

5 Ideas For ATB Financial

By Matthew Gaiser matthewgaiser@live.com

Innovative Loan Assessment

- While the FICO score has its uses, it is less effective in areas with large job losses and with younger borrowers.
- In this economic crisis, there are thousands of people who are going to have their credit scores destroyed through no fault of their own. Their defaults are based on circumstance, not a lack of responsibility.
- If the economy improves and they get back on their feet, they should not be charged higher interest rates as they are reliable payers. An alternative credit scoring system would factor in the state of the economy and the borrowers career to determine the true risk of lending to the individual.
- Younger borrowers are charged extra for the uncertainty. Why? Assessing their financial statements could provide insight into their behavior. This would be easy if they have a bank account with ATB.
- This could provide ATB with a competitive advantage in lending.

Better Financial Research

- Mutual fund fees can eat somewhere between 20% to 50% of your total potential returns from investment.
- Low returns are causing many people to look at managing their own money.
- One of the greatest barriers is how obtusely presented most financial information is (long, academic, and badly written), along with its great cost (a fortune is charged for documents which can be generated from cheap data).
- In addition, banks which offer brokerage services make money when you trade, not when you make money. Therefore, there is often a bias in the writing of reports. While they are not blatantly sales documents, the stocks they cover and what is omitted from the research clearly biases towards stocks where the broker makes more money.
- ATB could profit by providing simple financial research for individual investors.

High School Financial Education

- Remember Career and Life Management in grade 10/11? It is supposed to provide life skills like budgeting, financial planning, and taxes. However, the course is universally viewed as a complete mess with a very inconsistent program.
- ATB could offer to produce branded materials for the course. As a government entity, it may be possible to negotiate such a thing. Lest you think this is strange, I have heard of a hockey coach who got to teach the course when offered (he compressed the course and used the extra period for hockey).
- Alternatively, ATB could create a one credit financial education unit which is marked by a computer and is part of the CALM curriculum. Can talk about things like RESPs, retirement planning, student banking, etc.

Free Credit Score

- This idea is pretty self explanatory, but a Fintech startup called Borrowell made major news and gained thousands and thousands of users by offering free credit scores to borrowers.
- Borrowell is one of the startups which threatens your core business of lending. They managed to leapfrog everyone else in the space by providing for free what you otherwise have to pay \$15 to access from a credit score provider like Experian or order by paper.
- If this is too costly, you could prefill the paper form to increase the ease of obtaining the paper score report and use that to sign people up for bank accounts.

Easier Tax Filing

- A bank account + a credit card spending report have a great deal of information required to obtain tax deductions and fill out a tax return.
- Using machine learning, you could rapidly build a list of credit card charges which are likely deductible, like dental, vision, kids activities, transit passes, charitable donations, and moving expenses.
- This could help you simplify the tax process for your clients and help maintain their loyalty. Canadians miss many tax deductions, so this will help your clients save money.