FE Credit Achieves Growth Using AI With HyperVerge Fintech Platform

Vietnam based FE Credit decided to undergo a digital transformation to drive growth. The priorities were to increase conversion, stop fraud and decrease costs.

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HYPERVERGE

About FE Credit

Vietnam's largest lender FE Credit offers personal loans, consumer durable loans, 2-wheeler loans, credit cards and insurance.

10 million
Customers

53%
Market Share

The Problem

To improve conversion, FE Credit decided to introduce an end-end digital lending platform which would offer a great customer experience with significantly lower TAT. AI used in the onboarding process would replace manual steps (thus lowering operational costs) and would keep fraud in check.

As Vietnam has very high smartphone penetration (~85%), customers were expected to welcome a digital lending system.

Enterprise fintech solutions were not flexible enough, so FE Credit looked to startups, and partnered with HyperVerge for the AI parts of the puzzle.

The Context

FE Credit's legacy loan application process was manual - both on the customer side and the operations side. The process steps and problems are explained in the infographic.

1 Loan-seeker fills application and submits documents

Manual filing of forms and document submission was prone to errors. Tech savvy customers found the process cumbersome and archaic.

2 FE Credit assesses the application manually

Checking documents manually and field verification took time and was costly and inefficient, and allowed some fraud to pass.

3 Paper contract is signed and loan amount is disbursed

TAT was around 4-5 days causing poor customer experience and high dropouts.

The Solution

HyperVerge's first engagement with FE Credit was to create a face database from their existing loan book and use AI to check for 1:n de-duplication frauds. We were able to identify bad actors and unearth frauds worth millions of dollars. Building on this, Hyperverge integrated this system and its KYC technology into FE Credit's new workflow as shown in the graphic on the right.

There is a temptation to imagine that a well engineered solution is like a silver bullet that will solve everything. In reality, however, new problems arise. HyperVerge's partnership with FE Credit is organised such that the stack is updated constantly to solve new problems.

Business Impact

The new onboarding system provides a quick customer experience, and it prevents fraud at the acquisition step, saving hundreds of thousands of dollars.

~2 Mins
KYC TAT

~$500k/mo
Fraud prevented at onboarding

The next problem that HyperVerge is solving for FE Credit is to create a multi pronged approach to assess risk and identify fraud across all their products using AI.

Kalidas Ghose
Vice Chairman & CEO

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1 **KYC starts**

Consumer starts a new application and reaches the KYC point.

2 **ID card**

Customer uploads a photo of his ID card. HV tech checks the image for errors (e.g.: blurred image) and fraud (e.g: photo pasted) and asks the customer to re-upload if required.

3 **Selfie**

Customer takes a selfie (no need to shake head or blink or smile) to prove liveness. HV tech checks the selfie for liveness, checks errors (e.g.: bad lighting) and frauds (e.g: sleeping parent) and asks the customer to retake if needed.

4 **Real-time check**

HV tech (1) matches face in selfie to ID card, (2) performs a 1:N check with face database for red flags, and (3) pre-fills the application form with OCR data from ID card.

5 **KYC ends**

The entire KYC process is completed within minutes, and the next step in the loan application process starts.