

BIG DATA

A BIG DISAPPOINTMENT FOR SCORING CONSUMER CREDIT RISK

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NATIONAL CONSUMER LAW CENTER'S 2013 STUDY OF BIG DATA ACCURACY

Big data proponents argue that multiplying the number of variables will expand access to borrowers with thin credit files. Expanding the number of data points also introduces the risk that inaccuracies will play a greater role in determining creditworthiness. Given these indications of accuracy problems, National Consumer Law Center conducted our own survey for this report of the data maintained on consumers by big data brokers. Even given our initial skepticism, we were astonished by the scope of inaccuracies among the data brokers we investigated.

Our survey consisted of fifteen volunteers, all whom were National Consumer Law Center (NCLC) employees, who attempted to retrieve their information from four different data brokers: eBureau, ID Analytics, Intelius, and Spokeo. Two people (the co-authors of the report) also requested reports from Acxiom.

By either purchasing or requesting the consumer file from each of these companies, NCLC hoped to illuminate the ease of obtaining a consumer report, the type of data collected, and the accuracy of the data. Though all of the survey volunteers were NCLC employees, they ranged in age, work experience, income, education, and social media presence.

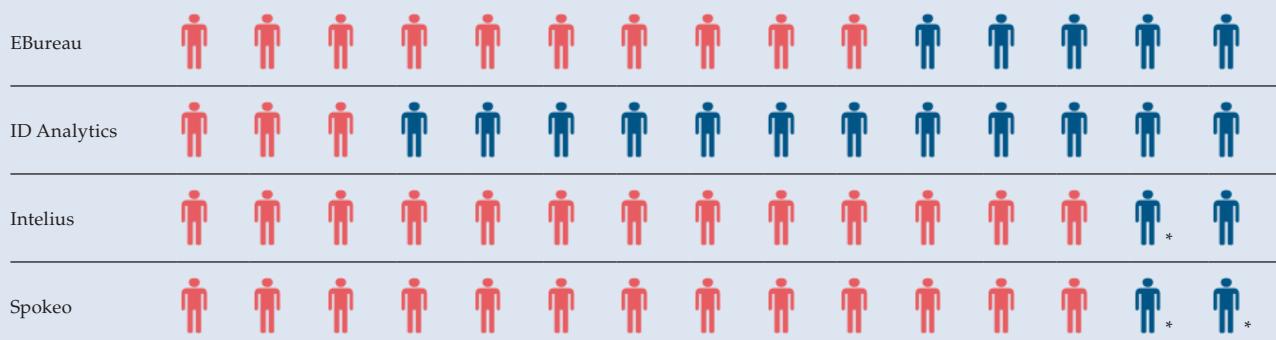
Obtaining the reports. In general, obtaining the reports was challenging. At the time, **Acxiom** required consumers to submit an online request form and then physically mail a personal check for \$5 to cover the cost of processing the request. **ID Analytics** and **eBureau** required our volunteers to submit voluminous amounts of identification information. Even then, eBureau sent a letter requiring each volunteer to verify his or her Social Security number by sending a copy of the card, W-2, or other official document. ID Analytics also required two volunteers to submit additional information. Two volunteers were unable to find their information when searching **Spokeo**, and one of those was also unable to find information from Intellius. The volunteer who received no Spokeo or **Intellius** information has a unique name and numerous social media accounts.

The data obtained. The reports from Acxiom, eBureau, and ID Analytics contained very little information. Reports from those data brokers included little more than personal identifying information and past addresses. In contrast, the reports from Intellius and Spokeo were more robust, including a broader range of information, such as social media profiles.

Accuracy. The reports that the study volunteers received were riddled with inaccuracies. Errors ranged from the mundane—a wrong e-mail address or incorrect phone number—to seriously flawed. One of the reports combined information about our volunteer with information about two other individuals; other reports listed wrong addresses, relatives, and occupations. Interestingly, eBureau touts its ability to estimate income based on its advanced models and offer insights based upon the consumer's education. Despite that claim, seven of the fifteen consumer reports generated by eBureau contained errors in estimated income, nearly doubling the salary of one participant and halving the salary of another, and eleven of the fifteen reports incorrectly stated the volunteer's education level. Reports purchased from Intellius and Spokeo had the most inaccuracies.

Study Participants with Incorrect Information in Their Data Reports

Of the 15 participants' reports, many contained errors (see light red figure) or there was no record found (asterisk). Acxiom was not included in this study.

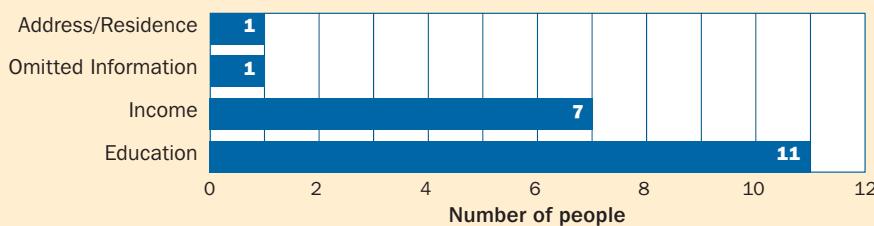


*No records found

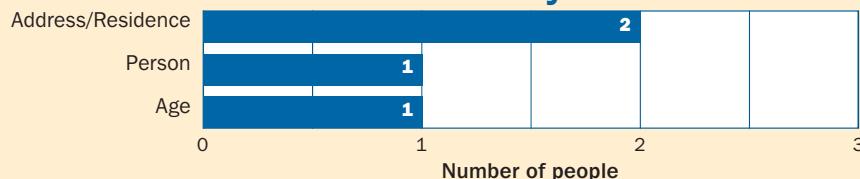
Study Participants with Mistakes in Their Data Report (per Company and Category)

Of the 15 study participants' reports, there were a number of errors. Acxiom was not included in this study.

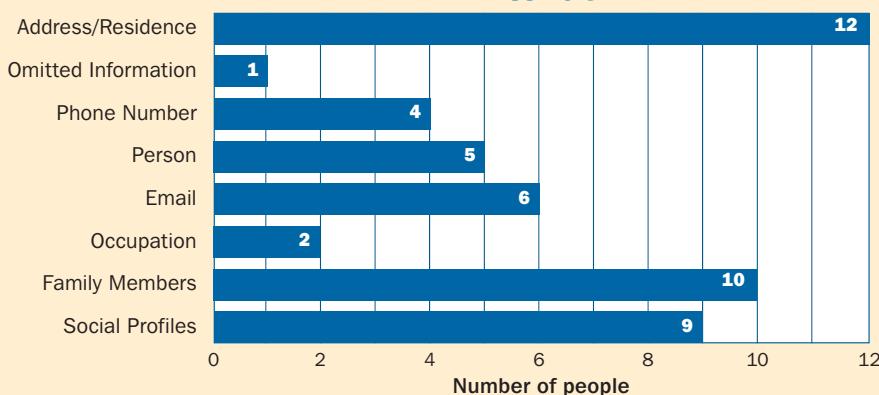
eBureau



ID Analytics



Intelius



Spokeo

