

## **OPEN BANKING – snapshot**

Open Banking requires banks to share their line-by-line customer statement data with other parties. This treasure trove is available to third parties at little cost via integrated tech companies.

With your permission, months of transactions can be captured from your current accounts in real time. Therefore, when you apply for a loan, you will need to agree to provide access to your accounts allowing thousands of line transactions to be analysed. Within a second, the algorithm will determine whether you will be approved or declined for the loan.

Open Banking allows your bank transactions to be analysed in micro detail so if a payment is missed, the account can be ongoingly investigated to establish whether you will be in a position to pay in the future or if you are suffering significant and ongoing financial stress. Then, it will be up to the bank to take steps and measures to mitigate its risk and hopefully support the borrower as well.

Banks will also be able to micro-manage rate for risk and can adjust the loan terms to match individuals' circumstances.

There are steps you should be taking to significantly improve your abilities to qualify for loans in the future. For more information and for tailored, specific credit advice, contact Chocolate Money on 1300 137 539