

Case Study: Sovereign Credit, Part of John Hughes Group

Mitigating Risk, for a Growing Small Business

The Sovereign Story

As Sovereign Credit, part of the John Hughes Group, began to extend their business from primarily vehicle finance into personal loans, they were looking to proactively mitigate their increasing risk profile. They did this by implementing early warning FraudCheck solution provided by Equifax.

As well as access to de-identified Shared Fraud Database of confirmed and suspect fraud listings from Equifax, Sovereign Credit has access to the Fraud Focus Group giving them the opportunity to share fraud intelligence with peers to help shape their fraud strategy. They now have increased confidence in their ability to manage against potential losses, which is critical to their high risk niche lending model.

We have recently been doing a number of secured and unsecured personal loans and I felt our risks were increasing with this new business.

Shelley Gregory

Manager for Sovereign Credit

The John Hughes Group is one of the largest new and used vehicle dealerships in Western Australia. John Hughes himself has a high profile in WA and with his committed 'hands on' approach has diversified JHG into many peripheral areas.

John started Sovereign Credit because he saw a niche in the market where essentially good people could not get vehicle finance from mainstream lenders due to being credit impaired by factors outside of their control, such as divorce or long term sickness.

Industry

Vehicle finance and personal loans

CHALLENGES

- Alternative lender servicing a high number of subprime customers
- Increased business risk moving from auto finance into personal loans
- Small organisation with few automated fraud solutions

SOLUTIONS

- FraudCheck Solution from Equifax
- Fraud Focus Group from Equifax

RESULTS

- Positive match within the first month preventing a significant monetary loss
- Membership fees recouped in a short period of time
- Easily integrated into current process



As we are a lender of last resort with a high number of our clients being subprime, it has been great for us to have access to FraudCheck to assist in identifying clients who are potential fraudsters.

Shelley Gregory

Manager for Sovereign Credit

They are unique in that they have no website or advertising. It is ultimately John Hughes, or one of his agents, who decides whether to offer finance through Sovereign.

However despite the closed nature of the business and their existing due diligence process, they were finding that their new clientele included some people who were potentially good at deception.

As a small company processing around 60-70 loan applications per month, Sovereign does not have the luxury of a dedicated fraud team. Instead, it reviews paperwork with a relatively inexperienced eye without any external support or structure.

They found introducing FraudCheck as part of their review process straightforward and easy to implement, allowing them to pinpoint anything unusual without going to the trouble of unnecessary investigation.

And the results were almost immediate. Within the first month of using FraudCheck they had a positive match, which on further investigation uncovered the potential client to be a known fraudster.

The process is quick and easy and gives us instant results which can be acted on immediately. As a small organisation, I like being part of the growing Fraud Focus Group from Equifax. It puts us in touch with others in the industry who experience similar problems and I like the feeling of support you have being part of it.

Shelley Gregory

Manager for Sovereign Credit

About Equifax

Equifax powers the financial future of individuals and organizations around the world. Using the combined strength of unique trusted data, technology and innovative analytics, Equifax has grown from a consumer credit company into a leading provider of insights and knowledge that helps its customers make informed decisions. The company organizes, assimilates and analyzes data on more than 820 million consumers and more than 91 million businesses worldwide, and its database includes employee data contributed from more than 6,600 employers.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and more recently in the Asia Pacific region, with the acquisition of Veda, a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. Combined the companies bring nearly 170 years of data and insights experience to the marketplace.

Equifax is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 9,400 employees worldwide.

To find out more about how our service can save you time, money and a whole lot more, talk to your Equifax Account Manager today.

Fraud Focus Group

One of the most effective ways to tackle fraud is as a business community. By joining the growing Fraud Focus Group from Equifax, you will have access to an invaluable de-identified database of confirmed fraud events as well as additional intelligence material highlighting trends, patterns and market insights. Members include Australia's 'big four' banks, international financial institutions, telecommunications providers, motor vehicle financiers and other credit providers such as credit unions and asset financiers.

Fraud incidents are reported by all FFG members to the Shared Fraud Database (SFD) hosted by Equifax, which holds de-personalised and verified incidents of fraudulent applications. Only members can access this information.

Exclusive member benefits include:

- Invitations to two fraud forums each year, featuring experts in fraud
- Regular round-table discussions with industry peers on fraud prevention, management, trends and case studies
- Regular email updates and alerts providing statistics, trends and strategies to help optimise mitigation
- Opportunities to share knowledge and information, develop relationships and establish networks with other credit providers

The information she provided looked legitimate. Without FraudCheck and the Fraud Focus Group we would have definitely faced a significant loss. It was great for us to see a positive result in such a short period of time. The money we had invested had been well and truly paid back by just one positive hit.

Shelley Gregory

Manager for Sovereign Credit

 **CONTACT US TODAY**

For more information:
13 8332
equifax.com.au/fraud

Copyright © 2016 Equifax Pty Ltd., a wholly owned subsidiary of Equifax Inc. All rights reserved. Equifax and EFX are registered trademarks of Equifax Inc. 16-9527
This summary, the service described and related product collateral do not constitute legal or compliance advice. Organisations are encouraged to obtain independent legal advice.