



## Regulatory technology – High Performance Assurance (HPA)

ASIC

August 2020

“ By combining TCC’s file review expertise with ground breaking RegTech, HPA **enables** you to check a far greater number of cases

This leads to **deeper business scrutiny** which results in **higher standards** and **better customer outcomes**

# 01 / Summary

High Performance Assurance (HPA) deliver better outcomes for consumers by analysing the contents of consumer loan files to ensure and enhance compliance with responsible lending obligations.



Business assurance is the window into your business. It gives you the power to see what's happening and stay in control of the risks.

But until now you've only been able to review a small proportion of cases.



Our revolutionary HPA solution gives you an unprecedented view of your whole business by running digital checks over all your cases to determine which ones need human investigation.

***Ultimately, we take the guesswork out of assurance.***

## Human expertise enhanced by clever tech

HPA has been developed by combining TCC's two decades of financial services regulatory compliance experience with innovative, award winning RegTech to create bespoke solutions for financial services.

# 02 / What you need



## High quality business assurance

You need an automated solution which can assess whether consumer loan files are complete or whether required documentation is missing. You need to be able to easily and quickly scan files and bookmark pertinent information, to enable enhanced monitoring of compliance.



## Insightful analysis and reporting

You want MI on cases, products and credit providers, along with analysis highlighting trends where required. You want smart analysis for credit providers and senior management, able to uplift overall quality and efficiency.



## Accuracy and efficiency

You want business assurance to be as accurate and efficient as possible. You need a solution which can intelligently and effectively monitor all of your business, not just a small sample.

## Supporting your needs

- Our methodology gives you the quality you need.
- Our processes are tried and tested.
- Within four months of operation HPA will have demonstrated 50% more productivity.
- Our dashboard provides you with live access to detailed Management Information (MI), allowing you to interrogate data intelligently.



# 03 / What we'll do

## Smarter, faster business assurance of the highest quality

HPA is split into what is available now and elements which will be trained into the system as work progresses, leading to even greater efficiencies and intelligence.

### Available now



#### File completeness checks (record keeping obligations)

We'll check the completeness of 100% of your cases, giving you peace of mind across the entire population. Other smart features include template cross-checking and smart search.



#### Increased efficiency

By automating document identification, and introducing bookmarking and auto-summariser, case reviews become far more efficient and effective.



#### Enhanced QA

Outcomes tested are linked to the relevant case section, making second line quality assurance far more efficient and effective. This functionality gives a clear line of sight on how case decisions are reached.

### Available post-training

During the first few months of operation we'll train the solution in your lexicon – meaning we can cover the entire industry. Once trained, we take HPA to the next level, by including key risk indicator (KRI) checks.



#### KRI checks

We build rules and logic using key information extracted from consumer loan files. This enables us to train the solution to assess specific KRIs within files. This can include, for example:

- The purpose of the loan e.g. is the loan for debt consolidation or to feed into a pension?
- Risks such as high loan amounts or high interest rates etc
- Requirements and objectives

Only cases which fail KRI checks will be passed for human review, making the process much more accurate and efficient than traditional risk-based sampling.

# 03 / What we'll do

Our solution has been created specifically to provide accurate and efficient support to the file review process, enabling better outcomes for consumers

Showing 12 of 12

View: Mixed Filters Sort by File Name ↑↓ Folders view off

1_HL_Single_10A. Signed Loan Contract.docx	Loan contract
1_HL_Single_1A. Home Loan Application.pdf	Application Form
1_HL_Single_2A. Lender Application File Notes.pdf	Application file notes
1_HL_Single_3A. Applicant 1 Payslip.pdf	Payslips
1_HL_Single_4C. Applicant 1 Living with parents declaration.pdf	Living with parents declaration
1_HL_Single_5A. Lender requirement and objective checklist.pdf	Requirements and objectives
1_HL_Single_7A. Applicant 1 Credit Bureau Report.docx	Credit Bureau report
1_HL_Single_8A. Serviceability Calculator.docx	Serviceability calculator
1_HL_Single_9B. Lender's written final assessment (Unconditional).docx	Lender final assessment
1_HL_Single_9C. Lender's written final assessment (Conditional).docx	Lender final assessment
Transactions_1_HL_Single_Jim_Neville.csv	Transactions
Transactions_1_HL_Single_Jim_Neville.json	Transactions

