

Rapid loan decisions through digital channels

Global lending solution for multi country rollout powered by Camunda platform



About the client

The client is a leading consumer finance bank in Europe. Their strategy is to create a uniform digital experience for all customers who apply for Buy Now Pay Later(BNPL)/consumer finance from various countries within Europe. The major objective is to provide credit decisions in less than a minute.



Overview

The bank operates across several countries in Europe. They offer various lending products and services through digital channels such as web and app portals. The legacy loan origination system was different in each of the countries resulting in lack of unified customer/colleague experience. They also had challenges due to better end-to-end digital offerings from competition and operational resilience related issues. Some of the key challenges are listed below.



Changing customer expectations - one click loans



Excessive manual paperwork in loan processing



Adherence to GDPR & lending regulatory requirements



Improve time to loan decision and approval rates



Need to modernize legacy lending platform



Solution levers



Common lending platform reusable across multiple countries – leveraging reusable capabilities



Digitally driven application process to reduce paperwork and mitigate operational risk



Strong workflow management to improve Straight Through Processing (STP) and automation



Digital first, multi-channel solution leveraging omni channel experience



Reduced compliance risk by **automating KYC and anti-fraud checks**



Advanced API-driven architecture enabling accelerated information exchange such as credit bureau etc.



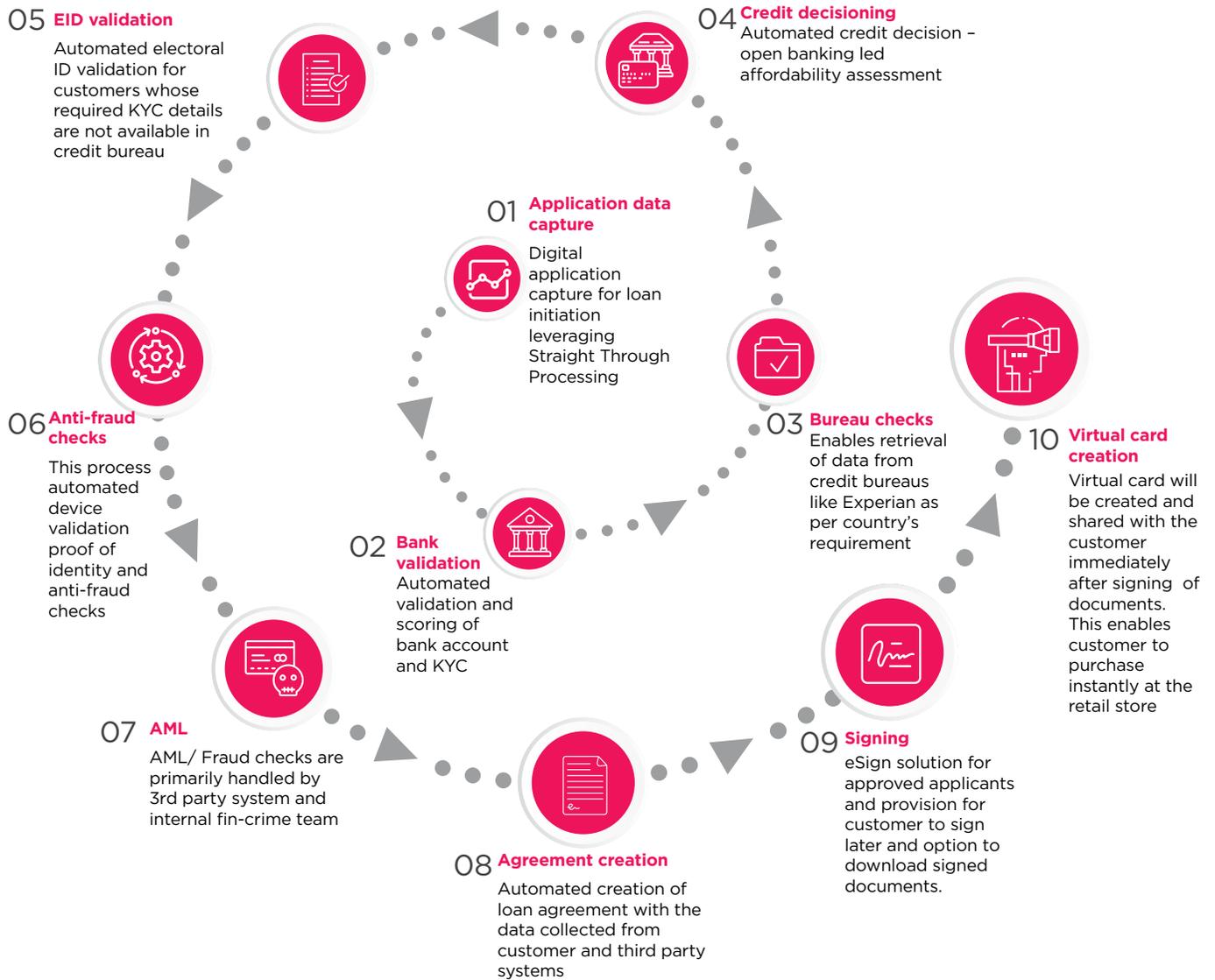
Business background

The bank operates across several countries in Europe. They wanted to provide a unified customer experience across products and countries. The customers applying for Buy Now Pay Later(BNPL)/consumer finance loans should be able to receive an instant decision irrespective of the channels they apply through.

The bank wanted to design and implement a common loan origination platform providing similar features with country-specific variations wherever applicable. Products in scope include consumer loans, Buy Now Pay Later(BNPL) loans, line of credit, and closed loop credit cards.



Business flow



Business benefits



Achieved simplification and cost efficiencies through single IT platform across geographies



Enabled straight-through processing to enable superior customer journey



60% improvement in cost synergies through optimization of digital customer journey



Drove unified customer experience across lending products and countries



Instant response & fulfilment for all simple variations



Solution overview

HCL designed and built the loan origination solution leveraging NETS platform. The major goal is to create an origination system for multiple markets and products where the bank operates. **Leveraging microservices architecture, the loan origination system is built on a common reusable code base.** The components in loan origination system are built in such a way that it can be reused for various products and markets with customization as required.

HCL leveraged Camunda BPM workflow to control and monitor the various work steps in the loan processing and used digital imaging to reduce the delays and inefficiencies in handling paper documents. Each loan application is monitored from the time it is captured into the system and tracked through the various stages of credit review and approval process.

Design challenges



Finalization of a **common product backlog**



Creation of a repository of common and reusable capabilities across products and markets



Regulatory impact - treatment of multiple credit assessment logic and consent management in certain countries



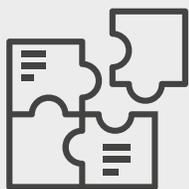
Remediation for single customer identifier



Handling national identification number linkage across specific geographies



Modifications to workflow based on customer journey in different countries



Solution details

The entire solution was built on a micro-services led touch point architecture approach. This includes integration to multiple internal/external systems such as:

- AML
- KYC
- Anti-fraud validation
- Credit bureau checks
- Digital signature
- Archival
- Product and price module
- Counter-party module for customer data
- Affordability calculators

HCL has successfully rolled out the lending platform for multiple countries in Europe leveraging the reusable lending framework.

With more than 30+ years of experience and 100+ implementations in lending space, HCL has been the strategic partner for banks and financial institutions in lending transformation programs across multiple geographies. Leveraging strategic partnerships, HCL has helped top 20 banks across the globe to accelerate digital adoption and drive business outcome-led initiatives in lending.

HCL



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