russia and South Africa.

Consumer credit information - public (e.g. electoral roll, county court judgments) and personal financial information (e.g. credit account history) on private individuals, used for credit checking purposes.

GAIN - (Gone Away Information Network) cross-industry database of known individuals who have moved address without notifying their creditors (absconders).

Intelliscore - suite of statistically-derived scoring models designed to predict the likelihood of severe delinquency over the next 12 months. Utilises commercial data, blended commercial and consumer data, as well as consumer data only, when commercial information is not available (US).

Loyalty processing - processing of loyalty card transactions to ensure that cardholders' loyalty rewards (e.g. points) are credited to their accounts.

One point - from Baker Hill, is a fully integrated customer relationship management system for commercial lenders that consists of modules for sales automation, collateral and exception management, credit risk management and profitability and pricing.

Pre-screen - direct marketing lists screened against the File One database in the US to qualify consumers for specific credit offers. Used by lenders to eliminate mailings to high-risk prospects and pre-approve credit terms for consumers who meet the client's credit criteria.

Property databases - plans, maps and statistical information on retail locations and domestic property statistics.

Risk scoring (commercial) - statistical modelling which predicts the probability of a business failing within 12-24 months.

Tenant Verifier - tenant checking service for letting agents and landlords, providing a financial check, previous landlord's reference and an employer's reference on prospective tenants for rented property.

Unclaimed Assets Register (UAR) - provides a search facility for unclaimed financial assets such as life policies, pensions and equities (UK).

VantageScoreSM - US credit reporting industry's first credit score, developed jointly by the three national credit reporting companies. Data from all three bureaux is collected at the same point in time to provide greater consistency.

Decision Analytics

Anti-money laundering solutions - US regulatory compliant software which automates the detection, investigation and reporting of suspicious financial activity.

Application scoring (commercial) - statistical modelling to predict the probability of a company being unable to repay a loan or debt.

Application scoring (consumer) - statistical modelling to predict the probability of an applicant being unable to repay a loan or debt.

Autoscore - Experian's proprietary application scoring system.

Autotrace - automated system for tracing absconding debtors.

Bankruptcy models - statistical risk models for predicting the probability of a consumer filing for bankruptcy.

Behavioural scoring for customer management - statistical models based on the customer's lifestyle and credit behaviour; used to predict future behaviour and to determine actions to be taken by the lender.

Behavioural scoring for marketing - statistical models based on the customer's lifestyle and previous responses to marketing offers; predicts future responses to offers and determines the most appropriate proposition to be made and the best medium.

Bureau scoring - generic credit scores based on credit reference bureau data only.

Clarus Swift - generic application processing system for integration with a client's processing system.

Commercial Delphi - uses statistical techniques to calculate risk and reduce the element of subjectivity in lending and making trade credit decisions, enabling businesses to manage financial risk by identifying potential risks before they happen.

Collect SM - a collections and debt recovery solution which allows financial services organisations to adopt a more strategic and analytical approach to their customer service, collections and debt recovery processes.

Credit advantage - integrated collections management tool providing consumer contact data, credit-based scoring and advanced analytics (US).

Customer Value Management (CVM) - these models contain a unique collection of analytical scores and values, segmentation systems and propensities that can be flexibly combined by lenders to inform a multitude of credit risk, up-sell and cross-sell decisions.

Database Manager - database management reporting package.

Delphi for Customer Management - bureau-based behavioural scoring system and account management for existing customers.

Delphi for New Business - bureau-based application scoring system for new accounts.

Detect - real-time credit application fraud prevention solution.

E-consumerview - web-based solution providing consumer credit lenders with online access to Experian databases to assist them with underwriting decisions.

E-identitycheck - combats identity fraud by providing a qualified assessment of the degree of confidence in a customer's online identity.

E-series - suite of web-enabled versions of Experian products and services as well as newly developed services. Enables organisations to conduct business safely over the Internet or telephone by verifying and authenticating the identities of site visitors and customers paying by credit card.

