Automating

financial validation

tic:toc Enterprise

Daniel Price
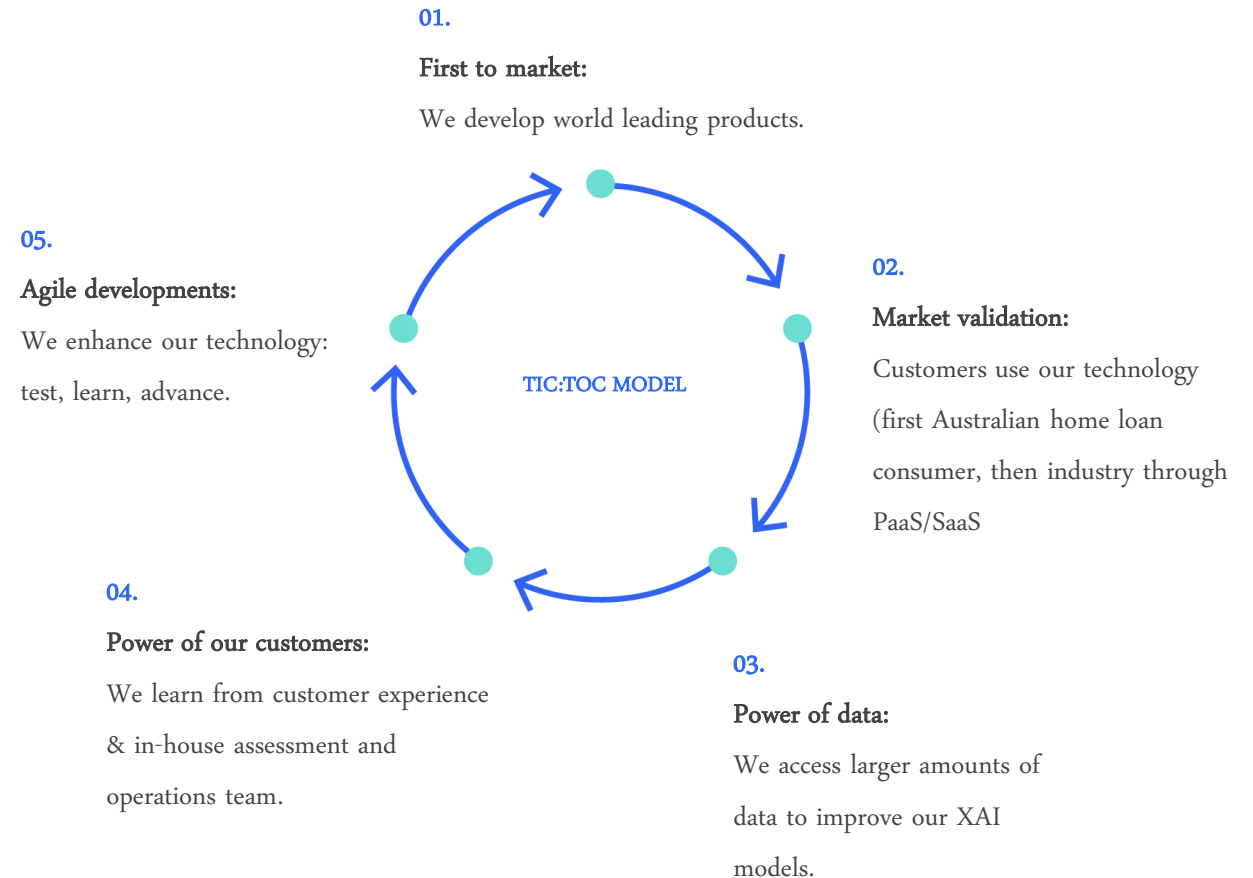
Chief Enterprise Officer

dprice@tictochomeloans.com

Introducing Tic:Toc.

We're a tech company that creates solutions to make financial services processes **faster, smarter and simpler.**
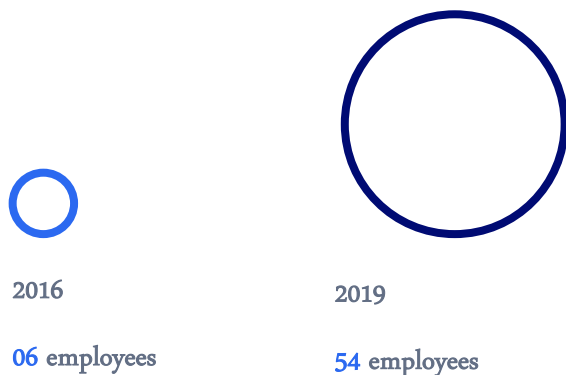
We combine Explainable Artificial Intelligence (XAI) with digital fulfilment and underwriting expertise, to improve and accelerate loan application and decisioning.

Tic:Toc has a customer facing 'proving ground' – **Tic:Toc home loans** – which both validates and inspires our XAI technology; creating an environment for our finance, data, software and UX experts to develop customised solutions to solve real customer and business problems.

