



Open Banking process

What is Open Banking?

- An initiative introduced as part of the Payment Services Directive (known as PSD2) intended to improve a customer's banking experience and enable better management of their own data.
- Enables consumers and SME's to share their bank account information securely via an API service.
- Third-party access to financial information in this way is intended to promote the development of new apps and services, resulting in a better experience for consumers.
- Businesses and financial services (such as LendInvest) can use these services to obtain access to a potential customer's bank transaction data (subject to their consent) to avoid the need for manual collation of paper or scanned / electronic copies of bank statements.



More information on Open Banking can be found here:

<https://www.openbanking.org.uk/customers/what-is-open-banking/>

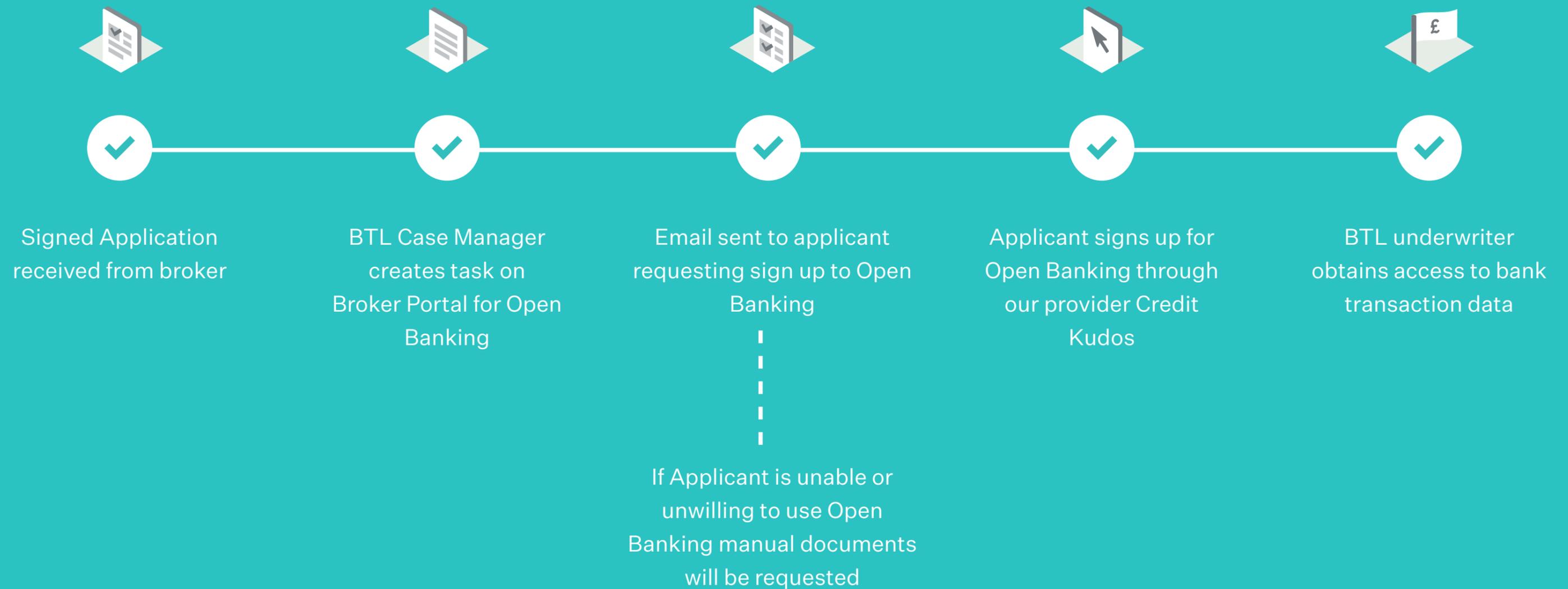
Why use Open Banking?

LendInvest continually aims to simplify the mortgage application process through the better use of technology. Obtaining bank transaction data for each applicant is a necessary stage in the underwriting of each deal, but can be a time consuming activity in its collation, transfer and processing.