Hunter - batch-based credit application fraud prevention solution.

Hunter II the next generation of Hunter – developed on a web-based architecture, providing online functionality, full audit trails, fraud scorecards, flexible rules configuration and ad hoc reporting.

Intelligent Business Reporting (Reporting Studio) - an advanced reporting and monitoring solution that gives users immediate access to business intelligence.

New Business SM - a complete solution to aid new business acquisition enabling lenders to centralise, monitor and change lending strategies quickly.

Probe SM – a complete business solution designed to manage existing customer relationships by bringing together powerful behavioural scoring techniques, segmentation, portfolio analysis and strategy experimentation. Enables lenders to control limit management, authorisations, collections and marketing strategies.

Scope and Database Manager - data management with a monitoring and management information tool.

Strategic and business consultancy - consultancy and advisory services providing and implementing innovative solutions throughout the credit life cycle.

Strategy Optimization - from Experian-Scorex, uses objective mathematically based decisioning at an individual customer level to help an organisation identify the highest possible return from its credit strategies given its customer needs, operational constraints and strategic goals.

Transact SM - comprehensive application processing system incorporating Strategy Management decisioning.

Triggers - daily service alerting clients to changes in a consumer's credit behaviour. Clients use credit derived 'triggers' to drive risk, account retention and marketing decisions to proactively improve customer relationships.

West Credit - from Experian Prologia, a credit management tool adapted specifically for loans and mortgages (France).

Marketing Solutions

Absolute Movers - data source for suppressing from mailing lists the names and addresses of individuals who have moved.

Acquisition and response models - scorecards to analyse consumer responses to direct marketing.

BehaviorBank - consumer-supplied lifestyle data with coverage on more than 35 million households and 40 million individuals (US equivalent to Canvasse in the UK).

Campaign and trend analyses - advertising and direct marketing campaign planning and analysis service.

Canvasse - consumer lifestyle, demographic, financial and geodemographic database for target marketing (UK).

CheetahMail - email delivery technology to help clients use multiple delivery channels to communicate with customers and drive sales.

CircBase - co-operative database of direct mail responders for publishers, covering 161 publications and 63 million subscribers (US).

Cottage Industry File - a segment of the National Business Database featuring home-based businesses (US).

Customer data integrity - completing, validating, suppressing, enhancing and integrating customer data to improve the quality of customer information.

Data management services - target marketing bureau service for developing clean, accurate data from clients' own and Experian's own databases.

Data quality processing - creates lists for direct mail from single or multiple sources, cleansed for duplicate names, changes of address, deceased and opt-outs.

Delphi for Mailings - bureau-based pre-screening system to ensure financially related offers are targeted to appropriate consumers.

Elements - ClarityBlue's integrated direct marketing platform.

Experian Intact - data cleansing, suppression and enhancement service, processing in excess of 500 million records a year.

Experian Link - interface to delivery of combined business, consumer and motor vehicle information.

Experian Paladin - French suppression file, enhancing La Poste's own suppression files, providing a 36-month history of returned mail. Identifies an additional one million outdated (goneaway) addresses with 50,000 new home movers updated each month.

Goad Explorer - decision support tool for property professionals working within multiple retailers, agencies, developers or investment companies. Contains a set of digital plans and associated data about retail outlets for over 1,300 of the country's retail centres (UK).

INSOURCE - database combining data from hundreds of public and proprietary sources to provide extensive marketing information on US consumers.

Intelligent suppression management - intelligently managing customer communication preferences to handle the complexities of customer contact whilst striking a balance between corporate compliance and maximising marketing opportunity.

Intravue Campaign Management - a customer management solution integrating powerful database technology, campaign management software, marketing information and analytical expertise.

Lifestyle data - results of questionnaires focused on consumers' lifestyles, habits, attitudes and purchasing behaviour.

