Carriage Auto Group Case Study

How Carriage Auto Group used BorrowerCheck™ to save over $50K in fraud losses

Overview

David Basha's debut into automotive started with one dealership in Gainesville, Georgia. Over time, his business grew to include seven dealerships across the state, comprising of flagship brands like Kia, Nissan, and Mazda, as well as his personal, independently owned used car dealership, Carriage Used Cars.
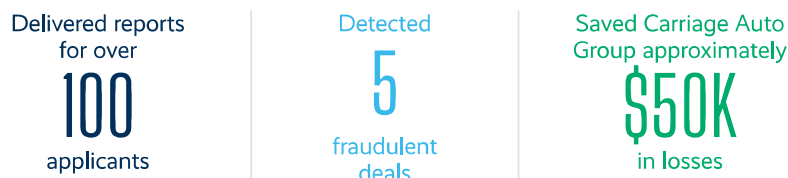
In his experience, David knew fraud was inherent to the industry, but he felt it necessary to take action after Carriage Auto Group was defrauded three times back-to-back. Unfortunately, in all three instances, the fraud was detected after the lender funded the loan, reported a first payment default, or detected something peculiar about the borrower during due diligence checks. Ultimately, this resulted in three buy backs for Carriage Auto Group, which totaled tens of thousands of dollars in losses. Even more troubling was that each borrower had passed the dealership's internally devised verification checkpoints, which had been in place for years.

Approach

After an initial conversation with Point Predictive's product experts, Carriage Auto Group submitted three deals for a test run. Point Predictive scanned the deals through its BorrowerCheck solution, a supplemental AI-powered check that verifies borrower information against its proprietary data repository and third-party data. What Carriage Auto Group purposely didn't disclose was that all three files contained fraud and misrepresentation. BorrowerCheck detected red flags in all three files, instantly winning Carriage Auto Group's faith in its solution.

Results

Within the first two months, BorrowerCheck accomplished the following:

Delivered reports for over	Detected	Saved Carriage Auto Group approximately
100 applicants	**5** fraudulent deals	**$50K** in losses

Conclusion

Today, David and the team at Carriage Auto Group pull BorrowerCheck reports for 100% of customers and make the report a permanent part of a borrower's application file. This allows the dealership to retrospectively revisit and audit files as needed to ensure due diligence was performed.

To learn more about BorrowerCheck or schedule a free demo, visit:

https://pointpredictive.com/solutions/auto-dealerships/

> " BorrowerCheck has been transformative for Carriage Auto Group. We run a BorrowerCheck report for every client, even those with high beacon scores because they're often victims to identity theft. When even some of the most stringent traditional checks have failed to identify fraudulent applicants, BorrowerCheck has succeeded. The cost is a fraction against other less effective solutions—and most of all against the potential losses you could suffer without it. Every dealer should have BorrowerCheck."

David Basha
Owner and Founder, Carriage Auto Group

BorrowerCheck fast facts:

Access better data: alternative data lets you better understand an applicant's true risk profile.

Speed up financing: reduce manual processes and access real-time information with AI precision to curtail decisioning time.

Reduces False Positives: accurate data reporting and our one-time passcode reduce the number of missed fraud and false red flags reported.

Reduce buybacks: accurate risk profiling reduces the chances of buyer default.

Create a better buyer experience: faster decisioning reduces buyer wait time and chances of deal cancellation

Improve dealer-lender relationships: strong borrower portfolios enhance lender trust and promote expanded dealer-lender relations.