

Comment on FCA temporary financial relief proposals from UK's 4th credit reference agency

London: Thursday 2nd April 2020: Please see below comments from Aneesh Varma, Founder and CEO at Aire, responding to [today's proposals from the FCA around temporary financial relief for borrowers impacted by coronavirus](#).

Authorised by the FCA in 2016, Aire is the UK's fourth credit reference agency. It helps lenders assess credit applications and support existing customers by gathering financial and lifestyle information directly from the consumer, and validating it for accuracy using machine learning

Aneesh Varma, Founder and CEO at Aire, comments: "We welcome the FCA's proposed measures to support users facing financial difficulties due to coronavirus, however, we feel that a period of three-months is unlikely to be a long enough timeframe. Lenders will need to show forbearance for many months to come."

"Millions of consumers will experience a great deal of pain over the coming months, and this crisis will test the limits of lenders' ability to understand what is happening in their loan portfolios, and their ability to support customers experiencing difficulties."

"Employers have already let people go in large numbers in sectors such as hospitality, travel, leisure, retail, arts and entertainment. Many of those already affected are young people working for minimum wage. We can expect many of the UK's 5.8 million self-employed, freelancers and full-time gig workers to be hit soon after."

"Lenders can expect to see default rates increase dramatically throughout 2020 and possibly well into next year too. Aire estimates that the number of people in the UK missing one or more credit payments could increase from around 700,000 last year to over 2 million this year."

"Lenders are, understandably, stretched and struggling to build accurate, up-to-date pictures of their customers. As the crisis develops, and customer facing teams continue to be disrupted by school closures and enforced isolation, lenders will be challenged to provide the scale of support required by those customers who desperately need it."

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Notes for Editors

Download a picture of Aneesh Varma:

<https://www.dropbox.com/s/ke69cel8w1i8vwr/Aneesh%20Varma%2C%20founder%20and%20CEO%20at%20Aire.JPG?dl=0>

About Aire

Aire exists to make credit equitable for everyone. Founded in 2014, it provides a range of credit risk and affordability insights to lenders to drive fairer decision-making across the customer lifecycle. Placing the consumer in control, Aire's Interactive Virtual Interview (IVI) gathers information seamlessly and at scale from the borrower. Validated for accuracy using powerful machine learning technology, insights are then returned to lenders in real-time to enable better credit decisions across acquisition, customer management and collections and delivering up to 14% uplift in credit acceptance rates. To date, Aire has evaluated over \$10 billion of credit and, in 2016 received FCA authorisation as the UK's fourth credit bureau (744817). Operating across the UK and US, Aire has raised \$23 million in funding from backers that include Crane Venture Partners, White Star Capital, Orange Ventures and Experian.

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