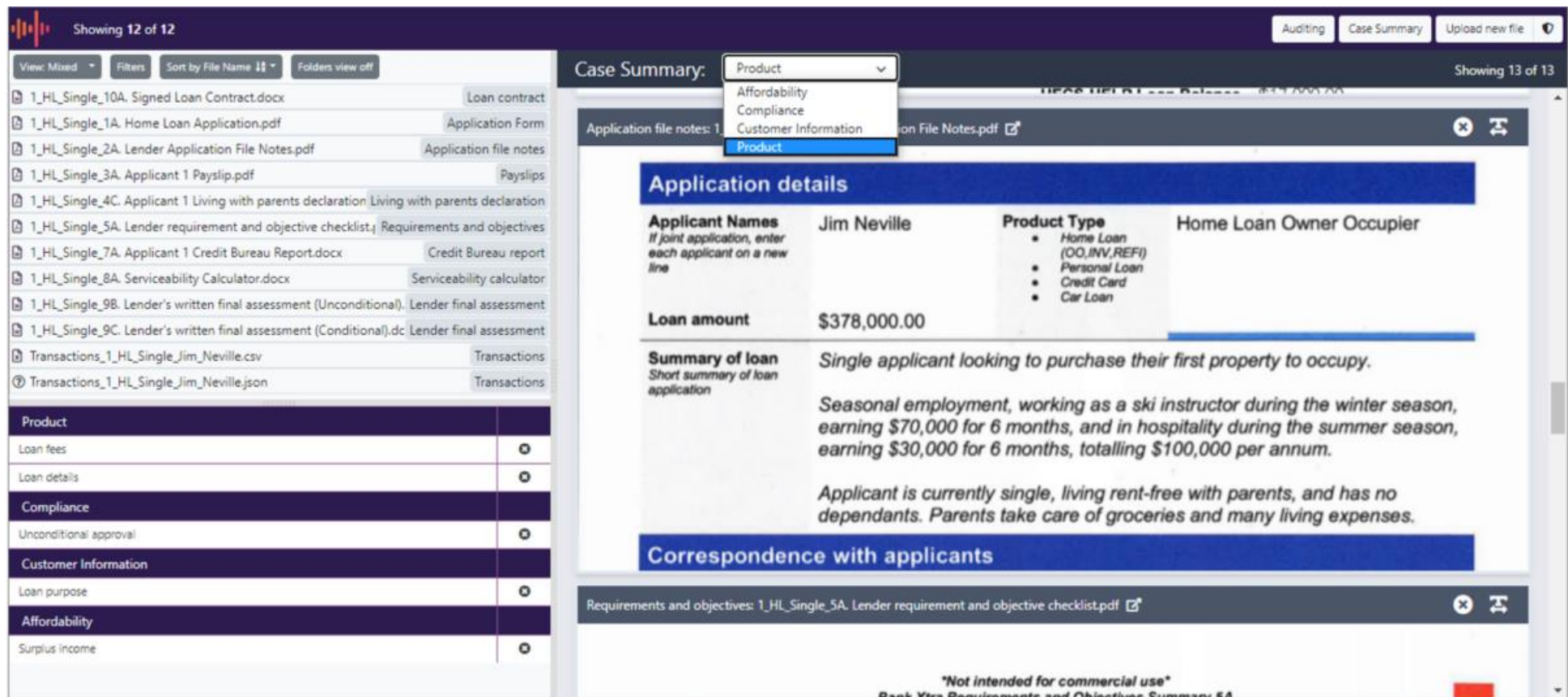
## File completeness check ✓

HPA will begin by ensuring all applicable and relevant files are present and that the credit provider has fulfilled their record keeping obligations. If records are missing, the file will automatically be returned to the provider with a note requesting the relevant information. This saves a huge amount of file reviewer time which might otherwise be wasted on incomplete files.

