Visa Consulting & Analytics (VCA)

Adaptive credit:

How data and AI can support balancing risk and growth

While the credit environment remains constructive, navigating it is becoming more difficult. Lenders are operating in a market shaped by greater uncertainty, uneven borrower resilience and emerging stress in selected segments. In this environment, traditional credit strategies and static risk settings are becoming less effective on their own.

Three messages stand out for lenders today:

Growth remains available, but fixed risk settings are no longer enough. Selective expansion must be supported by controls that can adjust as conditions change.

Data and AI are becoming central to better credit execution. Leading lenders are using richer data, predictive analytics and automated insights to inform risk decisions and to optimize portfolio strategy.

Modernization is becoming a source of competitive advantage. Institutions that delay investment in adaptive credit capabilities may face weaker portfolio performance, slower response times and less ability to capture profitable demand.

The implication is clear: Lenders must prepare for multiple scenarios. In a volatile (but still constructive) environment, the winning model is not retrenchment—rather, it is disciplined growth supported by better customer insight, earlier risk-detection and faster action when borrower stress is detected.

A more complex operating environment for credit

VCA research points to a more fragile and faster-moving credit environment. Lenders are navigating economic uncertainty, policy shifts, market volatility and changing customer behavior. Performance is becoming less evenly distributed across borrowers, products, sectors and markets.

The backdrop: slowing growth, elevated uncertainty

2.5%
2026 Global GDP growth in World Bank June forecast

-2.8 p.p
Change in 2026 MENA GDP growth in IMF April forecast vs. January

3-5x
Higher U.S. Economic Policy Uncertainty based on the EPU Index

These signals reinforce a clear priority for lenders: Adapt and pre-position. The goal is to protect portfolio resilience while also preserving profitable growth. That requires sharper execution across origination, account management, collections and portfolio optimization, supported by stronger data, analytics and AI-enabled decisioning.

Strategic priorities for lenders today

Customer acquisition

- Acquire more selectively to maintain disciplined growth
- Adjust pricing and limits to preserve profitability

Portfolio management

- Dynamically manage credit limits as an active risk control
- Identify early signs of risk and act proactively

Collections and recovery

- Engage earlier with customers showing signs of financial pressure
- Personalize treatments to improve recovery outcomes

The case for action is becoming stronger. Lenders that strengthen segmentation, increase review requency and act earlier can be better positioned to identify emerging risks, protect asset quality and capture profitable opportunities.

Turning data and AI into a credit advantage

Leading lenders are demonstrating that richer data, advanced analytics and AI can bolster resilience without sacrificing growth.

Alternative data is now widely used in mature markets and is expanding in emerging markets, enabling more precise decisions and improved access for thin-file or new-to-credit customers. At the same time, AI-driven decisioning platforms are helping lenders improve approval strategies, strengthen risk selection and optimize portfolio outcomes.

Adoption of data and AI in credit

Alternative data[1]

43%+
adoption among lenders

90%+
see improved approvals

AI[2]

65%
of consumer finance lenders actively use AI

20%
of consumer finance lenders are assessing AI

1. Nova Credit, The State of Alternative Data in Lending 2024 Survey Report, 2024.
2. NVIDIA, State of AI in Financial Services: 2026 Trends, 2026, survey of 800+ financial services professionals worldwide.

Across the lifecycle, the operating model is shifting from periodic reviews based on fixed triggers to more continuous, AI-powered monitoring. Early warning signals can be generated faster, enabling earlier and more targeted intervention.

Lenders are already applying advanced analytics across acquisition, portfolio management, collections and fraud-prevention. Generative AI is also emerging, with early use cases focused on operational efficiency, credit documentation and collections support.

Early case studies suggest that advanced AI-driven underwriting platforms can help increase approvals while also reducing risk costs.

How data and AI are applied across the credit lifecycle

	Customer acquisition	Portfolio management	Collections and recovery
Alternative data	Alternative data for thin-file and new-to-credit decisions	Real-time risk signals for dynamic exposure management	Real-time signals on repayment capacity and intent
AI and advanced analytics	Machine learning credit scoring and underwriting Dynamic loan pricing based on real-time data GenAI credit memo drafting for large SME and corporate lending	AI-powered dynamic line management AI-powered early warning scores	AI-powered prioritization and treatment allocation AI-powered contact timing and channels GenAI collector support agent GenAI collection messages and offer drafting

A three-part strategy for resilient credit growth

To balance growth and risk in a more volatile environment, lenders are increasingly focusing on three priorities:

STRATEGY 1

Strengthen acquisition decisioning

Leverage richer data and next-generation scorecards to improve approvals while maintaining risk discipline.

STRATEGY 2

Manage portfolios more dynamically

Use real-time signals and AI-driven models to adjust exposure continuously and detect early signs of risk.

STRATEGY 3

Intervene earlier in collections

Shift to proactive, personalized treatments to contain losses and to improve recovery outcomes.

Delivering on these priorities requires data, analytics and domain expertise working together. This enables lenders to move faster from insight to action, improving portfolio outcomes while sustaining growth.

Key VCA credit risk offerings

Customer acquisition

Credit Policy & Underwriting Process Optimization

Portfolio management

Dynamic Line Management Across Customer Lifecycle

Collections and recovery

Collections Health Check and Strategy Review

Across the credit lifecycle

Visa Data Insights for Credit Decisions and Portfolio Optimization

Next Gen Credit Scorecards Development

The next phase of credit risk

Credit risk strategy is entering a new phase. Lenders face slower growth, greater downside risk and more volatile borrower behavior. The strongest institutions will not choose between growth and resilience; rather, they will build the capabilities to deliver both.

This means becoming more selective in acquisition, more dynamic in portfolio management, and earlier and more targeted in collections. Alternative data, advanced analytics, and AI are no longer edge capabilities. They are becoming core to modern credit decisioning and portfolio performance.

About Visa Consulting & Analytics (VCA)

VCA is a team of thousands of payments consultants, digital marketing specialists, data scientists, and economists across six continents. The combination of our deep payments consulting expertise, our economic intelligence, and our breadth of data allows us to identify actionable insights and recommendations that drive better business decisions.

- Our consultants are experts in strategy, product, portfolio management, risk, digital and more with decades of experience in the payments industry.
- Our data scientists are experts in statistics, advanced analytics, and machine learning, with exclusive access to insights from VisaNet, one of the largest payment networks in the world.
- Our economists understand economic conditions impacting consumer spending and provide unique and timely insights into global spending trends.

To get started, reach out to your Account Executive directly.

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