

THE EVOLUTION OF RISK DECISIONING

20 Years of Innovation with Provenir

The past two decades have seen extraordinary growth and development in the financial services sector - including technological advancements that have fundamentally changed the field of credit, fraud, and risk decisioning.

Provenir has grown alongside the industry for twenty years, and now we're taking a look back at two decades of evolution and innovation in risk decisioning, and what our experts believe is up next.

Here are some milestones in credit innovations from last century:

1950 Diners Club Card, the first credit card is launched	1966 UK's first credit card, Barclaycard, hits the scene	1989 Lenders first started using FICO scores to make informed credit decisions	1999 First Internet Bank pioneered online-only banking, offering mortgages and banking services
1958 Bank of America launched Bank Americard, later to become Visa, in California	1973 CEO of Visa computerized the credit card system, reducing transaction time to less than a minute	1997 Predictive Model Markup Language (PMML) becomes the standard language for predictive models, ushering in predictive analytics as a risk mitigation tool	

Twenty Years of Risk Decisioning Evolution:

2004 PROVENIR LAUNCHES ITS FIRST PLATFORM DECISIONING SOLUTION

with on-premise and cloud-managed options, designed to increase automation of credit and risk decisions for financial services providers

2007 THE SMARTPHONE GENERATION

First generation iPhone released, paving the way for mobile banking, ecommerce, and electronic payments/transfers



Late 2000s The Analytics Advancement

Integration of advanced analytics with credit scoring models and fraud prevention systems, with the ability to handle more data

Mid-2000s The Rise of Automation

Initial adoption of automated systems to streamline credit checks and improve accuracy

Early 2000s The Manual Era

Lengthy, manual processes for credit checks and decisioning, and rudimentary fraud checks

2010 THE RISE OF FINTECH

encouraging innovation in digital banking, peer-to-peer lending, and mobile payments

2012 PROVENIR'S VERSION 6 IS RELEASED

with numerous improvements that enable financial services providers of all sizes to increase flexibility and agility, including scorecard enhancements for more accurate credit decisioning and fraud prevention

Early 2010s Big Data and Machine Learning

Adoption of big data and machine learning algorithms to enhance credit decisioning and fraud prevention

Mid-2010s Cloud Computing and API Integration

Cloud-based platforms and API integrations facilitate more agile and scalable credit decisioning solutions and real-time data processing

Late 2010s AI and Real-Time Decisioning

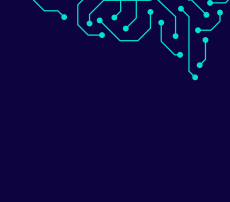
Introduction of AI-powered technologies for real-time decisioning and more personalized processes

2019 PROVENIR BEGINS OFFERING ITS FIRST SAAS SOLUTION

an all-in-one risk decisioning platform for more flexible, scalable credit and risk decisions predictive analytics

2020 ARTIFICIAL INTELLIGENCE

32% adoption rate in banks for AI technologies, including predictive analytics



2021 PROVENIR FULLY OPERATIONALIZES ITS DATA MARKETPLACE

with hundreds of data sources live for integrations via API



PRESENT DAY: MARKET LEADERSHIP WITH PROVENIR

- Holistic, end-to-end intelligent decisioning platform for credit and fraud risk management
- Harnesses data and embedded intelligence for an all-in-one, low-code risk decisioning solution that enables more personalized banking and lending experiences, with tailored products and services
- Reduced decision times, improved accuracy, enhanced innovation, superior customer experiences
- Minimizes risk and maximizes customer value, all with a single decisioning platform

WHAT'S AHEAD IN THE NEXT 20 YEARS?

- **Continued AI Advancements:** More sophisticated tech, with algorithms capable of making near-real-time decisions based on a complex array of variables, including behavioral and unstructured data.
- **Quantum Computing:** Enabling very complex risk simulations and fraud detection algorithms that aren't currently possible.
- **Increased Regulatory and Ethical Focus:** More stringent regulations around AI, data usage, and financial practices, potentially at a global scale.
- **Blockchain and Decentralized Finance (DeFi):** Resulting disruptions could include peer-to-peer lending platforms, smart contracts for automatic credit decisions, and enhanced security measures for fraud prevention.
- **Rise of Digital Currencies and Central Bank Digital Currencies (CBDCs):** Digital currencies, including CBDCs, could transform the financial landscape, affecting how credit is issued and managed.
- **Integration of IoT in Banking:** Providing real-time data feeds into credit risk models, offering updated insights into borrowers' financial health and spending habits.
- **Cybersecurity Advancements:** More proactive and predictive cybersecurity approaches in banking on the horizon to protect against increasingly sophisticated cyber frauds.
- **Sustainable and Social Impact Lending:** Lending practices focused on environmental sustainability and social impact, with credit decisions factoring in environmental and social governance (ESG) scores.
- **Automated and Real-time Fraud Detection Systems:** More advanced, real-time fraud detection systems, leveraging AI to identify and respond to fraudulent activities instantaneously.
- **Global Financial Inclusion:** Advancements in fintech and mobile banking will lead to increased financial inclusion for previously underserved or unbanked populations.
- **Interconnected Global Financial Systems:** Allows for more streamlined international credit and fraud risk management.
- **Increased Use of Alternative Data:** Including social media activity, purchasing behaviors, and even health data, providing a more holistic view of a consumer's risk profile.
- **Evolution of Work and Credit Models:** Changing work patterns mean credit risk models will further evolve to accurately assess individuals with non-traditional employment and income structures.
- **Predictive Analytics in Risk Management:** Will become more nuanced, enabling lenders to forecast future financial trends and borrower behaviors with greater accuracy.
- **Virtual and Augmented Reality in Banking:** Offering immersive ways to interact with financial services and visualize complex financial data.
- **Expansion of Cross-Industry Data Sharing:** Enhanced data sharing could provide a more comprehensive view of credit and fraud risks
- **Voice and Biometric Technology:** Enhanced biometric verification and voice recognition could become standard in banking security and user authentication.

These predictions represent a cross-section of emerging technologies that reflect the dynamic nature of the financial services industry, and provide a roadmap for how financial services providers can harness innovation and new tech to make a meaningful impact on business growth, sustainability, and the customer experience.



Provenir, an industry-leading, award-winning, AI-powered decisioning platform, has worked alongside hundreds of customers in the past twenty years, as trusted advisors and long-term partners that enable sustainable growth. And we'll be at the forefront of innovation for the next twenty.

DISCOVER MORE IN-DEPTH INSIGHTS ON FUTURE INNOVATIONS THAT WILL SHAPE RISK DECISIONING.

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