

Case Study: Leveraging Telco Data to Enhance Credit Risk Scoring and Financial Inclusion in South Africa

Background: TransUnion and the Credit Landscape

TransUnion is a global credit bureau that analyzes consumer credit data to help financial institutions assess creditworthiness. In South Africa, nearly half the population lacks formal credit histories, particularly among youth, informal workers, and rural communities. This limits access to financial services.

Telecommunication data offers a powerful alternative. With widespread mobile usage, telco data provides real-time behavioral insights that can serve as proxies for financial reliability. This approach enables broader credit access, promotes fairer assessments, and empowers underserved individuals with tools for education, entrepreneurship, and economic inclusion.

Task: Use Telco Data to Improve Credit Access

You have been tasked with improving credit access for the underserved population in South Africa by leveraging telecommunication data as an alternative data source for credit risk scoring.

Based on the above context, please prepare a 10-minute pitch that outlines:

- How telco data can be used to assess creditworthiness.
- The value proposition of using telco data.
- Potential risks and challenges.
- Mitigation strategies.

Assessment Criteria

You will be evaluated on your ability to:

- Clearly explain how telco data reflects financial behavior and creditworthiness.
- Provide a compelling rationale for how telco data supports financial inclusion and fairness.
- Identify key challenges and propose practical mitigation strategies.
- Demonstrate awareness of ethical data use and the importance of maintaining customer trust.