Our intention is to determine the value of this technology to our underwriting process based on its ability to:

- Reduce time taken to obtain proof of income and other bank transaction data
- Provide a positive customer experience based upon simplifying our process
- Reduce the workload for our brokers by enabling our Underwriters to access bank transaction data needed to process an application
- Reduce the number of follow-on requests to obtain additional bank transaction related information

How the process works



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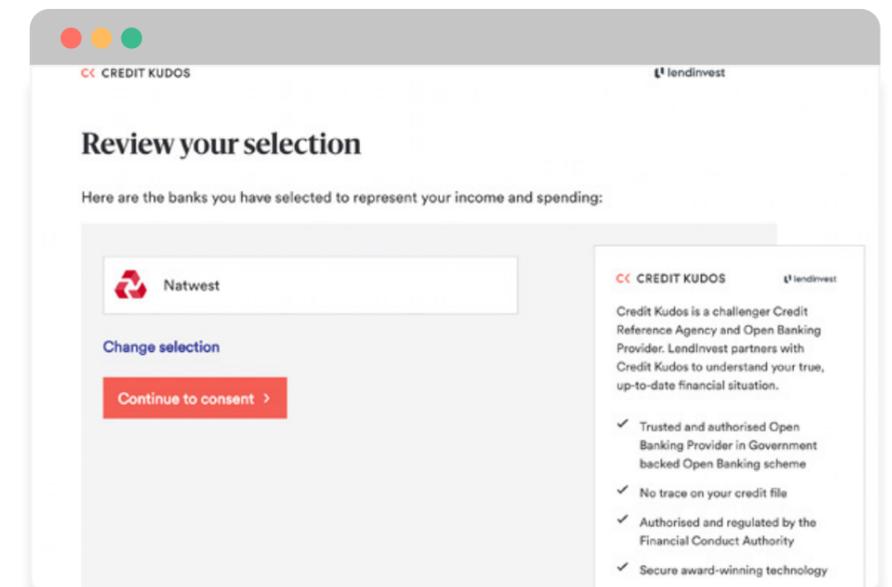
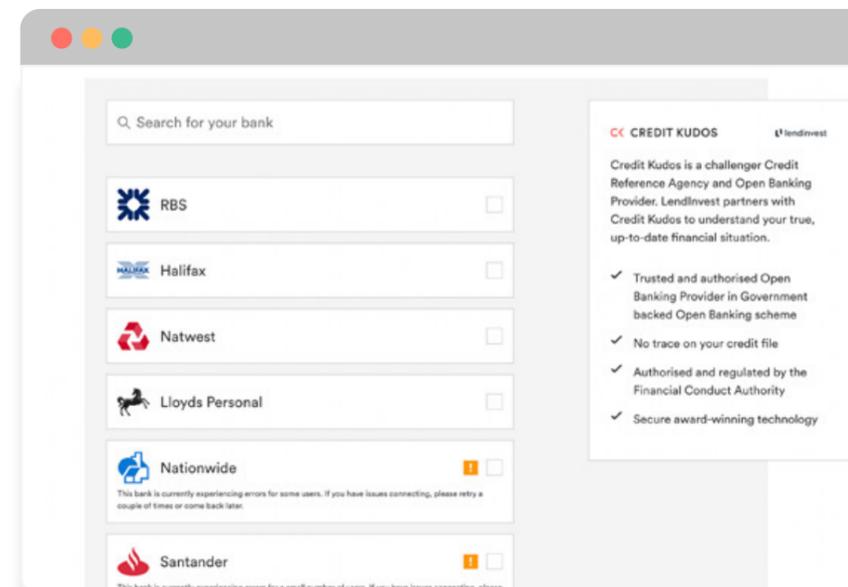
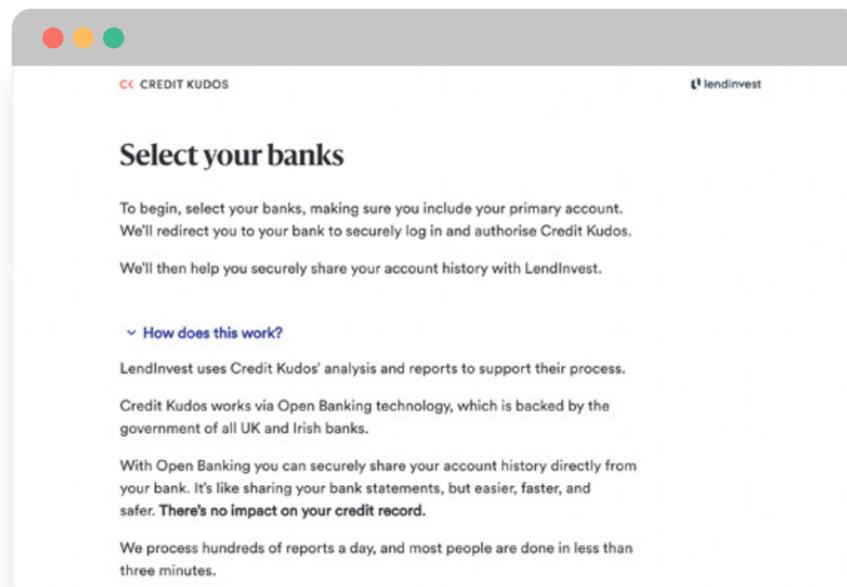
We are now using Open Banking, a service provided by Credit Kudos to obtain most of our required underwriting information. We may ask for further documentation when Open Banking does not answer our questions.

