



# ASIC Responsible Lending Showcase

Bulletin Board Submission

August 2020



# Enabling compliance with responsible lending obligations

**Leveraging our expertise in Financial Services to enable RegTech solutions that can analyse the contents of a consumer loan file to support and enable compliance with responsible lending obligations.**

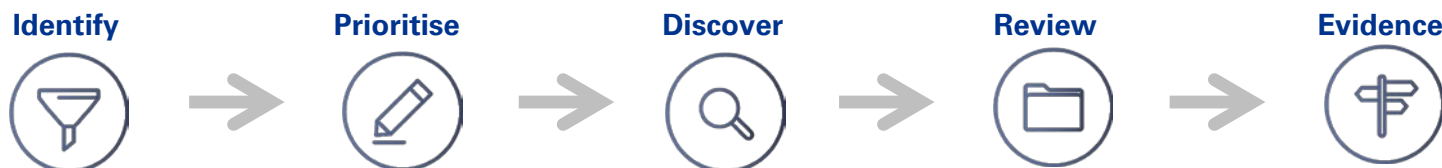
ASIC has compiled a dataset of 20 example consumer loan files to invite industry participants to demonstrate how existing technologies may be deployed to solve for responsible lending issues.

KPMG’s Responsible Lending experts have gained experience on various responsible lending relating matters ranging from policy setting, system rules, evidence standard, process and data, conduct monitoring and customer remediation.

In addition to our expertise in Responsible Lending, KPMG has a portfolio of technology alliances, both locally and globally that power our solutions tailored to Financial Services more broadly. We have worked with our alliances to deliver services and solutions for a number of Australian clients enabled by an on-shore data hub. KPMG’s solution is uniquely positioned, as it blends our regulatory, compliance and risk, operational and technology expertise. Regardless of the technology provider, we bring our deep expertise and knowledge in relation to Responsible Lending insights into our solution methodology.



Key Solution Steps



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# Translating compliance and process risk into data and technology

**KPMG’s experience and expertise in delivering large scale Financial Services programs and solutions such as Customer Interaction Monitoring, Fee for No Service Remediation, Responsible Lending and Advice Remediation, combined with our technology enablers to provide clients with powerful analytics and automation across various industries is a big differentiator in the market.**

1

## Regulation

KPMG provides end-to-end support to help clients manage their obligations relating to providing credit to retail consumers:

- Conduct-related lending regulation (e.g. NCCP)
- Prudential-related lending regulation (e.g. Capital Adequacy and liquidity standards)
- Financial crime regulation (e.g. AML/KYC)
- Privacy and data security regulation (e.g. APP)

This allows us to understand the rule sets of what is mandatory, what is optional and what is debatable.

2

## Risk Models & Process

KPMG is uniquely positioned to leverage expertise in understanding and converting manual process and decision points in Responsible Lending into automation opportunities.

Every process in the lending chain tends to have its own exceptions and complexities. We understand these challenges to practically assess what processes the existing technologies can readily solve for and what processes still require human intervention.

3

## Technology

Our alliance partnerships mean we bring together the best technical solutions globally with on ground implementation support and demonstrated success, with the ability to automate and accelerate file reviews at a large scale. We have a track record of successfully delivering large scale programs, enabled by an on-shore data hub.

We work with the best in market voice and document analytics and automated compliance platform with unprecedented transcription accuracy.

Key Solution Outcomes

Scalable



Comprehensive



Accurate



Assured



Insightful



# Solution Outputs and Key Outcomes

**Our solution accelerates the file review process and reduces the need for manual intervention.**

1

By automatically combining multiple files into a single compatible and structured format, we are paving the way for deeper analytics and automation. There is the ability to automated the workflow, which respond to the addition of ad-hoc files after initial bulk file classification.

2

By classifying the document type by topic, for example “file notes”, automating a significant part of the review process becomes possible. Key materials for each document, such as the Issue Date and Document Classification, displayed in record list and editable by user

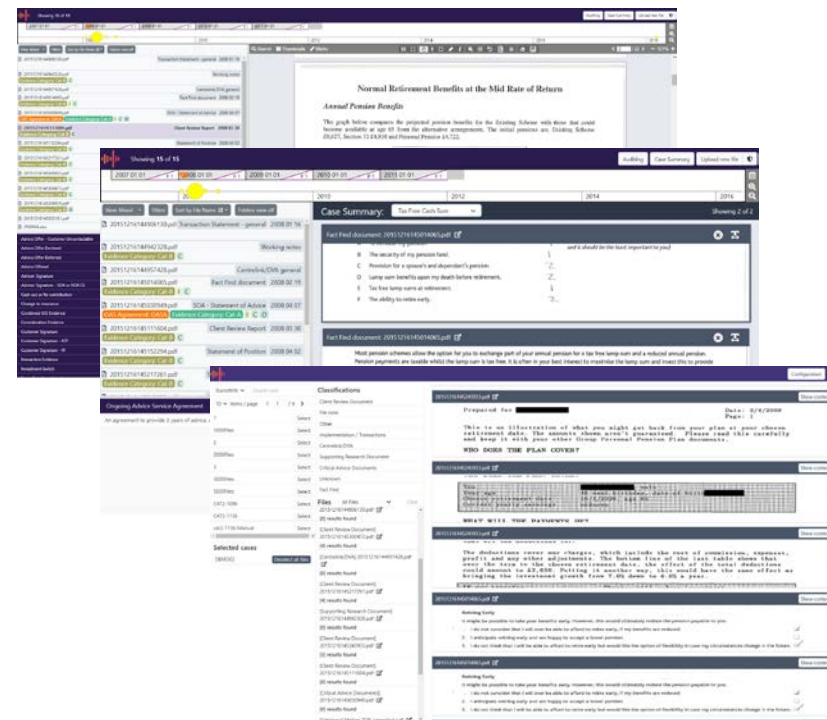
3

By helping reviewers to search for material more swiftly, our solution can speed up processes that cannot be automated in ways such as;

- Adding tags to each record’s metadata from a pre-configured set of categories to target and filter required information
- Auto-summarising a pre-configured search across all documents as they come in, highlighting chosen terms within documents
- Conducting smart searches, and looking at differentiators for pre-defined terms, e.g. contextualising the words “income” and “salary”

4

By identifying material inconsistencies in income and expenditure, our solution helps credit assessment teams improve their efficiencies, and focus on what personal inquires and verifications are required. It also helps Risk & Assurance professionals to quickly understand the apparent inconsistent information in a sample lending file.



*Please contact us for more information.*





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