# 03 / What we'll do

## Auto-summariser and smart search

Having assessed all documents in the case file, the system will automatically seek out pre-determined themes and summarise the findings, taking the reviewer to the exact file location as shown below. In addition, through smart search, reviewers can conduct additional file searches using exact terms, near matches, synonyms etc making files much easier and quicker to interrogate.



The screenshot displays a software interface for document management and summarization. On the left, a file list shows 12 documents, including loan contracts, application forms, and lender assessments. The main panel, titled 'Case Summary', provides a detailed overview of the application. A dropdown menu for 'Product' is open, showing options like 'Affordability', 'Compliance', 'Customer Information', and 'Product'. The summary includes:

- Application details:** Applicant Name: Jim Neville; Product Type: Home Loan Owner Occupier (with sub-options: Home Loan (OO,INV,REFI), Personal Loan, Credit Card, Car Loan).
- Loan amount:** \$378,000.00
- Summary of loan:** Single applicant looking to purchase their first property to occupy. Seasonal employment, working as a ski instructor during the winter season, earning \$70,000 for 6 months, and in hospitality during the summer season, earning \$30,000 for 6 months, totalling \$100,000 per annum. Applicant is currently single, living rent-free with parents, and has no dependants. Parents take care of groceries and many living expenses.
- Correspondence with applicants:** Requirements and objectives: 1\_HL\_Single\_5A. Lender requirement and objective checklist.pdf

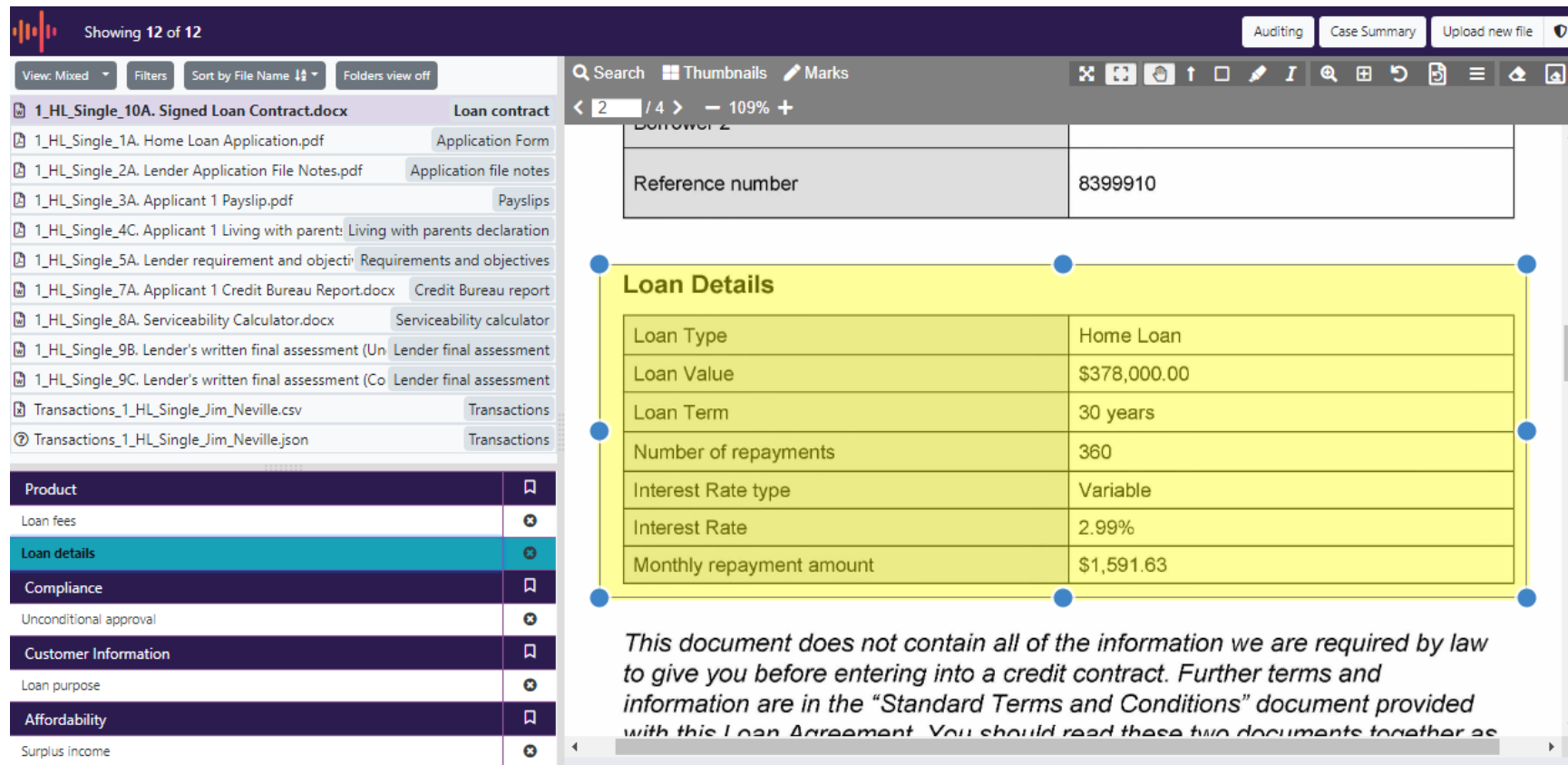
At the bottom, a disclaimer reads: '\*Not intended for commercial use\* Bank Xtra Requirements and Objectives Summary 5A'.



