

KM2 ETHICAL FINANCE LTD.



Who We Are

KM2 are the leading experts in the field of First-Party Fraud and specialists in the remediation of misappropriated losses. We are currently based in and conduct business within the UK. KM2 focuses on addressing and remediating the industry's ongoing First-Party Fraud issues and challenges that typically remain unaddressed and difficult to ascertain. We are comprised of industry specialists in recovering misappropriated funds with backgrounds in fraud analytics and customer engagement.

Enhancing value in charged-off portfolios utilising data analytics and proprietary collections methodology

- Over £1 billion is charged off in the UK per annum⁽¹⁾
- 14% of British adults admit to committing First-Party Fraud⁽²⁾
- 60% of financial institutions report First-Party Fraud as the prominent source of fraud⁽³⁾

First-Party Fraud Remediation

KM2 understands First-Party Fraud – both intentional and opportunistic, and we have the tools to significantly reduce the cost of this fraud. What is more, our tools can provide the data needed to identify, isolate, and remediate the problem at all stages: from application and onboarding – right through to account delinquency.



Them (Traditional Debt Collection Agency)				VS.	Us (KM2 Ethical Finance Ltd)			
Year ⁽⁴⁾	Placement Value	Value Collected	% Collected		Year	Placement Value	Value Collected & Agreed ⁽⁶⁾	% Collected
FY21	£15.0m	£113.5k	0.8%		FY22 ⁽⁵⁾	£27.5m	£1.4m	5.09%
FY22	£21.8m	£218.0k	1.0%					

(4) FY21: April 2020 to March 2021 and FY22: April 2021 to March 2022

(5) FY22: the collection figures for 'Us' in FY22 reflect 6 months worth of collections since November 2021. However, the largest tranche was only passed over in February 2022

(6) Value collected & agreed includes £30k of payments received and c.£1.3m of secured arrangements

"We are frankly astonished and delighted by the results KM2 have achieved with their Jackdaw™ Analytics and Contextual Evaluation Theory™ collection techniques. To recover 13p in the £1 across the whole eligible collection portfolio when so many previous attempts had yielded nothing, and to achieve average payments of more than 75% of the balance in such a short period of time, is truly impressive..." – **Sheraz Afzal, CRO of Instant Cash Loans Ltd**

Tested & Proven

Jackdaw™ Analytics



Proprietary analytics to identify value within debt portfolios

Jackdaw™ Analytics is our premier analytics programme, used to identify accounts where there is a high likelihood that the credit abuse was deliberate First-Party Fraud.

Contextual Evaluation Theory™

Unique and proven collections strategies to maximise your returns



CET™ is a radical new collections approach which has been proven to produce 30% or greater recoveries, where traditional methods have failed.

A New Approach to Debt Recoveries

- First-Party Fraud is inherently difficult to prove. We have the tools to help your business.
- Conduct risk is minimised with FCA-regulated partners.
- Clients risk no upfront costs. Full compliance with regulatory guidance.
- Successfully proven, data-driven analytics process.
- Our solution is non-confrontational. There have been **0** complaints to date.

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SOURCES

(1): <https://www.statista.com/statistics/375426/>

(2): <http://files.localgov.co.uk/wpieconomics.pdf>

(3): <https://www.paymentsjournal.com/the-new-fraud-landscape-what-it-means-for-financial-services/>



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