Marketing databases - databases of information about individuals collected from many different sources, for segmentation and target marketing.

Micromarketing profiling tools - aids decision making through geographic, demographic, financial and behavioural information on consumers; builds a picture of the target audience for a product, recognising the different motivations that lead different demographic segments to buy each variant of a brand.

Mosaic - a global network of segmentation that classifies a billion people worldwide, covering a third of the earth's surface.

nVision - an online UK and European consumer insight service which researches and provides market analyses on emerging consumer markets.

Parc Locator - software package for motor manufacturers and dealers to analyse sales trends and customers, and develop marketing strategies.

Profiling and segmentation - analysis of consumers to identify characteristics that lead to certain types of purchasing behaviour.

Prospect Locator - online direct marketing lists with search criteria based on demographics, lifestyle or business data.

Interactive

QuickAddress - a global address management software suite which helps clients capture, verify and enter address data quickly and accurately by using ZIP or postal code, and house or building number.

QuickAddress Batch - cleanses existing customer address records to help maintain the validity of address data over time.

QuickAddress Names - verifies a person at an address and spells their name correctly on entry in almost any type of CRM or customer database application. The product incorporates Experian consumer data with the latest US Postal Service address data file.

QuickAddress Pro - validates customer addresses against official postal authority records in real-time, as data is entered in a call centre or at point-of-sale; ensures that billing and delivery addresses are complete and standardised.

QuickAddress Pro Web - brings real-time address validation to web-based environments, including e-commerce.

Simmons Research - collects information on over 8,000 brands in 460 product categories, creating detailed consumer profiles with over 600 lifestyle characteristics. The information can be used to provide consumer studies, segmentation systems or advanced integrated marketing solutions to clients (US).

Statement messaging - uses monthly bills effectively as a medium for customer communication.

The Footfall Index - a representative tool to assess consumer shopping behaviour. The Index monitors the changing pattern of shopper visits across the markets in response to events which impact on decisions to visit retail outlets.

TrueTouch - multi-dimensional contact system that not only identifies the best customers and prospects, but also tells what type of messages and offers motivate purchases, the preferred communication channels and the optimum time to contact customers.

Totalvue - a five-stage database management series where each stage delivers functionality to address a specific set of business challenges.

Truvue - a customer data integration solution combining customer data from different sources to create a single customer view.

Affiliate Fuel - provides online marketing opportunities in education (US).

ClassesUSA – an online higher-education portal (US).

ConsumerInfo.com - a direct-to-consumer online credit information and monitoring service (US).

CreditExpert.com - free consumer education articles, calculators and advice on how consumers can manage and protect their credit histories; offers premium subscription products such as Credit Manager and Credit Report/Score (US/UK).

LowerMyBills.com - an online mortgage lead generator and financial services advertiser that provides consumers with comparative financial information on products such as mortgages and loans (US).

PriceGrabber.com - an online comparison shopping service for the US and UK markets.

Triple AdvantageSM - provides consumers with daily monitoring of all three national credit reporting companies' credit reports and sends text alerts via email or SMS mobile when critical changes are detected (US).

Major databases

Aliases and associations - known aliases used by fraudsters and individuals with whom they have been associated (US/International).

B2bBase - the industry's largest B2B co-operative database (created with Merit Direct). Participants have access to highly effective B2B names and addresses derived from transactional data.

Canvase consumer database - for target marketing with 6,000 selectable elements and 14 million UK individuals (UK equivalent of INSOURCE in US).

Car Data Check automotive database (UK).

Claims and Underwriting Exchange (CUE) - databases of household, motor and personal injury insurance claims (UK).

CML Council of Mortgage Lenders' Possessions Register - data contributed by the CML and available only to other CML members and their subsidiaries (UK)*.

Credit Account Information Sharing (CAIS) - shared credit account information maintained by Experian on behalf of lenders (US/UK).

