

Subscriber^{Wise}®

Risk Management Solutions for the Communications Industry

FICO® Score Distribution among Prospects to Communications Service Providers Indicates Significantly Higher Risk Nationwide

PRESS ROOM – FOR IMMEDIATE RELEASE

Massillon, OH, June 25, 2010 – SubscriberWise, the leader in analytics-driven subscriber risk management, today announced that prospective subscribers to communications companies decision with significantly lower FICO® scores when compared to FICO national averages.

"This analysis of FICO scores from 20 US operators reveals score distributions far outside the national averages indicated by FICO and with significantly higher percentages of subscriber originations presenting in the bottom 25 percent of the adult credit consuming population," said David Howe, president of SubscriberWise. "Our data set included more than 115,000 FICO scores spanning a multi-year period from individuals in every region of the country. According to FICO, 25 percent of the credit consuming population scores between 300 and 599, but for prospects decided on by communications operators that percentage averages a staggering 51 percent."

"It's a statistical fact for communications operators that a high percentage of new service requests are from prospects with serious and often extreme credit risk," explained Howe. "But it's also true that operators have only recently begun obtaining consumer credit data on prospective subscribers as a necessary measure to effectively manage expensive programming and equipment write offs. It's plausible that scores would be more representative of national averages if the system's entire subscriber base were also scored. However, by properly identifying individuals struggling with poor or even severe credit risk, operators can continue to extend their video, voice, and data offerings to every prospect with confidence at the same time strategically protecting the bottom line."

"As for the FICO high achievers - or those with scores above 750 – communications operators can expect only a modest 18 percent of prospects to decision into this desirable score range, despite FICO's estimate that 37 percent of consumers nationally have a FICO 8 score between 750 and 850," concluded Howe.

"FICO credit scores fall into a 300-850® score range, with more than half of all US consumers scoring above 700," said Tom Quinn, vice president of Scores for FICO. "FICO scores have long been the industry standard for measuring credit risk in which higher scores represent greater likelihood to pay as agreed. The score distribution data presented by SubscriberWise strongly suggests to me that operators should pay close attention to consumer creditworthiness if they want to stay competitive in today's challenging economic environment."

Analysis of the data from US communications companies also revealed a median FICO score of 595 for this population, while its average FICO score was 618.

About SubscriberWise

SubscriberWise employs enhanced Subscriber Level Segmentation technology to precisely identify credit-challenged subscribers to ultra-high achievers to maximize sales and boost profits. By incorporating years of communications performance data and proprietary decisioning models, including FICO's latest analytic technology (FICO® 8), SubscriberWise delivers unprecedented predictive power with a fully compliant, score-driven decision management system. Combined with Red Flag compliance and operator-controlled rules, SubscriberWise analytics empower CSR's to instantly and accurately respond to payment and credit characteristics with appropriate options for every subscriber. With SubscriberWise, no subscriber request is ever denied because of credit risk factors.

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