# 03 / What we'll do

## Bookmarking

Having found data relevant to the review, bookmarking allows reviewers to assign specific themes/outcomes to the evidence. This is used in the review output and can be exported to provide an unequivocal evidence pack, detailing why the credit provider's file is either suitable or unsuitable.



The screenshot shows a document review application interface. On the left, a sidebar lists 12 files, including '1\_HL\_Single\_10A. Signed Loan Contract.docx' (Loan contract), '1\_HL\_Single\_1A. Home Loan Application.pdf' (Application Form), and others. Below the file list is a sidebar with categories like 'Product', 'Loan fees', 'Loan details', 'Compliance', 'Customer Information', 'Affordability', and 'Surplus income'. The 'Loan details' category is highlighted in blue. The main area shows a document preview of '1\_HL\_Single\_10A. Signed Loan Contract.docx'. A table in the document is highlighted in yellow, titled 'Loan Details', with the following data:

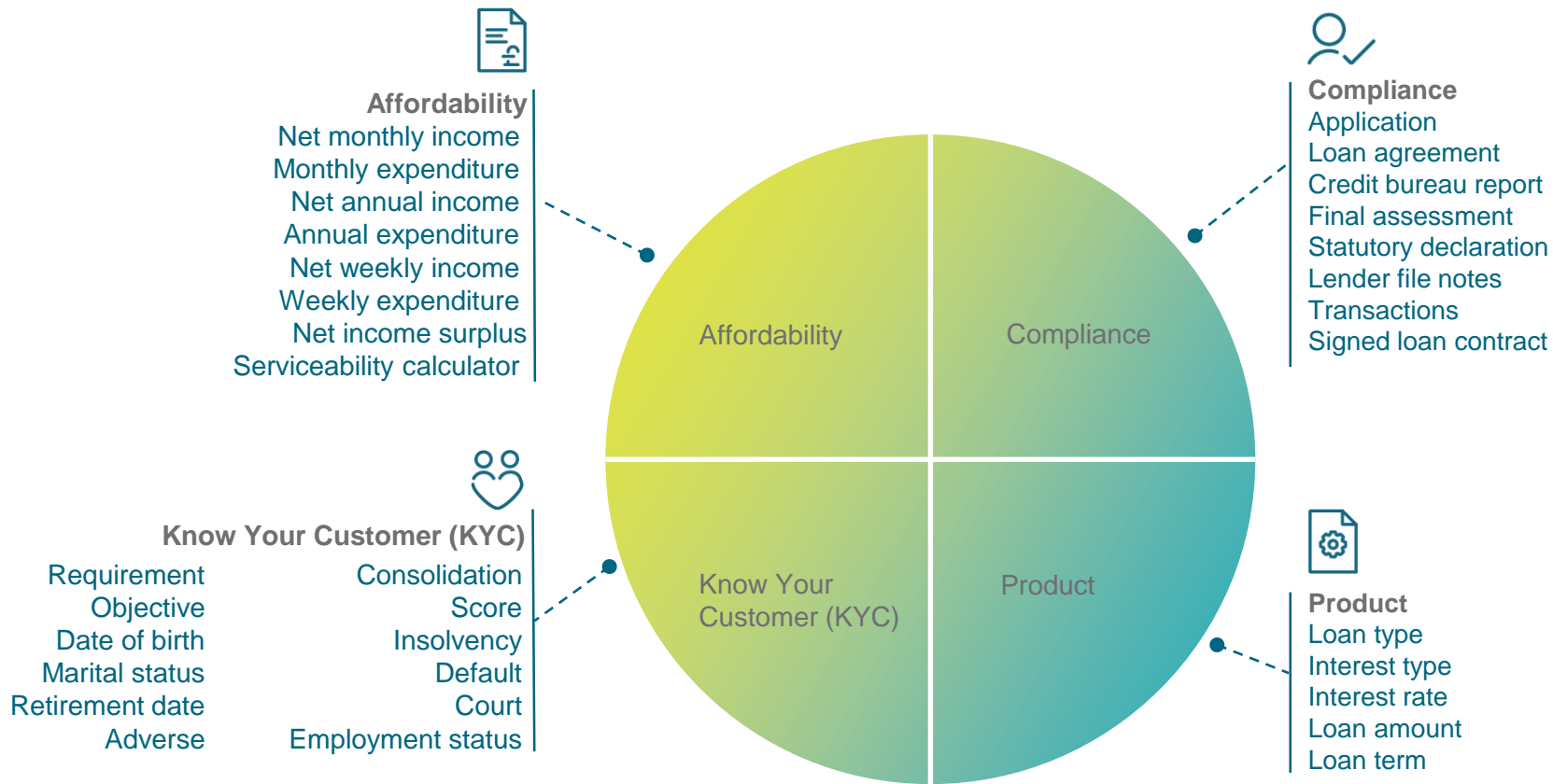
Loan Type	Home Loan
Loan Value	\$378,000.00
Loan Term	30 years
Number of repayments	360
Interest Rate type	Variable
Interest Rate	2.99%
Monthly repayment amount	\$1,591.63

Below the table, a text block is visible: *This document does not contain all of the information we are required by law to give you before entering into a credit contract. Further terms and information are in the "Standard Terms and Conditions" document provided with this Loan Agreement. You should read these two documents together as*



# 03 / What we'll do

KRI checks are available post-system training. In order to add extra value to the ASIC dataset review, we developed key word searches on the following areas to act as early warning risk indicators. These key words were split into four applicable categories.

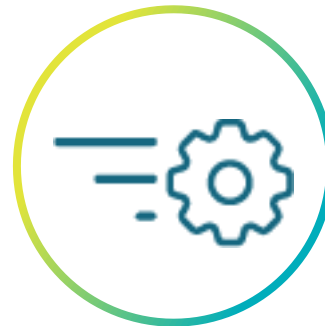


# 04 / Why work with TCC



## Expert

We're regulatory experts focussed on conduct and culture – so you know each and every project will be set up to manage the expectations and requirements of your business, your consumers and the regulator.



