Abstract

One of the barriers to socio-economic development is lack of access to credit. Credit scores play an important role in creating or hindering access to credit. To generate credit scores for more people, new methods and data sources have been adopted. This study highlights the limitations of the popular use of mobile phone-generated datasets for credit scoring in developing countries. Instead, it suggests the use of data from informal financial institutions (IFIs) as an alternative and complementary dataset. Post-Colonial Theory is applied as a lens to debunk the negative notion of informality associated with IFIs, despite their being a popular means of financial intermediation in Sub-Saharan Africa. The study positions IFIs as a possible source of a valuable dataset that would be useful for credit scoring the unbanked and underbanked. Design Science Research Methodology will be followed to understand the data generated by IFIs, and further use it to design and develop a credit scoring system. The expected contributions are the involvement of IFIs in the design and evaluation of the credit scoring system to engender use of the system for their decision-making; and to generate credit scores that are useful within and outside the IFIs.