The full details on how Credit Kudos works can be [found here](#).

The applicant must select their bank from the list of popular banks or search to locate it within the list of banks able to offer the Open Banking service.

Note: whilst most major banks support Open Banking, some banks do not and are unavailable via Credit Kudos. In this instance, the applicant will need to return to the manual process and provide their broker with copies of their bank transaction data.

Review your selection and confirm to continue with the consent process.



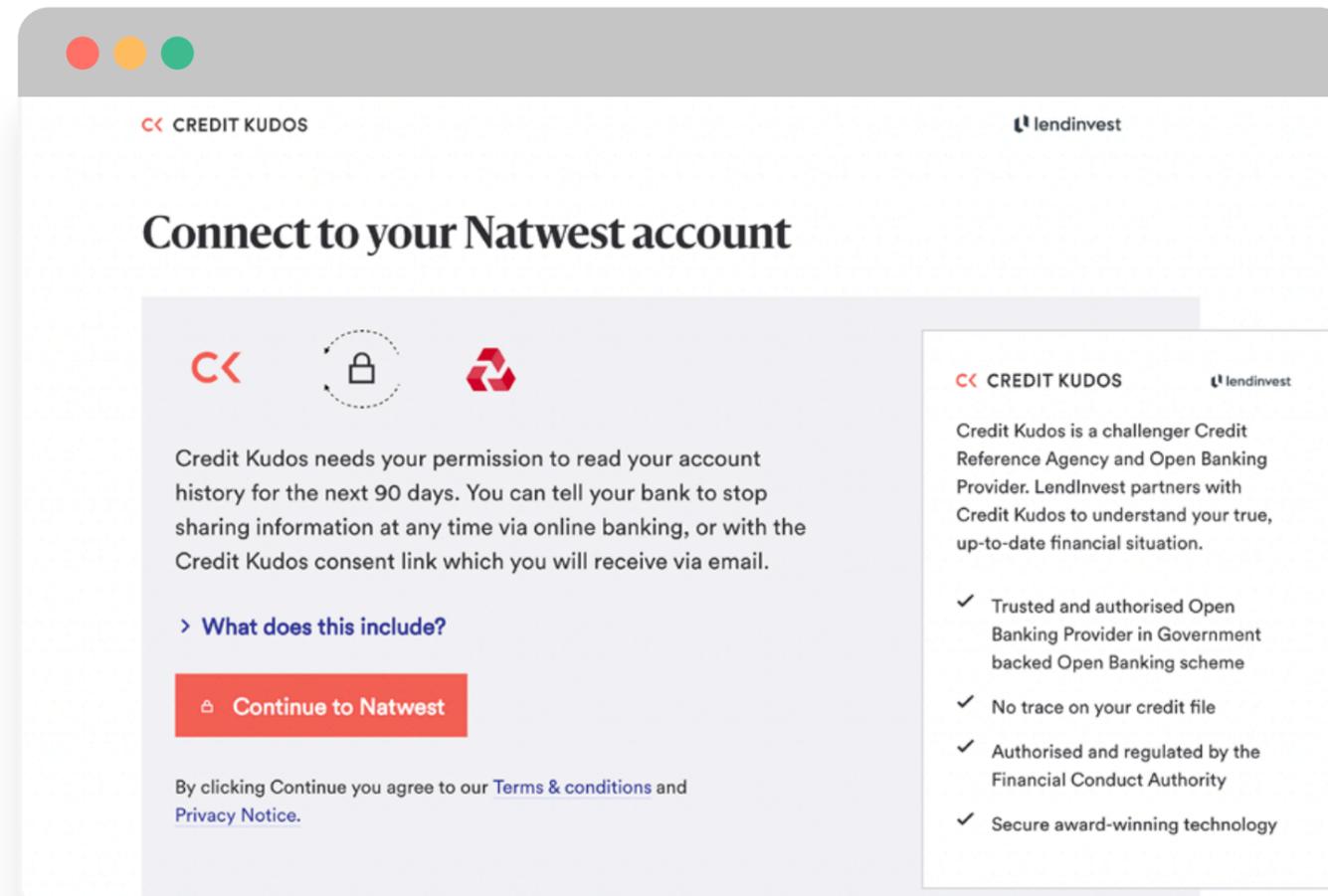
How the process works

The applicant must provide their consent to proceed to the next step by agreeing to the privacy policy and terms of use.

On providing consent, the applicant will be routed to their banks online banking screen.

We are requesting for consent to be provided for a 'one-time access' to cover the last 24 months of transactions (this time period and frequency can be customised if we wish).

Note: to use Open Banking, applicants will need to have access to online / mobile banking services from their bank. Login details will need to be entered, although some banks may have enabled biometric capability to simplify the login process i.e. use of fingerprint recognition.



