

Fair Isaac (Adepra) Limited (formerly Adepra Limited) (“FICO”) is a specialist automated customer communications channel that focusses primarily on fraud prevention and verification and also payment reminders for a broad range of the global clients. In the UK, most clients are based in the banking and financial services sector.

FICO is widely regarded as an industry leader – both in terms of market share for these services, but also because of its responsible and consumer-focused technology which provides automated resolution of issues in a consumer-friendly and responsible manner using state of the art technology to both verify consumer identity and also to quickly resolve the issue that affects the consumer, on behalf of FICO’s client.

FICO’s clients are highly regulated companies who are typically also strongly regulated in the financial services sector through strict regulatory regimes concerning data protection, privacy and security. The clients are held to the highest standards of conduct through the banking industry’s regulatory framework. FICO services have been designed to fully support these high standards of regulation – as evidenced by their extensive use within the banking and financial services sector. Additionally, FICO is certified fully IS27001 compliant and has the highest level of full PCI-DSS data security certification. It is regularly audited to ensure that its systems and process are secure and comply with all regulatory and compliance obligations, both by external auditors and also by its own clients.

As Adepra Limited, FICO has responded to past Ofcom consultations and has met with Ofcom to explain its technology and the benefits it provides in reducing and preventing fraud (and the associated inconvenience and cost for the consumer) and also in assisting the consumer with payment obligations to banks and others organization (enabling consumer to avoid adverse consequences of any late payment).

We are pleased that Ofcom has received our responses positively in past consultations and we pride ourselves on being a responsible industry leader in customer engagement technologies. Our solutions that are designed to enhance consumer experience and not reflect negatively on our clients by providing a nuisance. Consumer are at the heart of our systems and processes.

We only contact consumers based on client requirements and we do so in a manner, method and at a time as requested by our client. The consumers we contact have a pre-existing relationship with our clients and contact is made pursuant to that relationship.

FICO welcomes the additional clarification being sought by Ofcom in relation to ACS and IVM services. FICO believes strongly that the poor and inappropriate use of technology damages the effectiveness of genuine and appropriate use and damages trust between the consumer and a calling party in the industry generally. We are keen to work with Ofcom in developing a current understanding of these technologies and provide advice and thought leadership to the formulation of best practices and guidelines for proper use of such technologies to drive out any practice which is a nuisance, or otherwise causes distress to a called party.

- The nature of nuisance calls as we see them in the market
  1. Typically sales driven
  2. Unsolicited calls from companies that have no association with either the household being called or the responding consumer.
  3. Crude use of technology means that consumers are often receiving multiple generic calls or answerphone messages
  4. There is often no way of contacting the organization and being removed from their calling lists
  5. That a called party is left holding for a live agent or unable to resolve the issue they have been contacted about.

FICO's technology does not conform to the descriptions above and FICO strongly believe that use of technology that does cause the above issues can and should be avoided.

- How our service differs
  1. Our calls are typically time critical, where our client is reaching out to the consumer for either:
    - Verify recent account activity to protect them from potential fraudulent account use
    - Notify the consumer of missed payments to prevent them from incurring additional cost of borrowing or damaging their credit history/file
  2. Our clients include a number of the largest financial institutions in the UK, who are already comprehensively regulated by the DPA, FCA, PRA and the IOC. We also operate in the payment card industry where we and our clients are subject to the most comprehensive data security standards PCI/DSS for which we are audited and accredited for.
  3. the breadth and width of our experience is best illustrated with our credentials in these risk management functions:

Fraud numbers	Payment Reminder Numbers
<ul style="list-style-type: none"> <li>• Saving the banking industry (and thus costs for consumers) £5.1B annually</li> <li>• Over 350,000 fraud events identified monthly</li> <li>• Over 5 million consumer alerts issued monthly</li> </ul>	<ul style="list-style-type: none"> <li>• Direct collection of c. £200M (8.16% the amount owed)</li> <li>• 10 Million customer accounts per month</li> <li>• Manage cases with the equivalent of £2.4B in due payments</li> <li>• In-direct collection of 9.12%</li> <li>• 44-68% of Consumers engaged proceed with making an arrangement to pay.</li> </ul>

4. The vast majority of our calls are fully automated and are intended as self-service so the consumer can complete the interaction without the need to speak or wait to speak to an advisor. In the event there is a need to connect them to an advisor our technology ensures this is a positive experience (see point 7). The identity of

the consumer is properly validated and the client ensures they are happy with their legal compliance in this regard.

5. We are making calls to known individuals/consumers on behalf of organizations with an existing relationship with the consumer being called
6. Our clients responsible ensure that the identity of the called party is validated prior to any information that is covered by the data protection act being disclosed
  
7. Our technology specifically addresses Ofcom's concerns
  - We operate a call pacing algorithm where our clients can determine the maximum wait time that is acceptable for connecting a consumer to a live agent. On every connection we measure the wait time and should the maximum be achieved, outbound dialing is suspended until the wait time returns to an acceptable interval.
  - Through the use of beep technology where there is no response from a phone connection but an answerphone beep is heard we ensure that no messages are left
  - Our detailed reporting and audit capabilities enable us to measure and report the number of calls transferred to agents, the wait time to do so and call recordings can be enabled as required to monitor consumer experience.
  - We ALWAYS provide a CLI that enables the consumer to call back and identify and establish who was calling them.

FICO agrees that misuse of contact technology causes harm to the consumer population and supports Ofcom's efforts to ensure appropriate use.

The appropriate application of this technology is beneficial to both the consumer and our client organizations as it enables:

- Our clients to communicate real time to consumers who have potentially been the victims of fraud.
  - Reducing losses where fraud is confirmed
  - Increasing customers use and reliability of the account where they confirm the activity as genuine
  - Contacting all customers within the same time period regardless of agents/physical resources being available
- The embarrassment and/or expense associated with late payments

We welcome an engagement with Ofcom to share our knowledge of these types of technologies, information on consumer satisfaction ratings and the benefits to both clients and consumers from using of a reputable service such as ours. We would appreciate the opportunity to share our thoughts on effective guidelines for the further protection of consumers. We also request that Ofcom take on board the comments made in this response, such that any further policy or regulation recognizes the responsible use of technology benefits consumers and certainly that FICO technology does not cause nuisance or distress to consumers.