



Make Critical Decisions with Greater Confidence

- ✓ Maximise the return on your data investment
- ✓ Enhance risk management
- ✓ Increase customer satisfaction
- ✓ Assisting you to compete effectively
- ✓ Reduce costs

10 Things to Consider When Evaluating Your Commercial Data Partner

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The cost of poor quality data

Good data helps businesses make better decisions – faster and with more confidence.

Low-quality data has the opposite effect. A business decision based on flawed data can have enormous consequences, bringing about wrong, misleading and costly conclusions.

Poor data quality costs organisations millions annually in lost revenue, inefficiencies and poor decision making. The consequences are far-reaching, particularly as the AI models that businesses increasingly rely on are only as good as the data they are trained on.

Equifax has been named

“Google Cloud Data & Analytics Partner of the Year”

in recognition of our expertise in helping customers extract actionable insights from their data.



How to evaluate your data provider

With data quality being so critical to your business, it's important to know whether your third-party commercial risk data partner can provide good quality data. They might tell you their data is accurate, reliable, relevant, complete, consistent and timely – but how will you know?

With over 50 years in the industry, we've been around long enough to know that data quality varies from one provider to the next. We've also come to know that many businesses are unaware of this.

It's why we've created this eBook of 10 things to consider to help protect businesses from unknowingly using low quality data.





Is Director information included?

Credit reports used for high-risk decisions need to include director information to provide a complete picture of potential risk.

Having information about the people behind a company can reveal insights about the validity, financial stability, and performance of a business. Beyond business data, information about the commercial and consumer profiles of company directors helps provide broader insights and more accurate risk profiles. By joining the dots between business trading history, its directors, and its shareholders, you have a better chance of identifying any warning signs upfront.

Equifax commercial credit reports include:

1 Data about the person behind the business

Equifax's Australian consumer and commercial credit bureau, has the data to pull together a detailed and comprehensive profile of a director. In addition to ASIC director and shareholder information, we also link information from an individual's consumer profile where consent is given.

2 Refreshed commercial data

Our large customer base drives the currency of our data. This means that unlike providers with limited customer numbers, our commercial data is constantly refreshed thanks to our high number of customers and the high volume of their activity.

3 Cross-directorship links

Linking, matching, and correlation capabilities can make all the difference in identifying future risk – even where there is no clear adverse event on file. Having a broad range of data points to draw from, we can find connections other providers fail to detect.



Is the ASIC data current?

The more frequently data is refreshed, the more accurate the insights.

An easy clue to determine the timeliness of the ASIC data from your provider is to look at their volume of users/customers. Data providers purchase ASIC extracts when their customers request information on a particular company. The more users/customers the data provider has, the more frequently this data is drawn down.

Data can be rendered obsolete or inaccurate by newer information. That's why it's important that your decision-making is based on timely, up-to-date ASIC data.

Equifax provides over 100 million ASIC reports to customers every year

With such a large volume of reports generated, the more frequently we can link, match and correlate this data to our on-file data sets. This means we're constantly adding value and enriching all of our credit reports.

Equifax's commitment to driving customer value has been recognised with a place on the AIFintech100 list, recognising the world's most innovative AI solutions for financial services.



An early warning of financial distress is an increased number of credit enquiries. It's one of the reasons why you need up-to-date data.



Do the credit enquiries have substance?

Not all credit enquiries are made equal. They need to provide depth and breadth to do their job of identifying potential risks to your organisation.

More than an ASIC search

To learn more about the depth of detail in your credit report, ask your data provider how they define a credit enquiry. For a credit enquiry to give you the information you need to reduce your risk exposure, it should include information from all of the below categories:



1 Which industry is requesting the credit



2 What type of credit is requested



3 Who is requesting it



4 The dollar value

Missing information could mean a credit enquiry is based predominantly on an ASIC search. Without other critical information to complete a broad, detailed picture, the report could overlook warning signs of risk.

It's only with a broad, detailed picture that you can confidently make an informed decision about whether to start doing business with a new prospect or accurately assess the risk of a debtor on your books.

Credit enquiries and ASIC searches are not the same things. An ASIC search is a verification of an entity and should be only one component of a credit enquiry.

Why Equifax can identify increased signals of risk:

- **Our broad range of quality data sources cover consumer, commercial, fraud and identity.**
- **Equifax compiles data on more than 19.4 million credit-active individuals, 3.4 million active companies and businesses and 1.06 million sole traders throughout Australia, giving you access to greater information and insights.**



Are customers active or idle?

