



Affordability Report Modelled Income

OVERVIEW

Confident income insight when salary data is missing

Traditional income data is increasingly out of sync with real consumer behaviour. Irregular earnings, gig-economy volatility and rapid employment changes make real-time income hard to verify – widening the gap between genuine affordability and what legacy credit data shows. When a current account turnover (CATO) or application salary data is limited or unavailable, lenders face a choice: introduce friction or make affordability decisions without adequate income insight. Both carry risk.

The TransUnion® Modelled Income solution provides a robust estimate of an individual's net monthly income using a client-agreed confidence threshold. Rather than attempting to predict a precise £ value, it enables lenders to calibrate outputs to their risk appetites. Available as part of the Affordability Report v4 API, Modelled Income integrates seamlessly into existing decisioning systems without disrupting client workflows.

HOW IT CAN BENEFIT YOUR BUSINESS

The solution removes friction where income signals are absent or inconsistent, enabling you to:

- ✓ Support scalable lending with a better customer experience – without compromising on affordability rigour
- ✓ Reduce manual and costly income verification processes where income or salary data is absent
- ✓ Enhance understanding of a consumer's ability to repay, supporting more informed credit decisions
- ✓ Supports new BNPL regulations (effective July 2026) requiring proportional affordability checks without slowing low-value credit journeys
- ✓ Improve underwriting and decisioning speed where income data is unavailable, limited or uncorroborated
- ✓ Validate modelled income in real time for faster, lower-friction onboarding

WHAT SETS MODELLED INCOME APART

Advanced modelling methodology

Built using an XGBoost machine-learning model in line with TransUnion's global standard model-building processes, consistently outperforming traditional techniques like logistic regression.

CATO-based training

Built on a CATO-derived view of income (widely accepted by UK lenders), providing a higher-trust foundation than application salary alone.

Indebted population coverage

Covers indebted population samples, avoiding the overestimation of income that can occur when this population is excluded from the training data.

Seamless integration

Delivered as a value-added service within the Affordability Report v4 API, it's available as a real-time feed or batch file, supporting both account origination and ongoing account management.

Custom threshold flexibility

Modelled income values are returned at configurable confidence thresholds (e.g., 70%, 80%, 90%), allowing lenders to tailor the output to their risk appetites.

USE CASES

Low-ticket/small loan size

Enables proportional affordability checks, allowing lenders to maintain friction-right journeys for smaller credit amounts where traditional proof is too costly.

Corroborate other data

Validates existing data points (aging application information or inconsistent match results) to increase overall confidence in the stated financial position.

Missing CATO

Provides essential insight when traditional bank-shared data (current account turnover) is unavailable, reducing application drop-outs and supporting inclusive lending.

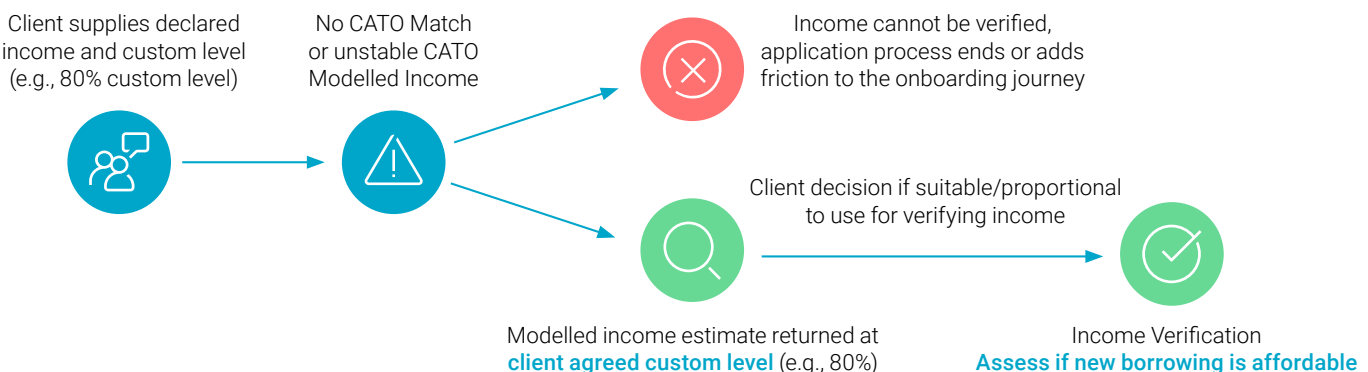
Payment verification

Integrates modelled income into RAG (Red, Amber, Green) calculations to determine disposable income when traditional evidence is missing.

ILLUSTRATIVE EXAMPLE

Client supplies declared income, no match result against CATO or unstable CATO

Compare declared income against Modelled Income for Income Verification and/or use Modelled Income for disposable income assessment in Payment Verification.



Contact your TransUnion representative to discuss how Modelled Income can support your affordability strategies.

transunion.co.uk/product/affordability-report