Credit Application Previous Searches (CAPS) - records of previous applications for credit from individuals (US/UK).

Credit Industry Fraud Avoidance System (CIFAS) - suspected fraud information provided by lenders (UK)*.

Detect - shared database of previous credit applications, used by lenders to identify discrepancies in current applications that may be indicative of fraud (US/UK).

Directors' Database - business credentials of current and previous company directors and company secretaries (UK).

Existence Verifier - database of 13 million deceased persons in England and Wales; assists pensions industry to verify deceased persons.

File One - national consumer credit relational database with coverage of 215 million consumers (US).

GAIN - (Gone Away Information Network) - shared information about absconders submitted by GAIN - members for use by other members (UK)*.

Hotline File - B2B marketing database of recently relocated businesses (US).

INSOURCE - national consumer database with information on more than 215 million consumers and 110 million households compiled from public and proprietary sources. INSOURCE includes transactional and life event data.

Life event information - lists identifying key prospects with special needs, such as new homeowners, new movers, new parents, expectant parents (US).

Limited Company Database - limited liability companies and their directors (UK).

Motor Insurance Database - holds vehicle and motor policy records from registered motor insurers (UK).

National Business Database - business information for marketing purposes (US/UK).

National Canvase Database Electoral Roll - (i.e. Voters' Roll replacement) comprising compliant information supplied by consumers in the past 12 months. Provides comprehensive coverage of the UK adult population.

National Fraud Database - online database of industry-wide confirmed fraud records used for combating fraud by comparing applicant data to fraud data (US).

National Vehicle Database - database of over 500 million licensed and registered vehicles in the US.

Non-limited Database - data on small (unincorporated) businesses, partnerships and sole traders (UK).

Perils - rating and geographical models on subsidence, flood, wind, crime, freeze and fire (UK).

Postal address file - full official postal addresses and postcodes for all UK properties (UK)*.

Public information file - compiled using information from Registry Trust Ltd, official gazettes and the Insolvency Service (UK)*.

Unclaimed Assets Register (UAR) - search facility that allows consumers to recover lost assets such as life policies, pensions, unit trusts and share dividends (UK).

Vehicle mileage check - the UK's leading mileage database covering every vehicle it has ever investigated. The database is updated daily with information received from the DVLA and many other sources.

Voters' Roll - details of all individuals registered on the Electoral Roll (UK).

Z-24 National Catalog Database - contains data on more than 2.8 billion catalogue orders supplied by over 700 cataloguers/retail companies (US).

* Indicates non-proprietary or third party database utilised by Experian as an integral part of its service offering.

The product names listed in this document are trademarks of Experian and/or its associated companies and may be registered.

6 Useful sources of information

The following section includes information about periodicals and websites that may be useful for further researching the markets in which Experian operates. Also included are summarised descriptions of many of the key regulations and legislation which impact Experian's global business. For further information about the regulatory environment, refer to the websites of the various governmental agencies listed in this section.

- 6.02 Periodicals
- 6.02 Websites
- 6.03 Legislation

Periodicals

American Bankers Association Banking Journal - the official periodical of the ABA, it provides access to banking's inner circles, and access to the developments and behind-the-scenes information that helps shape the banking industry in the US.

Cards International - news on the global cards market and the latest smart card development, chip technology updates, card marketing initiatives and credit card fraud issues.

Catalog Age - covers catalogue news, trends, technologies, and strategies for improving profitability across all areas of multi-channel catalogue operations.

Credit Card Management - the leading source of credit and debit industry intelligence and analysis.

Credit Management - the UK's Institute of Credit Management monthly magazine; includes full coverage of consumer and trade credit, export and company news.

Credit Risk International - a global monthly magazine on the science and strategy of credit provision. Its twin aims are to open up opportunities in global credit provision and to spread best practice.

Credit Today - magazine for the consumer and commercial credit industry in the UK.