01.

First to market:

We develop world leading products.

05.

Agile developments:

We enhance our technology: test, learn, advance.

TIC:TOC MODEL

02.

Market validation:

Customers use our technology (first Australian home loan consumer, then industry through PaaS/SaaS

04.

Power of our customers:

We learn from customer experience & in-house assessment and operations team.

03.

Power of data:

We access larger amounts of data to improve our XAI models.

Tic:Toc evolution.

2016

06 employees

2019

54 employees

Tic:Toc settled portfolio growth

Jul 2017 Jan 2018 Jul 2018 Jan 2019 Jul 2019

2017

JULY

Tic:Toc launches its direct to customer offering, the world's first instant home loan.

NOVEMBER

Recognised as one of KPMG's Hottest 100 Emerging FinTechs.

2018

MAY

Awarded Most Innovative New Product or Service in the MuleSoft Tech Innovator Awards.

SEPTEMBER

Awarded Finder's Best Technology Innovation.

JANUARY

Launched Bendigo Express, Tic:Toc's first PaaS offering.

2019

MARCH

Tic:Toc Enterprise formally established with the purpose of industrialising and commercialising the technology behind its digital offerings.

NOVEMBER

XAI Validate beta launch to market.

Solving for financial validation:

XAI Validate

Validating a customer's financial position accurately, is hard. It is cumbersome, time consuming and expensive. Customer experience dwindles with the back and forth of documents, intensified by the fact that digital-first customers are demanding convenience over personal connection.

This challenge was the motivation to launch a **fully digital home loan** to the Australian market, leveraging Explainable Artificial Intelligence (XAI) models to strip cost and complexity from an outdated process while significantly enhancing the customer experience.

The success of Tic:Toc home loans validated this technology, resulting in **XAI Validate** which provide efficiencies, improved experience and rigour to financial validation.

XAI Validate is powered by a set of sophisticated normalisation, categorisation and assessment models, supported by an intuitive user interface that allows assessors to interact with and understand the models and data.

1.

Dramatic efficiency gains through automation and 'assessment by exception'.

The XAI models assess income, expenses, assets and liabilities. Additionally they flag adverse and high-risk transactions.

Assessment results can be compared to your customers' stated financial position, automating decisioning within configurable tolerances.

Assessors can explore the XAI assessment results and underlying data through visualisations and logical displays. They can interact with, enrich and remodel the data — when they need to or 'by exception', making faster and highly informed, human decisions.

As margins come under pressure, XAI Validate streamlines operations and aggressively lowers costs.

The result is a higher conversion rate (due to reduced withdrawals) and a reduction in assessment costs.

TIC:TOC CREATED

$350 million
applications per month

83%
reduction in assessment time

2-day
turnaround on decisions

12 operational staff
(assessors and home loan specialists).

2.

Improved products and customer experience for growth.

XAI Validate enables you to deliver a superior product (through competitive pricing) and experience (customisation and speed of approval) than your competitors. It increases customer experience, satisfaction and conversion.

The XAI models can provide customers with real-time decisions and tailored experiences, creating an engaging and interactive application process. It aids in competitive risk-based pricing and gives customers access to assessors focused on engagement and fulfilment, over box-ticking.

XAI validate also simplifies the document supply process for customers. Instead of searching for payslips, bank statements and other documents, customers can simply link their bank accounts to save time and hassle.

CUSTOMER REVIEW

I was skeptical at first, but this is the easiest financial transaction we have ever done. A very easy, straightforward process. Everything was so fast and uncomplicated.

Catherine, Feb 2019

3.

Deliver responsible, accurate and consistent assessment, with a higher credit quality.

XAI Validate models were developed through engagement with regulators and the industry and can validate a customers' stated situation against indisputable income and expenditure data, **instantly**. The product also highlights potential undisclosed liabilities and flags adverse and high-risk transactions for assessors to investigate by exception.

XAI Validate also leads to better credit outcomes. The product helps prevent approval of high-risk customers, while assisting to approve good customers that may otherwise be declined. This is achieved through a consistent validation method that ensures compliance with relevant lending legislation.

XAI Validate maintains a full audit log and facilitates recording assessment notes all the way to a transaction level. Users can extract all information from XAI Validate as a formatted report, or via direct API integration.

TIC:TOC HOME LOANS

0% of loans have been greater than 60 days in arrears.