Do the customers of your data provider generate credit activity on a daily basis?

You'll get a greater breadth of data, more predictability and better business decisions from a data provider with many active customers. A greater volume and frequency of credit enquiries generates more current and relevant data.

Ask your data provider to clarify the distinction between active users and customers. Request to see the exact numbers for each.

A high 'customer' count doesn't mean a high number of active users generating data. A large discrepancy could indicate that the data isn't as frequently updated or as robust as it might seem.



Is Buy Now Pay Later data included?

The regulation of BNPL providers under the National Consumer Credit Protection Act reflects the integration of BNPL into the mainstream consumer credit landscape.

Including BNPL data in credit reports provides a valuable indicator of credit risk and payment predictability, offering a more comprehensive insight into an individual's potential risk. Our analysis shows that BNPL customers are generally riskier than personal loans and more than two times riskier than a credit card facility on average.



Equifax has strong BNPL coverage, with over

1.3 million BNPL credit enquiries each year.



Are a variety of data sources included?

How varied are the data sets of your provider?

Investigate the number of sources they pull data from because it's not only the amount of data that's important; the variety matters.

More variety = greater predictability.

A broad range of both negative-only credit information and positive CCR data is vital for providing a fuller picture of a company's financial position. Fact-check any data provider that claims to hold the most data or the greatest amount of CCR data.



More than half a century as a credit reporting agency has allowed Equifax to build a rich tapestry of data assets.

For nearly a decade, Equifax has led artificial intelligence (AI) innovation, starting with the introduction of the first machine learning credit scoring system that provides logical, actionable reason codes to help consumers understand the 'why' behind credit decisions.

Equifax taps into a breadth and depth of consumer credit information to build our credit reports' quality and predictiveness.

We have strong coverage
of Australia's credit active population
and we provide consumer and commercial bureau services for:

Every major lender in Australia

Every automotive financier

All key alternative finance providers

All Tier 1 Telcos and a high proportion of energy enquiries.

Equifax sources data from a number of sources to gain a fuller picture.



What volume of SMEs informs the trade payment insights?

The value of trade payment data is only as good as the volume of SMEs the data provider works with.

Don't be drawn in by claims like "small business specialist" or the "first Australian bureau to gather SME payment data" without finding out what volume of trade payment data the provider is basing their insights on.

It's considerably harder for data providers with smaller customer bases to provide high-quality payment data. That's because the lower the number of customers who contribute their data, the less available information and the less accurate the payment trends and predictions.

When a provider doesn't have enough payment data to pick up the predictive early warning indicators you need, how can you reduce your business' credit risk?

Equifax's trade payment data is sourced from a large volume of SMEs:

20M
trade payment references

9M
matched references less than 12 months old

1.1M
debtors have at least one trade payment experience in previous 24 months

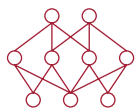
85%
of debtors have more than 3 trade payment experiences

63
data contributors

31
industries covered



Assessing the payment behaviour of an organisation, including comparisons against other organisations within the same industry, can help you avoid risky customers.



How do the algorithms perform?

Do the algorithms used by your data provider have super-sleuth status?

It's crucial to know that machine learning algorithms are good enough to quickly and accurately connect similar and dissimilar records.

When signing on a new customer, it's important to ensure that information linked to address changes, name changes or name variations is also captured. The algorithm plays a big role in how well your provider can match and link these records to identify any additional risk.

Equifax innovation helps you make critical decisions with greater confidence:

650 patents issued or pending across the globe

300 of these are AI-specific patents

Sophisticated algorithms

Equifax has strong coverage of Australia's credit active population, so our algorithms find out more about the people behind the business entity. Plus, we provide consumer and commercial bureau services for every major lender in Australia.

Innovative techniques

Employed by Equifax data scientists to continuously improve our ability to extract signals of risk from new and varied sources. In doing so, we get a more complete view of the credit risk of a company and individual.

Groundbreaking machine learning methods

Used to extract value from data residing in different sources. It means we can reach wider and deeper than ever before to analyse multiple complex interactions between variables.

Sophisticated data matching and linking technology

Has advanced our proficiency in matching records between disparate information sets. From disconnected and multi-sourced data, we can quickly and accurately connect similar and dissimilar records.



Is pricing consistent and transparent?