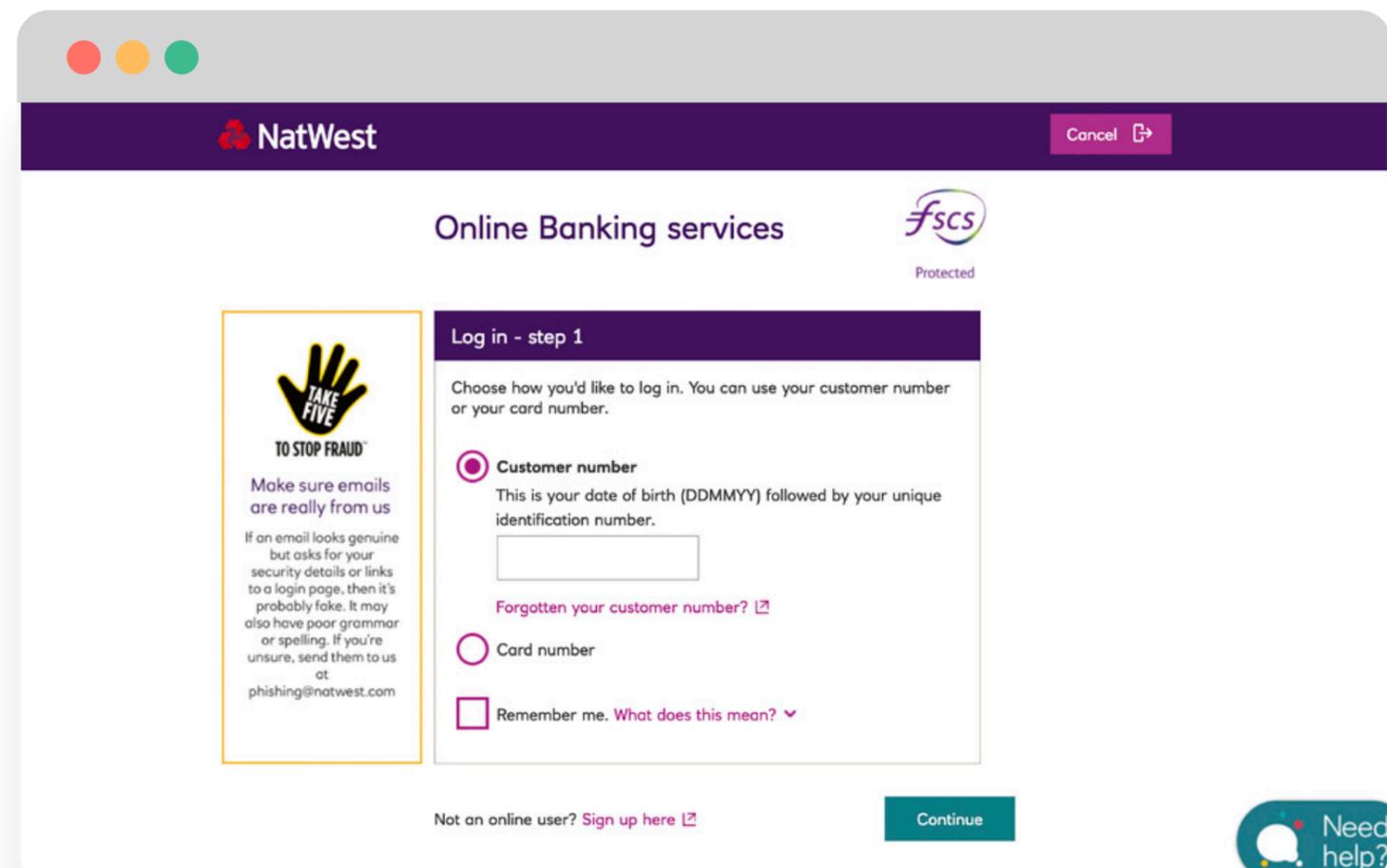
How the process works

The applicant must follow the steps outlined by their bank to login to their online banking service and give the permission to access their transaction data.

Once access has been provided there is nothing more for the applicant to do.

The applicant will be notified once they've successfully shared their bank transaction data.

The Case Managers will be notified (via email) that access is now available.



The screenshot shows the NatWest online banking login interface. At the top, there is a purple header with the NatWest logo and a 'Cancel' button. Below the header, the text 'Online Banking services' is displayed next to the FSCS logo and the word 'Protected'. The main content area is titled 'Log in - step 1' and contains the following elements:

- A security warning box on the left with a hand icon and the text: 'TAKE FIVE TO STOP FRAUD. Make sure emails are really from us. If an email looks genuine but asks for your security details or links to a login page, then it's probably fake. It may also have poor grammar or spelling. If you're unsure, send them to us at phishing@natwest.com.'
- A heading 'Log in - step 1' followed by the instruction: 'Choose how you'd like to log in. You can use your customer number or your card number.'
- A radio button selected for 'Customer number' with the subtext: 'This is your date of birth (DDMMYY) followed by your unique identification number.' Below this is an input field.
- A link: 'Forgotten your customer number? [link]'
- A radio button for 'Card number'.
- A checkbox for 'Remember me. What does this mean? [dropdown]'.

At the bottom of the page, there is a link 'Not an online user? Sign up here [link]', a 'Continue' button, and a 'Need help?' chat icon.

Credit Kudos Dashboard

Our underwriters will be able to visualise bank transaction details for each applicant via the dashboard
e.g. evidence of income etc

The dashboard displays the following financial metrics:

Metric	Value
Predicted Monthly Income	£6,003.29
Predicted Monthly Income with Transfers	£7,376.74
