



# The Power of Data Integrity and Quality

An Experian Perspective



# Mastering Data Quality — Are You Ready for Governance?

Talking about data quality eventually means talking about data governance. In most data-driven organizations, the mindset is to have technology teams run and manage all data assets. IT managers, when given the task of improving data, often look at practical breakdowns or system incidents to help direct their focus. In short, they make improvements based on their known faults.

A recent study by Forrester Research indicates that fewer than 15 percent of data-driven organizations have business-led data governance and quality disciplines.<sup>1</sup> As such, organizations are failing to align their core business objectives with their operating models. Companies that have relied heavily on IT managers to direct quality standards now are realizing that data management needs to be owned and sponsored by the business and must become more formal.

This shift from IT to business-led means that organizations will need the appropriate business tools to help support this new era of data management and oversight. With the right tools, business owners will have the ability to size, sample and test data across a variety of performance metrics and set the appropriate guidelines for improvements.

Business leaders ultimately will create data improvements that align with regulatory mandates, consumer expectations and core business strategies.

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— Forrester Research

<sup>1</sup> *Information Management, Forrester Research. Are Data Governance Tools Ready for Data Governance? June 26, 2014. <http://www.information-management.com/blogs/>*

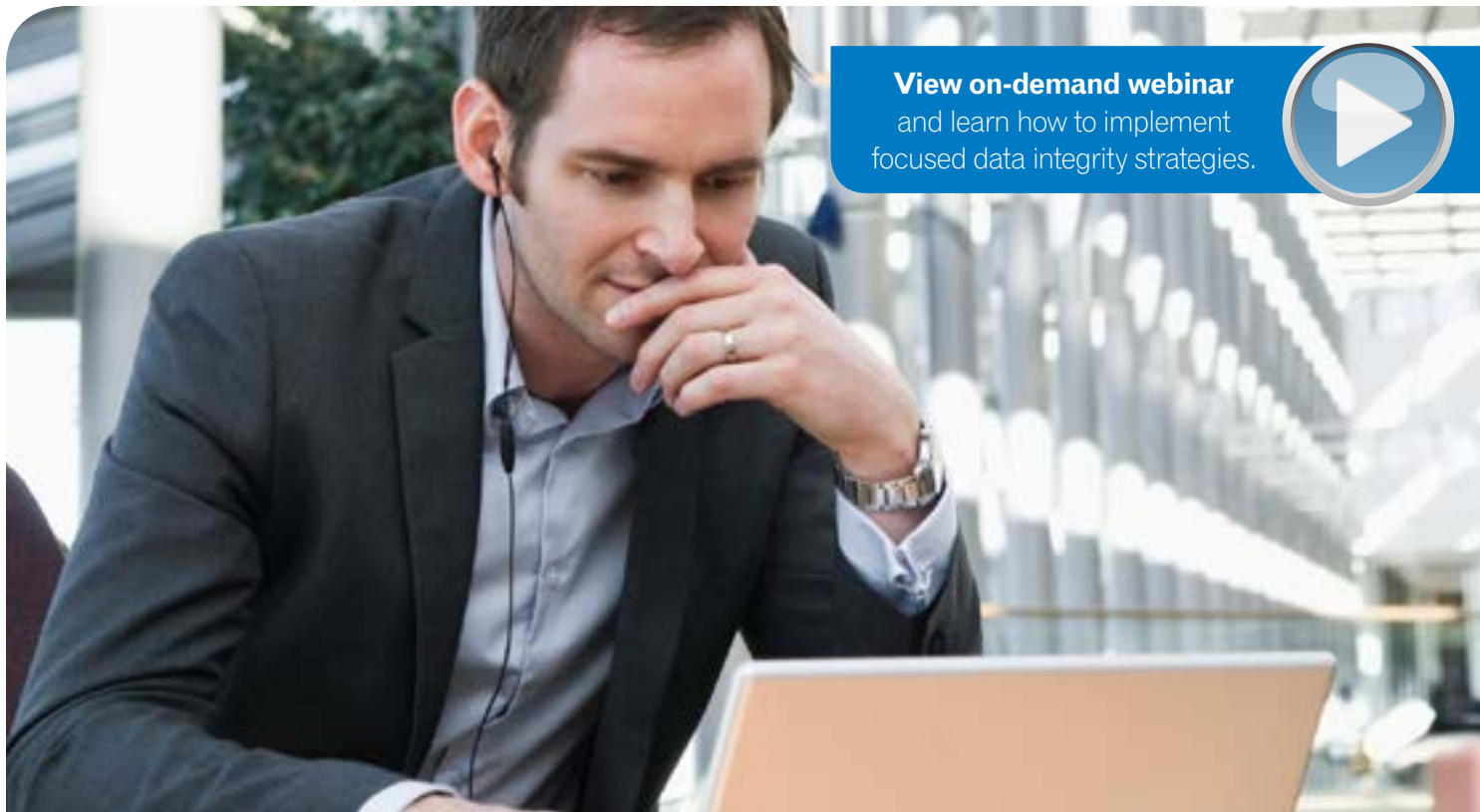
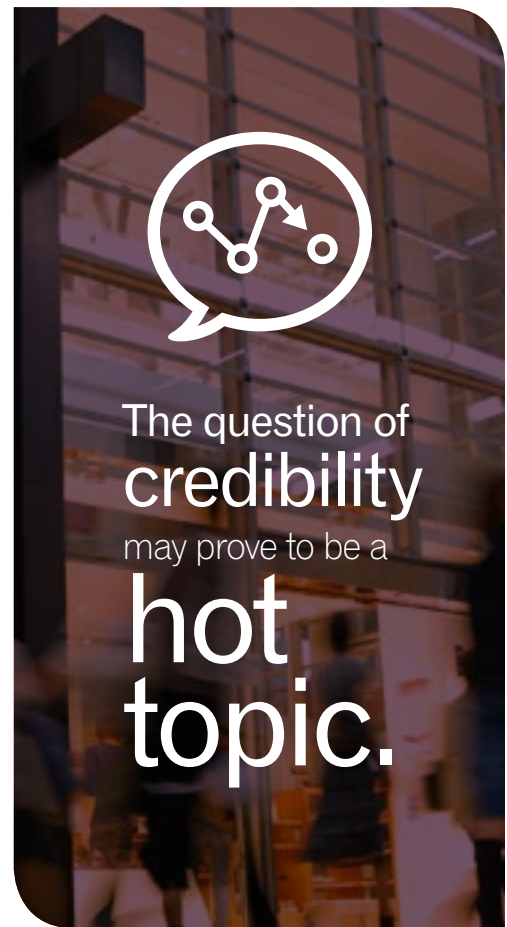
# Data Credibility

