The excellent platform that has been made possible by the KTP has significant potential for Moneyline’s business as well as further research.

Moneyline (formerly East Lancashire Moneyline (IPS) Ltd) is a non-profit Industrial and Provident Society providing access to credit, savings and advice, primarily to individuals falling outside the lending criteria of the high street banks and building societies.

The aim of this 24 month KTP, formed with the School of Computing, Science & Engineering and English, Sociology, Politics & Contemporary History, was to develop a model for predicting the level of risk in approving credit by streamlining its application process and thereby delivering an increase in loan volume and a significant reduction in bad debt rates.

This KTP has enabled Moneyline to develop a unique Credit and Risk Assessment Tool for microfinance that facilitates objective assessment of loan applications, enabling discovery of emerging patterns that can be utilized for risk assessment and will enable the management of loan approval in a growing number of outlets.

During the course of the KTP the company has undergone a period of rapid expansion from five outlets at the start of the project to 15 by its conclusion. In a period of 24 months the company has needed to respond dynamically in building an infrastructure to adapt and change systems and processes to support this expansion. A further ten outlets were in the process of opening as the project concluded.

Coming from two different disciplinary backgrounds the academics, Professor Sunil Vadera and Dr Karl Dayson, have reaped significant rewards from the partnership; the application of data mining methods on a real world problem that is challenging and complex and where success has a positive impact on improving financial inclusion. The project has provided a case study that can be utilised to enhance teaching and learning and creates opportunities for real world projects for students in the final year of their studies, improving their experience and enhancing their employment prospects.

The project has also led to new multi-disciplinary collaboration between staff from Computer Science and Sociology and the publication of two papers.

Jia Wu, the KTP Associate working on the project has gained substantial experience in:

- Designing, developing and implementing a novel system and gained an in-depth understanding of the issues involved in utilising data mining methods in practice.
- Engaging and working within a very dynamic and growing business with a variety of stakeholders and users. This has included training, deployment and support of the system in 15 branches.
- Managing a novel and challenging project, and completing a training programme leading to PRINCE2 certification.

During the KTP the partners identified the need for a shorter follow-on KTP project; this came as a result of identifying weaknesses in the company’s data collection and control systems. The specification element of the shorter KTP generated a radical change in thinking about the various system processes within Moneyline and empowered staff to evaluate and critique current practice in a more open and involved way; across various branches and departments.

The research obtained from this follow-on shorter KTP has contributed to the profile of the Data Mining and Pattern Recognition Research Centre. The system developed provides access to previously unavailable social impact reporting that will allow the company to analyse customer behaviour and demographic, in order to shape the future provision of the service to meet customer needs. This will also allow Moneyline to share this social impact data more widely within the sector to contribute to the continuing development.