Predicted Monthly Essential Expenditure	£7,085.75
Predicted Monthly Non-essential Expenditure	£39.54
Predicted Monthly Affordability Threshold	£290.99

Recurring Sources of Income

- 17 Feb 2021:** Predicted monthly income £2,560.90. Metrics: Amount Consistency (17, Variable), Regularity (40, OTHER, Irregular), Longevity (79, 11 months, 1 break).
- 15 Feb 2021:** Predicted monthly income £2,526.80. Metrics: Amount Consistency (66, Somewhat consistent), Regularity (71, MONTHLY, Regular), Longevity (100, 12 months, 0 breaks).
- 01 Feb 2021:** Predicted monthly income £730.00. Metrics: Amount Consistency (99), Regularity (77, MONTHLY), Longevity (100, 12 months, 0 breaks).

Transaction History Table:

Date	Description	Category	Type	Amount (£)
17 Feb	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00
08 Feb	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	400.00
07 Jan	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	1,500.00
04 Jan	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00
02 Dec	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,500.00
29 Oct	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00
30 Sep	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,500.00
26 Aug	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00
24 Jul	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00
26 Jun	STONEY FINANCIAL SERVICES LTD	Investment Income	Income	2,000.00

Troubleshooting

- On the initial email to the applicant, they will be provided with a link to “Learn more about Credit Kudos” which includes FAQs and contact details they should use if they experience issues with the signing up process. Beyond this, they should route any questions to their broker.
- Open Banking is intended to speed up the packaging process, but applicants can revert to the manual process for providing bank transaction data if they wish (or where Open Banking is not available via their bank).
- Brokers may contact btlsales@lendinvest.com or their BDM with any Open Banking related questions.



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