Beyond data quality metrics, is your data credible? This is the next line of questioning that may come your way from regulators and other external parties that are focused and chartered to test and sample your data.

In this data-driven age, and with the focus on data accuracy and completeness, the question of credibility may prove to be a hot topic.

Regulators no longer are accepting small subset data samples, or proxy samples, to satisfy their data assessments; they are looking for larger data sets from the originating data systems (or systems of record) in order to perform their assessments. Their view may be to take the largest possible data samples in order to assert the credibility and viability of complex data systems and platforms.

Organizations with sloppy data management practices may be viewed as not having credible data. Knowing that your systems are doing what they are supposed to do and generating the correct data on a byte-by-byte basis is crucial to establishing quality data and asserting data credibility.



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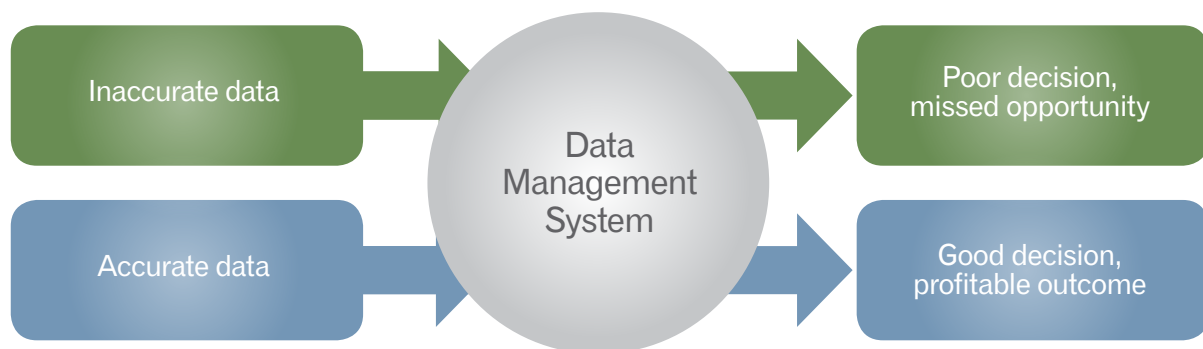




## The Investment in Quality Assurance

The life cycle of consumer credit data begins and ends with the lender. After it leaves your organization, the data appears on a variety of materials, including the customer statement, marketing solicitations, the credit report and future product offers.

Consumer information is a key component for risk models and in determining what type of products your company might offer to a particular customer. The data influences future decisions related to credit offers, including rates and terms specifically for products such as personal lines of credit, auto loans and mortgages.



As a result, it is critical to capture accurate consumer information at the onset of the initial purchase, as well as to implement processes that continually evaluate the validity of the data. Applying such methods will help reduce the risk of your organization receiving incomplete or imprecise data throughout the life cycle. The investment you make in quality assurance will maximize targeting and marketing efforts, ensure effective cross-sell and drive a higher return of quality consumer data.

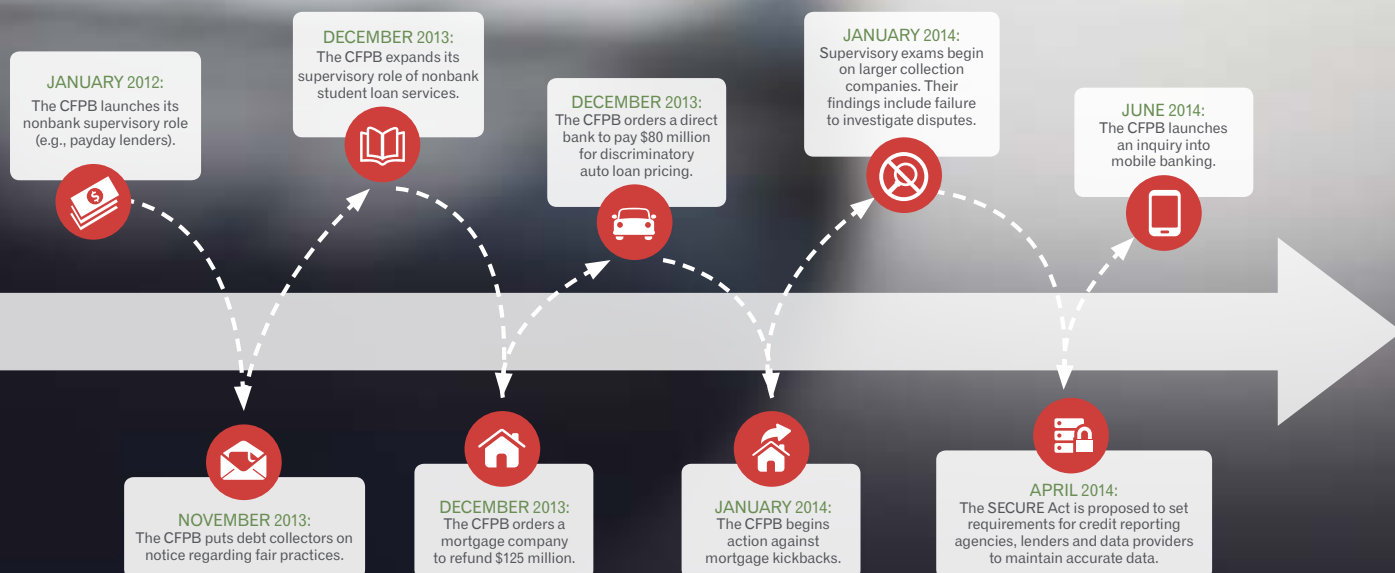
# Enforcement and Accountability

The Consumer Financial Protection Bureau (CFPB) continues to work hard at asserting its mission of protecting consumers from financial harm. As such, the CFPB has delivered numerous commentaries regarding the disciplines of data management and overall improvements needed in order to reflect accurate customer data.

