


CASE STUDY

 capitalontap


WISERFUNDING



Wiserfunding enabled us to skip ahead several years with our underwriting process and credit decisioning. They help us to win in a very competitive space that has huge incumbents.

ARA THIYAGARAJAH

Director of UK Credit Risk, Capital on Tap

**HOW CAPITAL
ON TAP ACCELERATES
CREDIT DECISIONING**

Capital on Tap provides an all-in-one small business credit card and spend management platform, making it easy for small businesses to manage their business spending, access funding, and earn cashback, travel, and gift card rewards.

Over 200,000 small businesses have spent £4 billion on their Capital on Tap Business Credit Cards across the US and UK.

Capital on Tap makes business funding and spending simple, saving business owners time and money. With a 2-minute application process, the majority of applicants receive instant credit decisions and immediate access to credit.

Business owners enjoy access to unlimited free 1% cash back, credit limits up to £500,000, and as many employee cards as they need for their business to run smoothly and efficiently – all for free.

Objectives

Increase Capital on Tap's credit limits for automated credit card decisioning

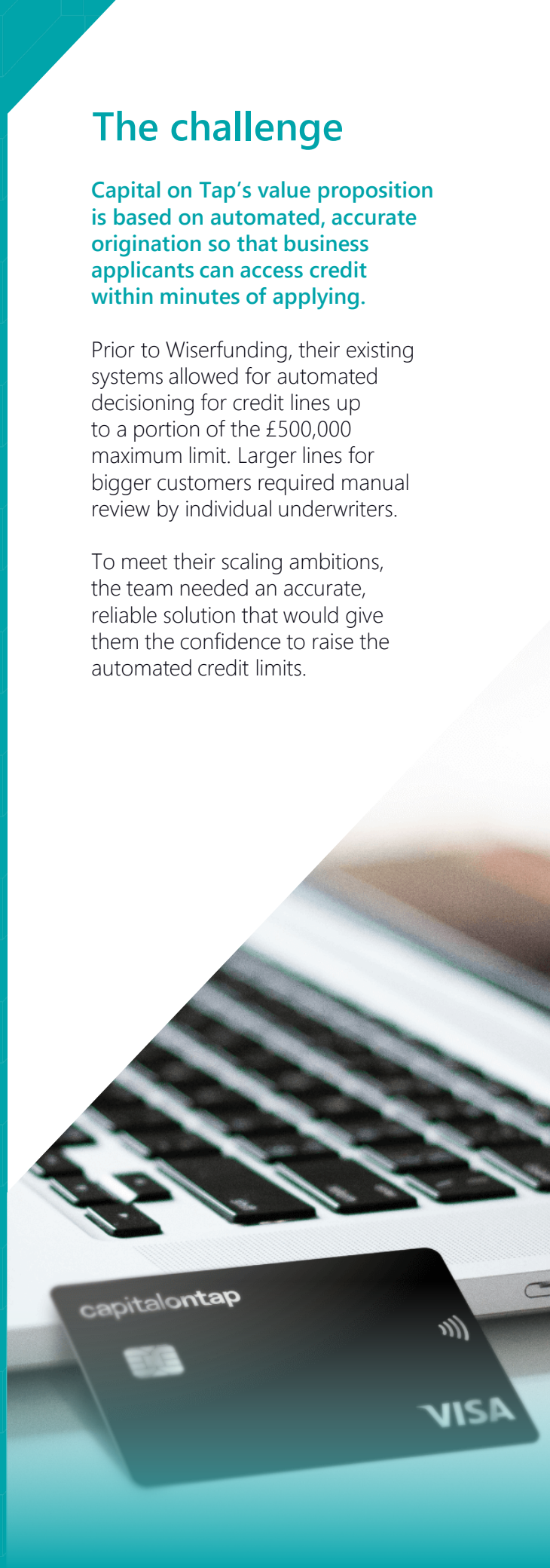
Safely enable Capital on Tap to lend to larger SME customers without increasing bad debt or defaults

The challenge

Capital on Tap's value proposition is based on automated, accurate origination so that business applicants can access credit within minutes of applying.

Prior to Wisefunding, their existing systems allowed for automated decisioning for credit lines up to a portion of the £500,000 maximum limit. Larger lines for bigger customers required manual review by individual underwriters.

To meet their scaling ambitions, the team needed an accurate, reliable solution that would give them the confidence to raise the automated credit limits.



Frictionless credit decisioning

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Expanding into portfolio monitoring

Today, Capital on Tap uses Wisefunding at the beginning of the customer journey to make new lending decisions.

Soon, the team will use Wisefunding's scores throughout the credit lifecycle to monitor and manage changes in the credit portfolio. With greater portfolio insight, Capital on Tap can reduce its cost of lending by managing down bad debt and lowering provisions as their book evolves and matures.

Empowering underwriters for larger credit lines

When applicants apply for larger credit limits beyond the automated threshold, their data is shared with an underwriter for manual review.

Wisefunding's solution provides a detailed report aggregating the applicant's relevant credit variables in three groups: proprietary credit variables, like the SME Z-Score, BRE, and PD; financial ratios, such as P&L and balance sheet ratios from filed accounts; and non-financial data, such as corporate governance details and macroeconomic indicators.

The report is accessed via Wisefunding's front-end portal and can be exported via PDF, enabling the underwriter to use it to make a manual credit decision or share it with stakeholders.

Any further escalation to internal decision makers uses the Wisefunding report as the primary source of truth.



**ENABLING
FASTER, SAFER
UNDERWRITING**



Results

ACCELERATE SAFER, SMARTER LENDING

Raising new limits.

Capital on Tap has doubled their automated credit limit, so larger applications that were previously manually underwritten are now completed instantly.

In the UK, 95% of applicants receive a decision in under 30 seconds, and 99% receive a decision within one day. The team has a path to continue increasing their automated credit limit without jeopardising portfolio health.

Growing the target audience.

Partnering with Wisefunding has enabled Capital on Tap to lend larger amounts to larger entities without jeopardising portfolio health.

Reducing lending costs.

Compared to other credit assessment solutions, Wisefunding provided more accurate risk assessment outputs, including applicants' PD and SME Z-Score.

When compared head-to-head, Wisefunding's outputs were more accurate than comparable risk assessments.

This has enabled Capital on Tap to effectively manage the bad debt in their portfolio, improving margins and increasing trust with investors so they can scale their business further.

Helping David beat Goliath.

Capital on Tap's mission is to provide the best credit card custom-built for small businesses, and Wisefunding's solution empowers Capital on Tap to serve their customers in a scalable way.

With automated decisioning for a broader pool of applicants, Capital on Tap can provide decisions with higher credit limits in minutes; the same credit would require weeks or even months to approve at traditional banks, often with lower limits. Speed and accuracy give Capital on Tap an edge over their competitors, which is essential for their future growth prospects.

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