The Future of Credit Reporting

With blockchain-enabled digital identity management, consumers can easily share credit information with third parties, even those in other countries.

Company

CREDITINFO

Blockchain Identity Platform

ShoCard

Challenges

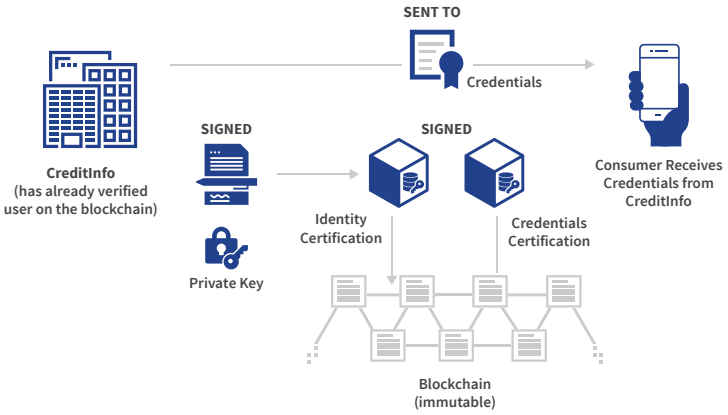
Credit reports are often limited to a particular country and cannot be shared across borders because each country has its own unique credit reporting systems with different laws regulating them. This means that an individual who has built up credit in his home country may not be able to take advantage of their credit rating when in a different country.

To centrally access or manage consumer credit information could violate country-based privacy protection laws and make the data vulnerable to hacking. Another solution is necessary, and it lies in blockchain technology.

The Strategy

To address this issue, ShoCard, a leading blockchain-based identity management system (IMS), together with CreditInfo, a leading service provider for credit information and risk management solutions worldwide, partnered to design an end-to-end solution, which would allow CreditInfo to certify a customer's credit score and related information on the blockchain, binding the certification to that specific customer.

The customer would then be able to present their credit information to any third party anywhere in the world. Since the customer volunteers their own data, they don't need to give an additional separate privacy approval. The receiver of the information would then validate the authenticity of the data to ensure it came from CreditInfo.



The Solution

There were two technical components in this POC:

1. The CreditInfo eManagement Portal and Servers
2. Consumer Application (aka CreditInfo App – iOS & Android)

The solution developed by ShoCard for CreditInfo enabled the following process:

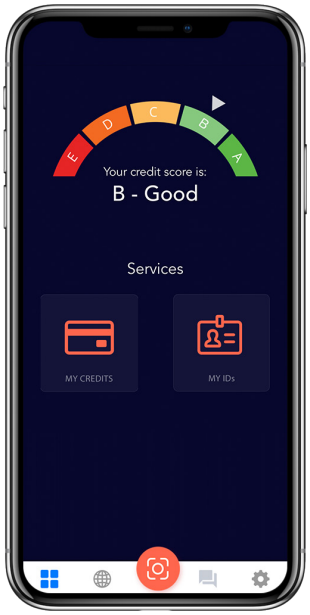
1. First, the consumer downloads the CreditInfo App to her mobile device, which allows her to scan her ID and biometric data and save a validation of her identity (not the data itself) on the blockchain. This validation code is in the form of a digital signature of one-way hash of her data.

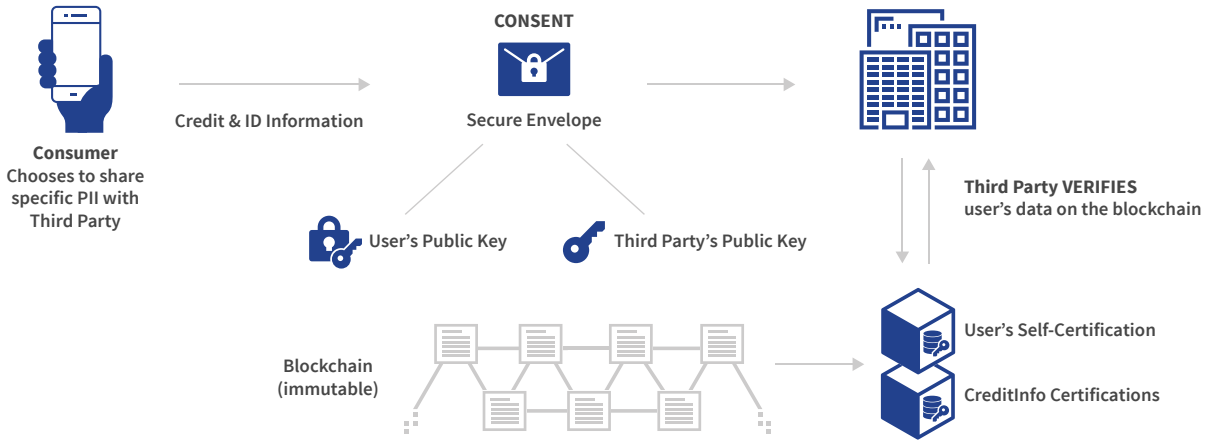
2. At this point the consumer is able to register with the CreditInfo services, allowing CreditInfo to perform a KYC check on her ID and associate the appropriate credit score to her.

3. Then the consumer is given her clear-text credit values*, and the CreditInfo Server certifies the credit value on the blockchain by creating a one-way hash of the credit information and digitally signing it with CreditInfo's private key and pointing to the consumer's blockchain ID.

4. The consumer can now present her credit score from her App (or any other individual ID info) along with its certification records that are on the blockchain by scanning a QR Code for any other third party. The party can then independently retrieve the blockchain records and verify the user's claim.

**Beyond the credit score, the user could be given additional data that was also certified, such as a transaction log or other information that can qualify their credit information. This data can be different based on the country that the credit is issued for and CreditInfo determines the details of the information.*





Benefits/Outcome

The POC was a success. A process that historically has been at least very expensive, if not impossible, for credit reporting companies and service providers who need credit information can now be done through the ShoCard system with confidence, for lower costs, and at transaction speed.

With blockchain-enabled digital identity management:

- Consumers can easily share credit info with third parties, even those in other countries
- Consumers have control of their private data
- Centralized data stores do not need to be accessed by verifiers to retrieve highly sensitive credit score information that can increase security and lower fraud
- Credit reporting companies can monetize credit information supplied by their consumers