The focus of the CFPB remains clear: to enforce the rules that have long been established to protect the rights of consumers and to hold accountable those entities that knowingly and unknowingly violate those rights.

To date, the CFPB has been expanding its supervisory role over various industries. The CFPB's review and examination processes thus far have resulted in a variety of fines, assessments and penalties to those entities that have not done well in meeting their stated obligations to the consumer.

In short, all types of lending companies are being scrutinized — mortgage firms, debt collectors, payday lenders, consumer finance and auto lenders, to name a few. As noted in *American Banker*,<sup>2</sup> “the CFPB has already begun looking into college partnerships with financial institutions. It has also issued a rule to supervise the largest student loan service providers.”



<sup>2</sup> *American Banker*, *Capitol Hill Takes Hard Look at Student Lending*, June 4, 2014  
[http://www.americanbanker.com/issues/179\\_107/capitol-hill-takes-hard-look-at-student-lending-1067892-1.html](http://www.americanbanker.com/issues/179_107/capitol-hill-takes-hard-look-at-student-lending-1067892-1.html)

# The Lens Is Wide, Sharp and Focused

The financial services industry as a whole continues to face mounting pressures to meet the highest standards of data reporting and accuracy. While new regulations and mandates continue to impact the way companies do business, the consumer remains at the center of it all.

Externally, companies are faced with regulatory audits and exams. Investors and market analysts continue to demand high returns on investments and assurances of ongoing growth and success. Internally, business leaders are looking to strategize business opportunities and to improve cost efficiencies and minimize operational and credit risks.

Despite all these competing activities, the focus needs to remain on the customer. Customer loyalty and retention and positive customer experiences, remain critical components to a company's future. Economic challenges and strict lending practices have cultivated a more educated, empowered and financially aware consumer. As a result, consumers want more insight into their credit data and on how they can improve creditworthiness, further increasing the demand for accurate credit reports.

Cultivating the appropriate data management practices is essential to ensuring a positive customer experience. Credit data accurately reflected on a loan statement and on a consumer's credit report helps to create a respected relationship between the consumer and the credit provider.



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## Are You Prepared?

Achieving data quality is an ongoing investment for any organization. The key ingredients for successful data quality programs include:

- Data Governance
- Well-defined Sampling and Testing Methods
- State-of-the-art Tools
- Ability to Perform Analyses
- Comparative Metrics
- Strong Data Partners
- Key Leadership Endorsement
- Sponsorship

## How Do You Achieve Data Quality?

### DO YOU...

- Review data governance?
- Correct errors in data submissions?
- Complete an audit of data submissions?
- Evaluate disputes and resolutions?
- Compare data to peers and the industry?
- Review existing policies and processes?





## The Experian Difference

### Quality Experts, Data Focused

At Experian, we are committed to helping our current and future clients achieve data quality. To deliver on our promise, we offer products, services and an experienced team dedicated to receiving and maintaining a repository of data that accurately reflects consumer credit information.

[Experian Data Integrity Services](#)<sup>SM</sup> can help data furnishers gain insight into their Metro 2<sup>®</sup> data submissions, identify and correct rejected accounts, and understand dispute statistics. Additionally, a data quality review with peer benchmarking information can be delivered in a dashboard tool that allows clients to interact with and filter reported data. [Experian Data Integrity Services](#)<sup>SM</sup> may include internal or external consultant support. Our [Global Consulting Practice](#) offers a comprehensive custom review of data governance, policy and process documentation and provides implementation recommendations and support.

Be proactive and prepared with [Experian Data Integrity Services](#)<sup>SM</sup>. [Contact us](#) today.

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