

CASE STUDY

Increasing Fraud Prevention and Reducing Bad Debt

Leading Telecoms Provider

Credit Risk & Consulting



'No Intent to Pay' risk



Credit risk profiles



Rising levels of bad debt

The Client

Sky Mobile is the award-winning phone network from Sky, one of the UK's largest telecoms providers. With a forward-looking ethos and fair treatment at the heart of its brand, Sky has grown into a well-loved household name and powerful commercial force.

The Challenge

Due to its popularity and prevalence, Sky is vulnerable to high volumes of fraud in every form. However, improved ways to address and manage this are regularly assessed and implemented. During a strategic review, Sky noted an opportunity to improve how it detects mobile phone contract applicants with No Intent to Pay (NITP) risk.

Despite being a prolific fraud typology, NITP is a notoriously hard-to-reach issue. Due to detection challenges, NITP losses are often written off as credit risk and financial health suffers.

So, Sky set out to build a new NITP strategy for mobile phone customers. They began by enlisting their data consultancy and credit risk partner, Sagacity.

Sagacity quickly noticed that [Synectics Solutions](#) – a longtime counter-fraud collaborator – would add significant value in solving Sky's challenges. And so, along with [FICO](#), a tripartite project was established.

Sagacity Activities

Work began with a Proof of Concept to test the effectiveness of Synectics' SIRA platform and data syndicate. The process yielded compelling results, and keen to extend the benefits, Sky quickly briefed Sagacity to coordinate a SIRA implementation.

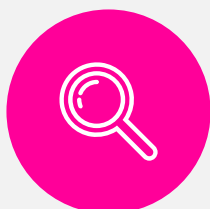
It was agreed that Synectics' data intelligence and counter-fraud solutions would couple with Sagacity's credit risk analytics, strategy and consultancy, with support from FICO's scoring mechanisms.

As the credit risk lead, Sagacity managed the project end-to-end, which included impact assessments, stakeholder engagement and overseeing the complex tri-party technical integration of SIRA into Sky Mobile's counter-fraud journeys.





**Sagacity Credit
Risk & Consulting**



**Synectics SIRA
platform**



**FICO scoring
mechanisms**

Owing to the close relationship between Synectics and Sagacity, timelines could be accelerated, with launch planning broken down into hourly increments at times.

£4.6m bad debt reduction

Forecasts place annual bad debt reduction at £4.6m, a value that would otherwise be lost to NITP fraud.

Within weeks of SIRA implementation, Sky also noted that the percentage of customers missing their first payment had dropped by 1.7%. These numbers far exceeded Sky's expectations and resulted in stronger resiliency against fraudulent financial losses.

Sky have also observed that the percentage of new customers who are defaulting on their loan within their first 4 months with Sky has dropped by 1%, indicating that SIRA will have the expected impact on NITP and achieve the full business case.

Immediate delivery monitoring confirmed that go-live was free from critical faults, and the project's early success is being hailed as a blueprint for fraud prevention possibilities in the tightly regulated U&T sector.