DM News - the direct marketing industry's weekly newspaper covering trends, vertical markets and financial performance.

Marketing Week - a UK source of news and information for marketing, advertising and media professionals.

Precision Marketing - a weekly business magazine devoted to targeted accountable and responsive marketing.

Sales & Marketing Strategies and News - addresses the entire spectrum of corporate sales and marketing information.

Websites

www.apacs.org.uk
(Association for Payment Clearing Services)

www.bba.org.uk
(British Bankers Association)

www.business-strategies.co.uk
(Experian's economic analysis and forecasting unit)

www.cml.org.uk
(Council of Mortgage Lenders)

www.dismal.com
(The Dismal Scientist)

www.dma.org.uk
(UK Direct Marketing Association)

www.ecri.be
(European Credit Research Institute)

www.federalreserve.gov
(Federal Reserve Board)

www.fedma.org
(Federation of European Direct Marketing)

www.fla.org.uk
(Finance & Leasing Association)

www.home.doc.gov
(US Department of Commerce)

www.icm.org.uk
(Institute of Credit Management)

www.mbaa.org
(Mortgage Bankers Association of America)

www.synovate.com
(Synovate Research)

www.usps.com
(US Postal Service)

Legislation

Do-not-call The Federal Trade Commission (FTC) recently amended its Do-Not-Call provision of the Telemarketing Sales Rule. According to the amendment, telemarketers will have to scrub their calling lists every 31 days instead of every calendar quarter. This new requirement took effect January 1, 2005.

Do-not-spam The measure covers all commercial email solicitations – i.e. not just those messages sent that are unsolicited (where there is no established customer relationship and a marketer is looking for new business). It is of major significance that this new federal anti-spam law will pre-empt all of the numerous state laws that have been passed in recent years regulating commercial email.

Links:

www.the-dma.org/cgi/member/whitepapers/analysis_canspam_act

DPPA Drivers Privacy Protection Act (DPPA) – Drivers Privacy Protection Act 18 U.S.C. § 2721 et. seq. (Public Law 103-322) is a federal law that regulates the disclosure and use of certain information obtained from motor vehicle records. It restricts to whom and for what purpose certain information can be disclosed. It restricts how the recipients of information can use or re-disclose this information. All states were required to comply by 13 September 1997. Congress recently made amendments to the DPPA that were effective 1 June 2000. Individual states must comply with the minimum requirements outlined by the DPPA but may add additional requirements or restrictions for the dissemination of their state motor vehicle records. As of 1 June 2000, the law has been amended to require states to obtain 'opt-in' to release information to marketers.

Links:

www.avert.com/guide/Compliance/DPPA_faq

ECOA The Equal Credit Opportunity Act ('ECOA') prohibits lenders from discriminating against credit applicants on the basis of race, colour, religion, national origin, sex, marital status, age, the fact that all or part of the applicant's income comes from any public assistance program, or the fact that the applicant has exercised any right under any federal consumer credit protection law.

E-Privacy and Communications Directive

The Regulations require businesses to obtain an individual's prior consent before sending unsolicited direct marketing material by email or SMS. They also cover the use of cookies and the requirement to give individuals information about the use of cookies and an opportunity to decline access to sites that use them. In the UK the implementing legislation is The Privacy and Electronic Communications (EC Directive) Regulations.

Links:

www.informationcommissioner.gov.uk

FACTA The Fair and Accurate Credit Transactions Act (FACT Act) was signed into law in December 2003. The FACT Act, a revision of the Fair Credit Reporting Act, allows consumers to get one free copy of their credit report annually. The law requires that Experian and the other national credit reporting agencies work with the Federal Trade Commission (FTC) to provide a single point of contact so consumers can get reports from all three national credit reporting agencies with a single telephone call or Internet request. Free credit reports became available in western states on 1 December 2004, in the mid west effective 1 March 2005, 1 June 2005 in the south and 1 September 2005 in the northeast.

