

CONSUMER LENDING – ADDRESSING KEY RISK ISSUES



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TRAINING CENTER



Introduction

The Consumer Lending Addressing Key Risk Issues Training Course prepares lenders to manage the specific risks that retail credit portfolios carry. Consumer lending grows quickly, and its risks surface quietly. Borrowers face income shocks, rising obligations, and life events that change repayment capacity. This course examines the risk issues that matter most in retail lending. It covers affordability assessment, credit bureau use, product design, fraud, and collections. Furthermore, it applies IFRS 9 staging, responsible lending rules, and behavioural scoring. As a result, participants learn to grow consumer portfolios without sacrificing asset quality or customer protection.

Consumer Lending Addressing Key Risk Issues Course Objectives

- Explain the consumer lending lifecycle and its principal risk issues.
- Apply affordability assessment and debt-to-income ratio methods.
- Interpret credit bureau reports and behavioural score data.
- Design consumer products with appropriate limits, tenors, and pricing.
- Identify over-indebtedness, multiple borrowing, and debt stacking risks.
- Assess fraud risk in applications, identity, and first-party default.
- Apply behavioural scoring and account management strategies.
- Apply IFRS 9 staging and expected credit loss to consumer portfolios.
- Manage delinquency, early collections, and restructuring options.
- Align lending practice with responsible lending and customer protection rules.

Course Methodology

- Interactive lectures with consumer lending and delinquency case studies.

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- Workshops on affordability assessment and credit bureau analysis.
- Scoring and segmentation exercises on retail portfolios.
- Simulation of collections and restructuring conversations.
- Structured peer discussion with facilitator feedback on risk decisions.

Who Should Take This Course

- Consumer and retail lending officers.
- Credit analysts covering personal loans, cards, and mortgages.
- Collections and recoveries specialists.
- Risk managers in retail banking.
- Product managers for consumer credit products.
- Compliance officers overseeing responsible lending.

Consumer Lending Addressing Key Risk Issues Course Outlines

Day 1: Consumer Lending Foundations and Risk Landscape

- Consumer lending products: personal loans, cards, mortgages, and overdrafts.
- The retail credit lifecycle from application to closure.
- Key risk issues: credit, fraud, conduct, and operational risk.
- Risk appetite and portfolio targets in retail lending.
- Regulatory environment and responsible lending expectations.
- Credit policy structure and delegated authority.



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- Case study: a retail portfolio that deteriorated through rapid growth.

Day 2: Affordability, Credit Bureaus, and Scoring

- Income verification and affordability assessment methods.
- Debt-to-income and debt service coverage calculations.
- Credit bureau reports, scores, and derogatory markers.
- Behavioural scoring and application scorecards.
- Thin-file and first-time borrower assessment.
- Over-indebtedness, multiple borrowing, and debt stacking.
- Workshop: assessing affordability from a customer application.

Day 3: Product Design, Pricing, and Fraud Risk

- Product design: limits, tenors, repayment structures, and fees.
- Risk-based pricing and interest rate setting.
- Pre-approved offers and limit management strategies.
- Identity fraud, application fraud, and synthetic identities.
- First-party fraud and bust-out patterns.
- Fraud detection tools, device analytics, and velocity checks.
- Workshop: designing a consumer product with risk controls.

Day 4: Portfolio Management and IFRS 9

- Segmentation, vintage analysis, and portfolio monitoring.
- Early warning indicators in retail portfolios.
- IFRS 9 staging and expected credit loss for consumer lending.
- Provisioning drivers: PD, LGD, and exposure profiles.



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- Stress testing retail portfolios and scenario design.
- Concentration and channel risk in consumer lending.
- Workshop: reviewing a retail portfolio for risk signals.

Day 5: Collections, Restructuring, and Customer Protection

- Delinquency management and early intervention strategies.
- Collections processes, contact strategy, and forbearance.
- Restructuring, rescheduling, and write-off decisions.
- Recovery performance measurement and lessons learned.
- Responsible lending, transparency, and fair treatment rules.
- Complaint handling and conduct risk in collections.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Consumer Lending Addressing Key Risk Issues, participants will gain a thorough understanding of the risks that shape retail credit portfolios and how to control them. They will also acquire practical skills in affordability assessment, behavioural scoring, fraud detection, IFRS 9 provisioning, and collections management. In addition, the course prepares them to grow consumer lending responsibly. Gentex Training Center delivers this programme with a strong focus on applied retail lending practice and measurable portfolio quality improvement.





FAQs for Consumer Lending Addressing Key Risk Issues course

Q1 What is the "Consumer Lending Addressing Key Risk Issues" course about?

It is a five-day programme on managing risk in retail and consumer credit. It covers affordability assessment, credit bureau analysis, product design, fraud detection, behavioural scoring, IFRS 9 provisioning, collections, restructuring, and responsible lending obligations.

Q2 What are the key benefits of the "Consumer Lending Addressing Key Risk Issues" course?

Participants gain early sight of the risk issues that cause retail losses, which prevents expensive portfolio clean-ups. The course improves approval quality, reduces fraud and first-payment defaults, sharpens provisioning accuracy, lowers arrears and write-offs, and strengthens compliance with responsible lending and customer protection rules.

Q3 What skills will I gain from the "Consumer Lending Addressing Key Risk Issues" course?

Participants gain consumer affordability and credit bureau analysis, consumer product design and risk-based pricing, behavioural scoring and fraud detection, and IFRS 9 provisioning with collections and restructuring management. These four skills cover the retail credit lifecycle from application to recovery.



Q4 What tools, methods, or standards are covered in the "Consumer Lending Addressing Key Risk Issues" course?

The course covers debt-to-income and debt service coverage calculations, credit bureau scores and derogatory markers, application scorecards and behavioural scoring, risk-based pricing, pre-approved offer and limit management strategies, device analytics and velocity checks for fraud, vintage analysis and early warning indicators, IFRS 9 staging and expected credit loss, PD and LGD drivers, retail stress testing, forbearance and restructuring frameworks, and responsible lending and fair treatment rules.

Q5 How is the "Consumer Lending Addressing Key Risk Issues" course applied in real-world practice?

Participants apply the methods to live retail portfolios. They assess affordability and bureau data, review product terms and pricing, design fraud controls, monitor portfolio indicators, classify accounts for IFRS 9 staging, and set collections and restructuring strategies. Many leave with retail monitoring dashboards and assessment templates ready to use.