0.0019% of loans have reached greater than 30 days arrears
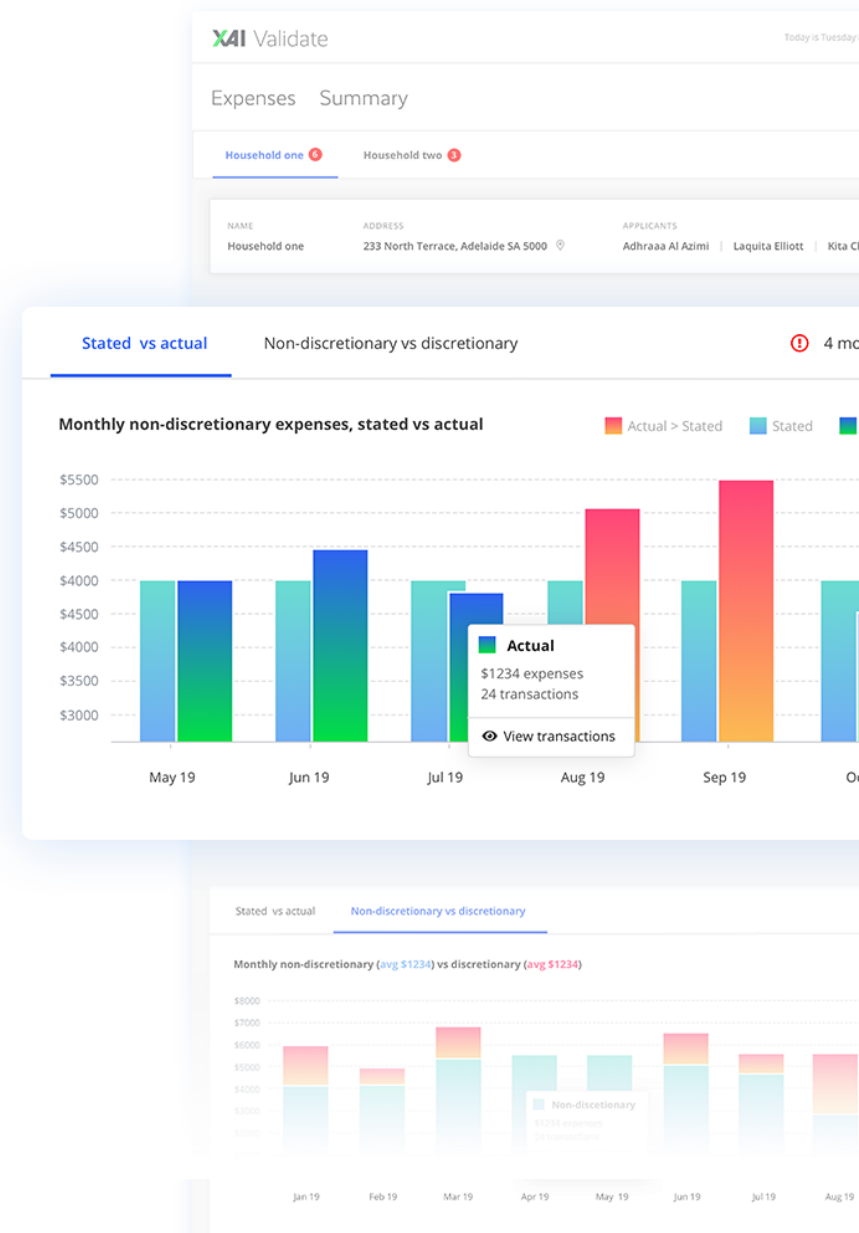
0.0160% of loans have ever being in arrears.

Reap the benefits of a working model, developed and maintained by a team of experts with industry engagement.

XAI Validate was developed over three years, leveraging the insights and learnings gleaned from aggregator data. The development was supported by a team of risk, development, data, UX and customer experts; along with engagement with the fifth largest retail bank.

XAI Validate continues to benefit from Tic:Toc's unique proving ground model. Being embedded in the Tic:Toc home loans proposition, means unique insights are fed back to the product development team continuously. This, accompanied by enhancement requests from our customers, means the solution is always leading edge.

4.

XAI Validate

Expenses   Summary

Household one   Household two

NAME   ADDRESS   APPLICANTS
Household one   233 North Terrace, Adelaide SA 5000   Adhraaa Al Azimi | Laquita Elliott | Kita Cl

Stated vs actual   Non-discretionary vs discretionary   4 mo

Monthly non-discretionary expenses, stated vs actual   Actual > Stated   Stated

$5500

$5000

$4500

$4000

$4500

$4000   Actual
                 $1234 expenses
$3500   24 transactions

$3000   View transactions

May 19   Jun 19   Jul 19   Aug 19   Sep 19   O

Stated vs actual   Non-discretionary vs discretionary

Monthly non-discretionary (avg $1234) vs discretionary (avg $1234)

$8000

$7000

$6000

$5000   Non-discretionary

Jan 19   Feb 19   Mar 19   Apr 19   May 19   Jun 19   Jul 19   Aug 19

Enhance your solution with

XAI Validate

XAI Validate sits cleanly between Illion Open Data Solutions data aggregation services and the Illion Decisioning system (or other systems).

It offers the most sophisticated and efficient financial validation modelling and interactive experience in market.

The output of XAI models:
Validation extract.