

Case study: development of ride-hailing credit scoring models.

Dmytro Kolehko, PhD, Chief Risk Officer of VP Bank.

Abstract

So far there is (a) no available research about the usage of a ride-hailing data to assess customers' credit risks, (b) no analysis how predictive ride-hailing data is, (c) no disclosure of features selection/predictive characteristics of such models, (d) no comparison of credit scoring models based on a ride-hailing information with traditional scoring models.

Meanwhile, ride-hailing services are popular in many countries, well known by such names as Uber, Bolt, Grab, and others. Most ride-hailing companies directly or indirectly provide their customers with unsecured and secured loans through finance companies or banks.

VP Bank's ecosystem has the unique advantage of cooperation with the ride-hailing company: "Be Group". This is the 2nd largest company in this business in Vietnam with over 1 million rides per week. Be Group's rich unstructured data allows to make robust credit scoring models for unsecured lending.

Research covers (i) specifics of selecting features for ride hailing customers, including disclosure of some predictive characteristics, (ii) compares the outcome of algorithms such as Logistic Regression, Gradient Boosting Decisions Trees and Recurrent neural networks, (iii) lessons learned during scoring models development and (iv) and results of the practical implementation of ride-hailing credit scoring models in production.

The proposed research will close the existing information shortage in the area of ride-hailing credit scorecards and might be of a high interest to many participants of the Credit Scoring & Credit Control XVII conference.