Links:

www.consumer-guides.info/consumer-debt/fact_act

GLB The Financial Modernization Act of 1999, also known as the 'Gramm-Leach-Bliley Act' or GLB Act, includes provisions to protect consumers' personal financial information held by financial institutions and includes specific provisions regarding consumer reporting agencies like Experian.

Links:

www.ftc.gov/privacy/glbact/
www.ftc.gov/bcp/conline/pubs/buspubs/glbshort

The Consumer Credit Act 1974 (CCA) requires Experian to be licensed to carry out its business as a credit reference agency. In 30 years, UK consumer expectations and credit industry products and channels to market have changed considerably and the current review of the CCA is designed to bring legislation up-to-date. Publication of a Government White paper in December 2003 resulted in a number of fundamental changes including tighter controls over the granting of consumer credit licenses; a new fairness test on credit agreements and terms; making credit agreements themselves simpler; placing limits on early settlement charges; joined up debt advice; and requirements on the need to lend responsibly arising out of concerns about over indebtedness.

A number of Statutory Instruments have already been passed and the Consumer Credit Bill is currently going through Parliament.

Links:

www.dti.gov.uk
www.experian.co.uk/corporate/compliance/consumercredit/index

The Data Protection Act 1998 (DPA) updated the 1984 Act following EC Data Protection Directive 95/46/EC. Its purpose is to promote fair obtaining and processing of personal data requiring it to be accurate and kept secure. The requirements are embedded in eight core data protection Principles. Sections 7 and 9 provide for the provision of credit reports to consumers on request for a £2 statutory fee.

Experian currently processes over 1.2 million such requests per annum. Strict response times are set out in the Act.

Section 11 gives individuals the right to opt out of their data being used for direct marketing.

The Act gives the Information Commissioner (IC) powers to require organisations to cease processing and make an assessment as to the impact on individuals of disputed activity. There are both criminal and civil sanctions available under the Act.

One major practical impact of the Act on Experian and its clients has been around the issue of 'third party data'. In the UK lenders had been able to assess a credit application based on the family unit. Following extensive discussions between the IC and the credit industry on the use of 'third party data' in credit decisions, only data on the data subject and, if proven, their financial partners can be used. A deadline was set for the significant majority of transactions to be processed in this way by 31 October 2004 and all by the end of 2004. Alongside these complex changes, which have resulted in major systems developments by both Experian and its clients, higher thresholds for data accuracy and completeness have been set and implemented. The next transition period ends on 24 October 2007 when all the remaining data will need to be fully populated and the remaining processes will need to be third party data compliant too. This includes marketing data.

Links:

www.informationcommissioner.gov.uk

www.experian.co.uk/corporate/compliance/dataprotection/index

The draft Consumer Credit Directive The first draft 'Directive of the European Parliament and the Council on the Harmonisation of the Laws, Regulations and Administrative Provisions of the Member States concerning Credit for Consumers' (the 'Consumer Credit Directive') was issued in September 2002 and has been the subject of extensive lobbying activity by Experian in its own right and alongside the UK Credit Industry and DTI. There was common agreement within the UK credit sector that the original proposal was flawed and would have a detrimental effect on consumers, the industry and the macro economy. This view was shared in many other Member States. Proposals in the original Directive that particularly impacted on Experian included a central database of defaults operating in each Member State, irrespective of any existing bureaux, and limitations on the use of data. Following extensive lobbying the re-worded draft Directive contains no such provisions. The draft Directive is still going through the EC legislative process and is unlikely to be enacted until late 2006 or 2007.

Links:

www.dti.gov.uk/ccp/topics1/consumer_finance.htm

www.experian.co.uk/corporate/compliance/creditdirective/index

The Enterprise Act 2002 enacted changes to UK bankruptcy law from 1 April 2004 enabling discharge after 12 months for 'no-fault' bankruptcies as part of the Government's drive to create a more entrepreneurial society. Government figures indicate a sharp increase in insolvencies with approaching 70,000 in 2005, around two-thirds of which were personal bankruptcies.

