



# Captive lender's new financing platform supports 225,000 annual loans

- **Legacy auto finance platform was non-compliant**
- **Revamped customer and vehicle onboarding journey**
- **Risk-based pricing offers regulatory compliance**

## The business issue

Recent Australian Regulator (ASIC) Legislation bans captive lenders from paying car dealerships "flex commissions" which inflate the interest paid by buyers. Captive lenders not complying with the ban risk having their trading licenses rescinded.

The largest captive lender in Australia was hampered by a decades' old legacy CRM environment and unsupported "middle office" applications.

The company needed to replace the existing environment with a compliant, modern customer engagement platform that delivers a better customer experience at a lower cost of operation. Compliance and customer retention in the face of third-party loaners (digital disruptors with pre-approved offers) were both critical to protecting the company's market leadership.

## The solution

The lender implemented its Pega solution as an integrated customer engagement platform, managing the lifecycle of the customer relationship from initial customer interaction (lead generation and lead management) through loan application and origination.

Running on the Pega Cloud®, the new platform drives closer dealer engagement and increases business agility while supporting the regulatory compliance requirements of ASIC.

When fully realized, the Pega customer engagement platform will extend to include post-sale, customer retention, and cross-sell/up-sell interactions.

## The results

Pega's transformational platform has solved the lender's key business challenges. The agile development approach produced immediate improvements to operational technology and guaranteed the company the ability to manage change in support of a growing and evolving business climate. It also delivers:

- **Process improvements to back office processes**
- **Improved reporting capabilities and efficiencies**
- **The ability to calculate risk-based pricing**