



# Case Study: Tabby×Lean

Transforming BNPL Platforms  
with Open Banking

**8.9%**

**Approval rate increase**

Tabby integrated Lean to score high risk users, leading to an 8.9% increase in approval rate

**50%**

**Of risk users approved**

Tabby is able to approve and verify an additional 50% of their high risk users via Lean

**4x**

**Less risk of default**

Tabby reduces risk of default by 4x by connecting their customers' bank accounts

**tabby**

Lean's Product Used:  
Data API

Usecase:  
Credit & Risk Scoring

## The Surge of BNPL in the UAE

The Buy Now Pay Later (BNPL) industry has seen significant growth in the United Arab Emirates (UAE) over the last few years. With an anticipated 22% annual increase, it is expected to reach US\$2.5 billion by 2023 (Businesswire). This growth is being driven by the increasing popularity of online shopping, which has been facilitated by the country's strong internet infrastructure and digital payment systems. As credit card rates rise, more consumers are turning to zero-interest BNPL schemes offered by fintech companies like Tabby.

## Tabby and Lean Join Forces

In the pursuit of simplifying access to credit for its customers, Tabby faced the challenge of creating a robust credit assessment process. The ideal process aimed to optimize user experience and conversions, while accounting for data points needed to mitigate fraud and risk of default. Traditional methods of credit assessment were either inefficient, costly, or carried inherent risks. Uploading bank statements was time-consuming and susceptible to tampering, while credit bureau reports often lacked comprehensive insights and came at a high cost.

The context in the UAE, where approximately 90% (World Population Review) are expats with limited credit history, brings additional complexity for Tabby as traditional credit checks are less effective on individuals with a limited history. Many expats lacked complete credit reports and couldn't share the necessary financial details to prove their creditworthiness. Tabby addressed this by partnering with Lean to utilize our Open Banking APIs, accessing real-time salary, recent bill payments, and precise spending records.

The integration of Lean's Data APIs was a game changer; granting Tabby access to a reliable and essential source of information – real-time banking data. Through the power of Open Banking APIs, Tabby was able to delve into customers' financial data in a secure and seamless manner leading to their approval rates rising to 98% when using lean, while also reducing the risk of default by 400%.

Overall, thanks to this partnership Tabby has been able to improve their customer satisfaction with a better credit assessment experience and unlock new revenue streams from customers that were previously deemed high risk individuals, thanks to the power of Open Banking.



## Case Study: TabbyxLean

*Collaborating with Lean, the leading open banking provider in our region, is an integral part of our ongoing expansion strategy. It empowers us to lend to new market segments and to introduce exciting and innovative products in this space."*



Valeriya Allakhverdiyeva, Director of Risk  
Tabby

Tabby's Challenges	Lean's Solution
<p><b>Limited data availability</b></p> <p>Not all shoppers have financial data available, making them ineligible for flexible payment options, and hence, limiting Tabby's potential revenues.</p>	<p><b>Unlocking revenue streams with data:</b></p> <p>Using Lean, Tabby is now able to accurately score those potential customers that have limited financial data available. This is done through simply connecting their bank accounts and accessing account data, such as transaction history and balances, to verify their eligibility to checkout using Tabby.</p>
<p><b>High cost of credit scorings</b></p> <p>The cost of scoring individuals via official credit reports can be 50x more costly. Given the stringent checks, this would lead to increased costs for Tabby with no additional revenue unlocked.</p>	<p><b>Efficient process:</b></p> <p>With access to in-depth financial data at a fraction of the cost, Tabby is now able to reduce expenses by adding Lean as a pre-check method before differing credit scores.</p>
<p><b>Risk of Default</b></p> <p>While BNPL offers customers convenience and ease of use, it can lead to significant liabilities and financial challenges if repayments become unmanageable.</p>	<p><b>Minimizing bad debt and fraud</b></p> <p>By having access to comprehensive financial data, Tabby is able to tailor credit limits based on their customer profiles, thereby ensuring low debt burden and accurate user affordability.</p>

## How can Open Banking add further value to BNPLs

Looking to the future, the potential value addition of Open Banking for BNPLs like Tabby is even more exciting. With Lean's Payments API, Tabby has the opportunity to revolutionize their loan repayment process. By leveraging Lean's services, Tabby can streamline and simplify repayments, making them faster, more reliable and significantly cheaper than traditional card methods.

# Why Lean?

## **Largest Retail Bank Account and Market Coverage:**

Lean provides its clients with access to 98% of the UAE retail banking industry with an aim to achieve 100% KSA retail bank coverage by the end of 2023.

## **Market Leaders:**

We're trusted by 120+ clients and their 100,000+ customers.

## **Fully regulated:**

Lean is the only live and fully regulated Open Banking aggregator in both the UAE and KSA2.

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<sup>1</sup> Retrieved from <https://www.businesswire.com/news/home/20230220005096/en/UAE-Buy-Now-Pay-Later-Market-Report-2023-2028-Domestic-BNPL-Firms-are-Expanding-their-Regional-Operations-to-Accelerate-Growth-Rate-Amid-Rising-Adoption-Among-consumers---ResearchAndMarkets.com>

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**Contact us**

[marketing@leantech.me](mailto:marketing@leantech.me)



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