However, this information is still available to lenders as part of their credit decision process and the Insolvency Service is urging consumers to see this as a last resort.

Links:

www.insolvency.gov.uk

The Financial Services and Markets Act 2000 and related money laundering legislation, overseen by the Financial Services Authority, carries requirements for businesses engaging in financial transactions with consumers and other businesses to satisfy themselves as to the identity of the participants and the source of the funds. This results in Experian clients undertaking extensive identity checking at account opening and also risk-based assessments of transactions.

Links:

www.jmlsg.org.uk

The Gender Recognition Act 2004 received Royal Assent on 1 July 2004 and came into force on 4 April 2005.

The Act has implications for all organisations processing personal data. The operative section of the Act for credit reference agencies and their clients is section 22, which provides that it is a criminal offence for a person acting in an official capacity to disclose protected information in the course of, or otherwise in connection with, the conduct of business or the supply of professional services.

Links:

www.gra-info.org.uk

The Principles of Reciprocity is a cross-industry data sharing agreement covering the supply and use of consumer data in the closed user group databases operated by the three UK credit reference agencies. The Steering Committee on Reciprocity (SCOR) consisting of representatives from the major UK credit trade associations and credit reference agencies is responsible for the Principles and regulates the sharing of this information to ensure it is utilised in accordance with the 'Governing' Principle. This states that data are shared only for the prevention of over-commitment, bad debt, fraud and money laundering, and to support debt recovery and debtor tracing, with the aim of promoting responsible lending.

Links:

www.experian.co.uk/corporate/compliance/datasharing/index

The Privacy and Electronic Communications (EC Directive) Regulations became effective in the UK from 11 December 2003. They cover the use of publicly available electronic communication services for direct marketing and have new rules for email.

Links:

www.informationcommissioner.gov.uk

The Representation of the People Act 2000 (ROPA) and associated regulations provide for two versions of the Electoral Register, full and edited. This is achieved by voters 'opting out' of their data being used for purposes other than voting, jury selection and credit application assessment and checks for the prevention of money laundering. UK organisations use the Electoral Register typically as a source for direct mail and as a stability indicator in credit risk assessment. In future only the edited version of the Register will be available for the former.

The use of the full Register for credit application assessment and money laundering was only agreed after lengthy Government lobbying by Experian and the credit industry, followed by a successfully defended High Court action brought by an individual claiming breach of Human Rights and Data Protection legislation if his Electoral Register data were to be used other than for electoral purposes. Credit reference agencies (providing consumer credit checking services) are now the only commercial organisations that may buy the full register.

Links:

www.experian.co.uk/corporate/compliance/electoralregister/index

The Guide to Credit Scoring is a cross-industry agreement covering the use of data in automated decision systems. It is regularly reviewed in conjunction with the Information Commission and the Office of Fair Trading.

Links:

www.fla.org.uk

US Federal Regulations that impact Experian business

FCRA US Federal Regulations that impact Experian business FCRA The Fair Credit Reporting Act (FCRA), Public Law No. 91-508, was enacted in 1970 to promote accuracy, fairness, and the privacy of personal information assembled by Credit Reporting Agencies (CRAs). Enforced by the Federal Trade Commission, FCRA gives consumers specific rights in dealing with CRAs. It protects individuals by requiring credit bureaux to furnish accurate and complete information to businesses when they evaluate applications for credit, insurance, or a job. The FCRA was revised by the 108th Congress in 2003, when the body enacted the 'Fair and Accurate Credit Transactions Act of 2003.'

Links:

www.epic.org/privacy/fcra/
www.ftc.gov/os/statutes/fcrajump.htm
intradev/PublicAffairs/Government%20Relations/Federal_Update