Nobody enjoys an unexpected surprise price hike at the end or in the middle of a contract. If the deal seems too good to believe, make sure you read the fine print.

Some data providers will offer introductory and 'all you can consume' pricing, only to hit you with huge hikes at the end of your contract.

Work with your data provider to create tiered pricing that adjusts as your business changes. Ensure there is a fixed measurement for price increases during the term, such as CPI. Understanding the fine print could help you avoid unanticipated costs.



Is there ongoing account manager support?

A dedicated long-term account manager who understands your business can help you get the results you need.

Ask your data provider whether you will be assigned an account manager to help with your initial onboarding and any future ongoing requirements. Being able to pick up the phone or email an account manager who knows your business inside and out can save you valuable time and money while helping you get the outcomes you need.

Equifax understands the importance of our customers having a long-term relationship with their account manager.

To us, dedicated means having a direct line to someone who can help you, who intimately understands your account.



10 Things to Consider When Evaluating Your Commercial Data Partner

- ☐ **01 Is director information included?**
Credit reports which include information about the people behind the business can give you the complete picture you need to make an informed risk assessment.
- ☐ **02 Is the ASIC data current?**
An early warning of financial distress is an increased number of credit enquiries. It's one of the reasons why you need timely, up-to-date data.
- ☐ **03 Do credit enquiries have substance?**
A credit enquiry should include the industry requesting the credit, the type of credit, who is requesting it and the dollar value.
- ☐ **04 Are customers active or idle?**
The greater the volume and frequency of credit enquiries, the more current and insightful the data is to you.
- ☐ **05 Is Buy Now Pay Later data included?**
BNPL customers with credit cards and personal loans are more likely to have been delinquent on their credit card facility.
- ☐ **06 Are a variety of data sources included?**
The inclusion of both negative-only credit information and positive CCR data gives you a fuller picture of a company's financial position.
- ☐ **07 What volume of SMEs informs the trade payment insights?**
A greater number of customers contributing data means you get more accurate information relating to payment trends and greater predictiveness around financial distress indicators.
- ☐ **08 How do the algorithms perform?**
Advanced algorithms more effectively match and link records to better predict additional risk.
- ☐ **09 Is pricing consistent and transparent?**
Nobody enjoys an unexpected price hike. Check if costs will be fixed for the duration of your contract.
- ☐ **10 Is there ongoing account manager support?**
Having a direct line to someone who intimately understands your account, and can help you at any stage, makes doing business faster and easier.





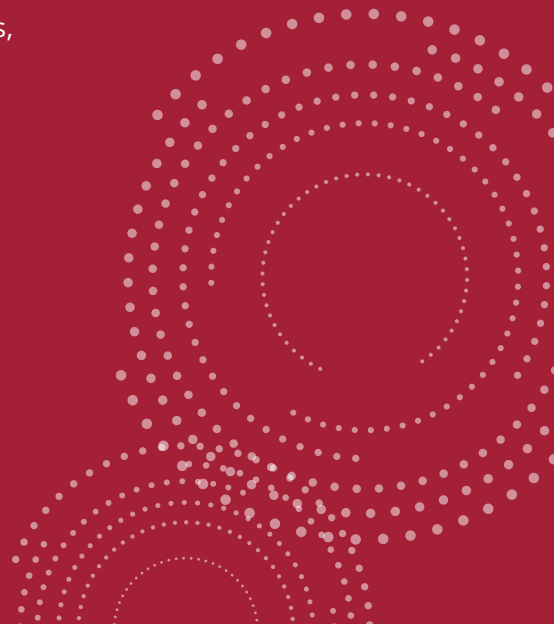
Confidently make faster, more accurate business decisions with Equifax as your commercial risk data partner.

- **Maximise the return on your data investment**
- **Enhance risk management**
- **Increase customer satisfaction**
- **Assist you in competing effectively**
- **Reduce costs**

Equifax compiles data on more than 19.4 million credit-active individuals, 3.4 million active businesses and 1.06 million sole traders throughout Australia.

Drawing on over 50 years experience in the industry, we offer breadth and depth of data, advanced analytics, and cloud technology. It allows us to help financial institutions, companies, employees, and government agencies worldwide make critical decisions with greater confidence.

Of the models and scores Equifax launches globally, 99% are built using EFX.AI and machine learning.



Don't wait until data quality becomes a problem. Talk to us today to learn more about the reliability and predictiveness of Equifax data.

equifax.com.au/why-equifax