



## Vantage versus FICO Score

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FICO and VantageScore are widely used tools to assess risk based on consumer credit data. FICO score is the more well-known of the two, having been around the longest. Recently the three major credit reporting companies-- TransUnion, Equifax and Experian-- pooled resources to develop the VantageScore as an alternative to FICO. Both scores were developed to predict serious delinquency and can be used for many areas of risk based credit granting decisions. The table below breaks down some of the similarities and differences between the two scores.

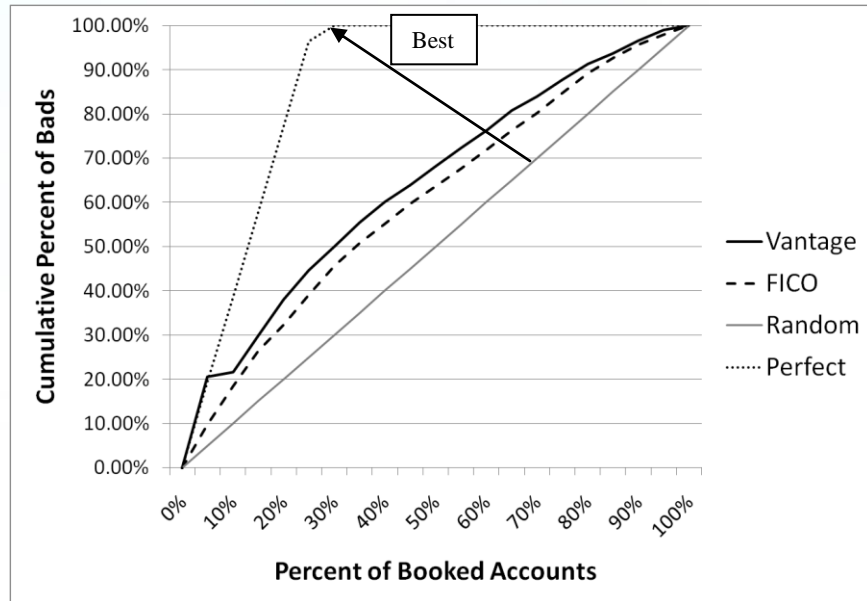
	<b>FICO Score</b>	<b>VantageScore</b>
<b>Developer</b>	Fair Isaac	Joint venture between TransUnion, Equifax and Experian
<b>Score Range</b>	300-850	501-990
<b>Predicts</b>	Likelihood of future serious delinquency	Likelihood of future serious delinquency

VantageScore is similar to FICO score in that each value is associated with the odds of serious delinquency over the next 24 months. Both scores have a minimum and maximum number of points that can be obtained by a consumer based on their credit history. Higher scores are associated with better risk, or in other words, consumers with higher scores are less likely to default.

The table below demonstrates a mapping between FICO and VantageScore. At CAPITAL Card Services, we used this table to help benchmark the two scores when doing a comparison analysis to determine which to adopt in our marketing and account management strategies.

<b>FICO</b>	<b>Vantage</b>
< 450	501
450	520
500	550
575	600
600	630
660	700
700	760

How well does the score separate the good cardholders from the bad? This is a question that arises with every scorecard, and the answer involves careful statistical analysis and measurements. One statistic that provides an explanation is called KS (Kolmogorov-Smirnov). KS measures a scorecard's ability to differentiate "good" accounts from "bad" accounts. Larger KS values typically mean better ability to select "good" accounts. In the figure below, VantageScore (solid line) consistently had a larger KS through different segments of the cardholder population that we typically service when compared to FICO (dashed line). While VantageScore proved to be a better fit for this application, this analysis by no means indicates VantageScore is a better score than FICO.



In fact, this comparison illustrates the importance of careful analysis and monitoring of credit granting tools to ensure your portfolio will have consistent risk-mitigating credit granting strategies.

Contact CAPITAL Card Services to discuss ways to use a bureau score such as FICO or VantageScore to help mitigate risk in an existing portfolio or as you begin a new portfolio.