

## RevolutionCredit

### Accion Venture Lab – Achieving Financial Inclusion

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Enabling people access to quality financial services globally – that is what financial inclusion is striving for.

Venture Lab is an investment initiative that provides patient seed capital and support to innovative financial inclusion start-ups, fostering experimentation and promoting business models that improve financial access for people living in poverty worldwide.

Since these start-ups traditionally lack access to capital and assistance, Venture Lab provides flexible financial and non-financial support to suit the needs of each investee enterprise, as follows:

- Investment: Venture Lab typically invests U.S. \$100,000 to \$500,000 in equity or quasi-equity instruments. Venture Lab welcomes opportunities to co-invest with like-minded investors and bring others to the table.
- Support: Venture Lab prefers to be an active investor and bring to bear the people and resources of the global Accion network to maximize the chance of success. In addition to day-to-day support from the Venture Lab team, investee companies may be connected to Accion's in-house technical experts (technology, risk management, etc.), microfinance teams and customers from partner institutions around the world, and the global banking and investing community.

#### Company Profile

- Name: RevolutionCredit
- Based in: Irvine, California
- Year founded: 2012
- Funds raised: \$ 5.7 million
- Geographical focus: United States of America
- Number of employees: 5-10

Founder and CEO, Zaydoon Munir, has 18 years of experience in the financial services industry and was formerly COO for eFinance and Experian.

#### The Opportunity

Traditionally, historical data determine a person's credit score. This means that past transactions are analysed and build the foundation of formal creditworthiness. A customer with an unfavourable credit score is often no longer able to access credit instruments which would best meet his needs.

#### Business Model and Strategy

RevolutionCredit's goal is to improve people's credit scores through financial education. RevolutionCredit offers an alternative approach by letting people learn about credit and demonstrate their intention to become more reliable; RevolutionCredit then uses this behavioural data to determine a person's alternative credit score. 11 financial institutions, including 2 top-10 US banks, currently work with RevolutionCredit.

#### Innovation

When applying for a credit card or loan online with a partnering financial institution, eligible clients register at RevolutionCredit and complete online modules: video lessons and a final test. Once a client has completed the course, he may increase his chance of being approved for a loan. RevolutionCredit receives a fee from the financial institution for every client who completes the online module.

#### Challenges

The main challenge the company faces is the sale of the service to financial institutions. RevolutionCredit faces no direct competition, since it is not aiming to replace traditional credit scores but rather offers an additional service on top.

#### Social Impact and Financial Inclusion

People with negative credit scores are able to qualify for products and services not accessible for them; once financially educated, they also pose a lower default risk to lenders.

#### Venture Lab

Accion Venture Lab supports RevolutionCredit in the form of traditional venture capital support, managerial advice and help in accessing follow-up funding.

For more information, visit RevolutionCredit's website at:

[www.revolutioncredit.com](http://www.revolutioncredit.com)

