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5 reasons to step up your credit reporting practices

Customer expectations and options are constantly multiplying, which means that credit reporting errors can have detrimental effects on your customers' experience and, by extension, their loyalty. An incorrect ECOA code or improperly matched record can cause errors to appear on a consumer's credit file for seemingly no reason, triggering an arduous dispute process. With the proper data strategy in place, you can ensure only good data works its way through your systems and onto a consumer's credit file. That's good news for you and your customers. Here are five reasons why you need to prioritize accuracy in your credit reporting now more than ever.

1. You can help consumers proceed smoothly with their lives.

It's important to keep top-of-mind that credit reporting information can affect your customers' financial well-being. In addition to lending decisions, consumers are increasingly relying on credit information for noncredit decisions. This includes everything from buying a house to renting an apartment, or being approved for a job background check. Good reporting practices can help make these processes easier for customers, and deliver a frictionless and hassle-free experience that can mean long-lasting relationships.

2. You can foster positive customer relationships.

Fifty-three percent of organizations say customer experience is their top priority for 2019. But sixty-nine percent say inaccurate data undermines their ability to provide an excellent customer experience. To that end, being denied a loan or line of credit because of a false delinquency can upset customers and tarnish the relationships you've worked so hard to cultivate. Finessing your credit reporting process can improve your customers' interactions with your brand and help ensure their loyalty.

3. You can mitigate disputes and maximize efficiencies.

Credit reporting errors can snowball into disputes when they're left up to your customers to flag. Stay a step ahead by proactively identifying and resolving data errors before they appear on your customers' credit files. Not only can this help to save your customers from a great deal of work, but also it can help reduce the workload of your internal staff. Resolving Metro 2® errors proactively and reducing disputes is a win-win for your business and your customers.

4. You can demonstrate data integrity practices that are in line with regulation.

The risks associated with reporting inaccurate credit data can be both reputational and regulatory. Implementing the right processes around the monthly Metro 2® submission can help you remain compliant with requirements of the Fair Credit Reporting Act (FCRA) and help avoid unnecessary noncompliance penalties. In addition, by creating documented and repeatable processes for data integrity, you can demonstrate to regulators that your organization is committed to greater levels of accuracy in the credit reporting process. Available technology can even help to benchmark the quality of your data today and show improvements over time related to your Metro 2® files.

5. You can protect your bottom line.

What can better data quality behaviors give you? Well, better practices can help you pinpoint Metro 2® failures and data patterns contributing to inaccuracies. Data validation tools can help isolate errors and perform root-cause analyses to help you prevent these types of errors in the future. Better data quality can help you notice fraudulent accounts more easily, or uncover the need for better account closing practices. All of these can contribute to meeting regulatory obligations, improving customer experience, and streamlining internal efficiencies. And that's good for your bottom line.

Focusing on accuracy in your credit reporting doesn't have to be daunting or burdensome. DataArc 360™ is a bureau agnostic, on premise solution for managing credit reporting practices. This simple-to-use platform allow your business users to check your file against more than 130 pre-packaged Metro 2® rules. This allows you to remedy reporting issues and inaccuracies prior to sending data to the bureaus. With a proactive approach to your credit reporting, your organization can streamline monthly reporting processes, improve efficiency, and deliver better customer experiences for long-lasting relationships.

Let us help you ease the Metro 2® compliance process.
Learn how DataArc 360™ can help.

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