

## CASE STUDY

Círculo de Crédito

# Círculo de Crédito partners with Featurespace to deploy GuardIA Fraud Score

Círculo de Crédito began operations in 2005 as a Credit Information Society (SIC) with a mission to serve sectors traditionally overlooked by other credit bureaus, particularly the middle and lower socioeconomic segments. From the start, the company positioned itself as an innovator, focused on inclusion and on building a fairer financial ecosystem in Mexico.

Over the years, Círculo de Crédito has become a driving force in improving people's quality of life, enabling millions to access credit for the first time. This commitment to innovation and inclusion was recognized internationally when the company received the **FICO Decisions Award in 2022**. Today, it is consolidated as **Mexico's Credit Information Society of financial inclusion**.

At the core of its business model is the **Extended Score**, a unique scoring methodology that allows financial institutions to evaluate applicants with little or no credit history. With this model, Círculo de Crédito has generated scores for more than **20 million Mexicans**, helping them gain access to credit opportunities while giving financial institutions the tools to lend more securely.

After two decades of consistent growth and innovation, Círculo de Crédito now manages the credit information of more than 80 million Mexicans. Beyond data management, the company actively develops solutions that expand credit access across the country, supporting both individuals and institutions.

"We have been working for over 20 years to develop Círculo de Crédito with a clear goal: to be the credit information society of inclusion. And we have achieved it, as we currently manage the information of more than 80 million Mexicans and actively contribute to creating solutions so more people can get access to credit," said **Juan Manuel Ruiz Palmieri**, CEO of Círculo de Crédito, upon receiving the 2022 award.

## THE CHALLENGE

By 2020, **Círculo de Crédito** faced a growing challenge: it had no specialized tools to help its clients effectively mitigate fraud. All fraud assessments were carried out manually, relying on limited customer data and resource-constrained teams. This process created **operational inefficiencies, higher costs, and slower decision-making**, making credit approvals more complicated and expensive for financial institutions and their customers.

Círculo de Crédito knew that without a more advanced and scalable approach, fraud risks would continue to rise—threatening both financial inclusion and customer trust.

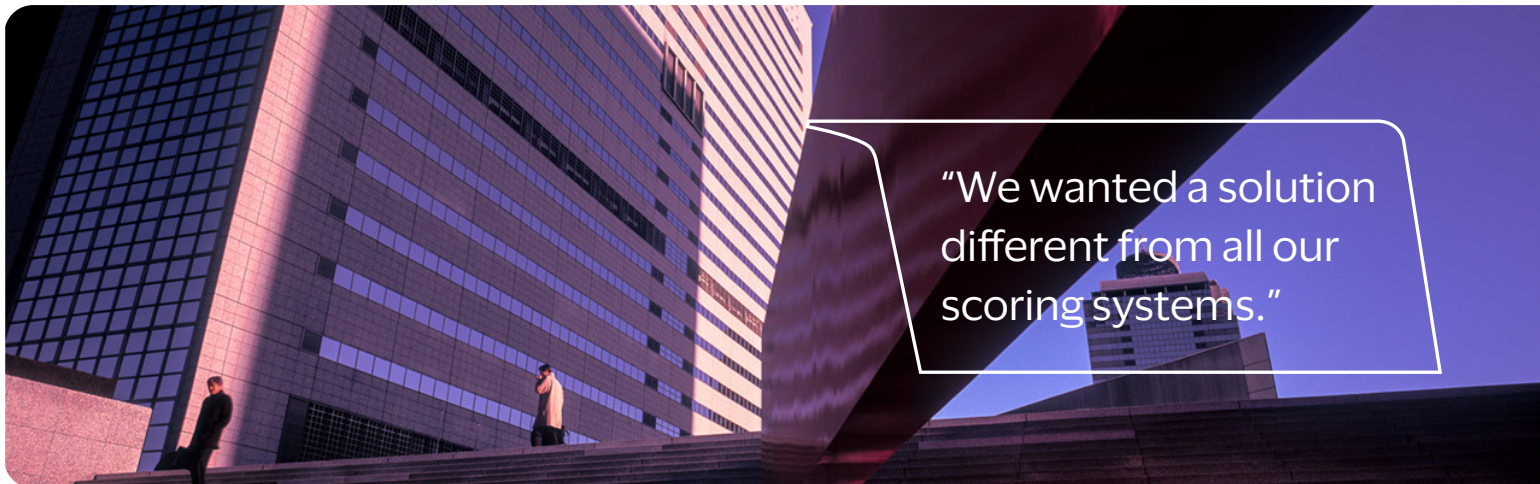
## WHY CÍRCULO DE CRÉDITO CHOSE FEATURESPACE

The company set out to find a partner with proven expertise in **fraud detection powered by advanced Machine Learning**—something more advanced than the existing scoring systems in Mexico, which felt outdated and ineffective against the ever-evolving fraud threat. The goal was to develop the **next-generation solution** that could adapt to constantly evolving fraud patterns while maintaining efficiency and accuracy.

Featurespace stood out for three reasons:

- Its **extensive global track record** in fraud detection across industries.
- Its **international presence** and ability to bring best practices into the Mexican market.
- Its **expert team**, capable of tailoring an adaptive and innovative solution specifically for the local financial ecosystem.

This combination positioned Featurespace as the ideal partner to help Círculo de Crédito transform fraud detection in Mexico



## HOW CÍRCULO DE CRÉDITO USES THE FEATURES SPACE PLATFORM

When **Círculo de Crédito** implemented the **Featurespace Platform** in 2022, the objective was clear: to achieve a **360-degree customer view** by connecting every available data point. This holistic approach allowed the company to better understand legitimate customer behaviors and distinguish them from potential fraud signals.

Through **Featurespace's Adaptive Behavioral Analytics**, Círculo de Crédito also deployed **GuardIAN**, an adaptive model capable of learning from new patterns and detecting emerging types of fraud in real time. This gave the company an agile, future-ready defense against evolving fraud threats.



Encouraged by the strong initial results, in 2023 Círculo de Crédito and Featurespace **jointly invested in enhancing and evolving the solution**. As the company's customer base expanded to include not only traditional financial institutions but also a rapidly growing number of **Fintech clients**, flexibility and recalibration became critical.

Working together, the teams fine-tuned the system, achieving a major improvement in performance: the **fraud rate ratio increased from 2.55 to 4.74**, significantly boosting accuracy and reducing fraud losses across their network.



## THE RESULTS WITH THE FEATURES SPACE PLATFORM

The first implementation of [the Featurespace Platform](#) delivered [immediate results](#), outperforming all other fraud detection scores available in Mexico.

What made the Featurespace solution unique was its ability not only to detect potential fraud but also to [prioritize based on the size of potential losses](#). This precision meant that Featurespace detected [double the amount of fraud losses](#) compared to generic scoring systems, protecting both financial institutions and end customers.

For one specific customer, the impact was remarkable:

- [51% increase in fraud detection](#) within a targeted segment of the population.
- [Savings of more than one million pesos](#), directly improving profitability.
- [62% difference in fraud losses](#) between the lowest- and highest-scored applications, thanks to GuardIAN's ability to correctly rank fraud risk and prioritize higher-loss cases.

**51%**

Increase in fraud detection

**62%**

Difference between lowest and highest-scored fraud losses

By combining [accuracy and prioritization](#), Featurespace provided [superior detection against fraud](#), proving itself as a cutting-edge solution that adapts to Mexico's evolving financial ecosystem.

# Let's connect.

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