## Efficient

We have proprietary, custom built RegTech designed explicitly for financial services: it enables us to be exponentially more efficient and thereby save costs.



## Experienced and smart

We have extensive experience designing and delivering large-scale managed service programmes. Our advisory team SMEs ensure all projects are set up for success.



## Value add

As a TCC investment to demonstrate the value we place on HPA's ability to succeed, for each project we provide free access to our steering committee made up of experts in the applicable subject matter and managed services, who can be available to discuss project progress and initiatives.

## 04 / Why work with TCC



### Cost-effective delivery

Using cutting-edge technology and a completely optimised process, file review time can be cut in half the time. And, as skilled resource is the most costly component of any review, this means HPA is extremely cost-smart.



### High quality

Just because we're doing it quickly doesn't mean we compromise on quality. You'll get the most reliable, qualified and skilled resource along with technology that enables a superior audit trail.



### Smart population selection

Our KRI checks will revolutionise population selection. By running our technology over all files we can digitally detect actual risk within them. Only those with verified risk are pushed into the review population for a human check.

## 04 / Why work with TCC



### Collaborative

Through the use of APIs, our HPA solution can plug in seamlessly and work in tandem with your existing technology providers.



### Time-saving

Our digitised document viewer tool enables our teams to check nearly twice as many files in the same time as before.

# 05 / Scalability and additional use cases



## Additional uses

Aside from ASIC's use case relating to consumer lending, HPA can be used to review files for any product type within financial services.

In addition, it can be used to review multiple products within one file. For example it can be used for remediation on Fee For No Service (FFNS) projects. 1000s of files can be reviewed far more efficiently and accurately than they could be using human expertise alone.



## Scalability

The HPA solution can process an unlimited number of files, and by making the file review process so much more efficient, it allows for a much greater volume of business assurance.

85%  
more efficient  
file reviews

90%  
more assurance



# Case study

## Outsourced business assurance accelerated by RegTech



Faster at dealing with a backlog than in-house team



Quicker at conducting BAU checks compared to in-house team



### The challenge

A leading global financial advisory firm providing whole of market advice to high net worth clients was struggling to conduct assurance over new business using its in-house team. It'd had trouble recruiting suitably qualified staff and was experiencing a severe backlog that was resulting in loss of business. The pressure on the in-house team was also creating quality issues, with a number of cases being passed that were actually unsuitable.

### Our solution

Our client was finding maintaining an in-house team a real headache so sought an outsourcing partner it could trust. Committed to driving quality and reducing business risk, our client was happy to move to the standard TCC file checking methodology which we had proven yielded exemplary results.

With the new process in place, we quickly dealt with the backlog. Using a temporarily augmented team and our cutting-edge technology, we turned around the case load three times faster than the client could have managed in-house.

Once we moved to business as usual we improved the case check rate twofold. Our high-performance solution sped up the process exponentially by reducing the manual work required to identify document types and missing documents, and manage the workflow. This allowed us to review as many cases as the in-house team, but in half the time.

Quality also improved due to combination of our methodology, an experienced team and our high-performance solutions providing more targeted, superior quality assurance.

### The TCC difference

- Outsourcing business assurance to us removed the burden of recruiting and training an in-house team and ensured consistent quality.
- Using our winning combination of tech-powered assurance and file checking expertise, we sped up file checking exponentially, resulting in a more cost-effective and higher quality function. This also meant we could deal with increases in case load with ease.
- Moving to the TCC standard file checking methodology immediately improved quality of advice and suitability. The methodology also improved communication between business assurance and the client's advice team, which meant issues were dealt with quicker and training implemented sooner.

# 06 / Book a demo

The deliverables from our solution are far greater efficiency, accuracy and ultimately, more transparency. The most viable way to show you this is via a demo.

Our demo will cover:



File completeness checks



Document identification



Bookmarking



Auto-summariser

**See it in action**

[Contact us](#) to request a demo, and we'll be happy to show you how we can revolutionise your business assurance.





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