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# Changes in Banking Credit Assessment of Individuals in the Local Financial Services Market

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***Abstract:***

***Purpose:*** *The study discussed changes in banking creditworthiness, from the perspective of consumers, individuals. The changes assessment was based on criteria and data obtained in the local financial services market, using the example of the Poznan agglomeration.*
***Design/Methodology/Approach:*** *The research is based, first, on secondary data. The results of the financial knowledge analysis of retail customers of Polish banks and their financial reports. Then, on the basis of selected criteria, a survey of bank customers' opinions in the Poznań agglomeration, in Poland, was developed and revealed. The survey was carried out by a diagnostic survey method in the period of 2023-2024, with 100 respondents using the technique of individual in-depth interview.*
***Findings:*** *The descriptive analysis confirmed that individual consumers' knowledge of how to assess their own creditworthiness is insufficient. The assessment criteria were identified from the positive perspective (level of personal income, credit history, stability of employment), as well as from the negative perspective (lack or weakness of credit security, instability of employment, irregular family situation, economic uncertainty). In this context, particularly sensitive risk areas of the banking business were identified.*
***Practical Implications:*** *In business practice, monitoring key credit scoring factors informs both customers and banks, the business risk. A 'handy barometer' of individual creditworthiness verification can therefore be drawn up and used.*
***Originality/Value:*** *Permanent assessment of creditworthiness rating factors of individuals, based on selected evaluation measures, allows monitoring of personal risk and also the risk of banking activities under conditions of economic uncertainty.*

***Keywords:*** *Banking, local financial market, banking services, credit assessment, Poznań..*

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## 1. Introduction

It is nothing new that banks, like other commercial enterprises, seek to maximize business profit. Banking is therefore closely linked to the need to risk taking (Choudhry, 2022; Naili and Lahrichi, 2022). The most important types of banking business risks include credit risk (Iwanicz-Drozdowska *et al.,* 2024). The consequence of such risk may be the borrower's failure or delay in obligation payment, or a reduction in the value of payment flows as a result of a credit rating downgrade (Hernes *et al.,* 2023). Thus, credit risk remains a potential threat: as the borrower may fail to meet its obligations under the credit agreement, exposing financial institutions (banks) to the financial losses (Borri and Di Giorgio, 2022; Kietliński, 2022).

The bank is exposed to active and passive risks. Active risk occurs when the borrower fails to repay the principal and interest installments in the agreed rate and on the specified date (Kasiewicz and Woźniak, 2024). Moreover, the bank carries the passive risk of paying all customer payments earlier than specified in the credit agreement. The performance of retail services implies individual credit risk, also called unitary risk (as a result of a single credit agreement), but at the same time portfolio (general) risk, covering the entire credit portfolio in a single bank (Kietliński, 2022). Portfolio risk depends on the amount of individual credits, the interdependencies between them, and the probability of defaulting on instalments (Iwanicz-Drozodowska *et al.,* 2024).

The level of potential banking risk depends on various factors: endogenous (internal), is related to the bank's management system, as well as exogenous (external), depends on the specifics of the customer (borrower) and macroeconomic considerations (inflation, unemployment, or economic situation and uncertainty) and regional, mesoeconomic (Kietliński, 2022).

In the ever-changing environment - the 'economic system' - which must take into account technological advances, internationalization of financial markets, development of financial products and services, the area of risk is also expanding (Słodowa-Hełpa, 2013; Chudobiecki *et al.,* 2016; Ostraszewska, 2017; Wanat *et al.,* 2018). The change of so-called 'system' defined in this way profiles the market (Potkański *et al.,* 2011; Wanat and Potkański, 2011; Klus *et al.,* 2021). The banking sector, exposed to market turbulence, permanently seeks 'adequate' regulative instruments, usually with prudential qualities (Wanat *et al.,* 2019; Klus *et al.,* 2023). It is understandable, therefore, that banks are taking all possible measures to reduce the credit risk level (Kietliński, 2022; Klus *et al.,* 2024).

The business mechanism in crediting policy is quite clear. A positive credit decision by the bank depends on adequate customer collateral. The assessment performed should recognize an acceptable level of risk: both the borrower's willingness to repay the credit (effective perspective: ‘I want’) and his creditworthiness (potential perspective: ‘I can’), documented by legal and formal collateral for the obligation (Mahila *et al.,* 2024; Noor *et al.,* 2024). The analysis of a customer's creditworthiness should therefore answer key questions about credit risk in each individual case (Czechowska *et al.,* 2024). The Polish Banking Law specifies (Article 70) that it is “the ability to repay the loan taken out with interest at the time specified in the contract” (Banking…, 2023). Banks protect themselves from the negative effects of credit risk, in case of insolvency. Institutions should therefore adjust credit policies, methods and procedures, individually for each borrower (De Haan *et al.,* 2020; Dąbrowska *et al.,* 2023).

There is no universal model (and only one method) for assessing creditworthiness. The bank programs and then adapts its own model. Each borrower is called upon to provide documents and information to verify his creditworthiness. The assessment is usually carried out in two categories: formal and material. In the first case, the legal capacity (signing a credit agreement) is verified, while in the second case, the economic and financial situation of the potential borrower and the 'quality' (value and usefulness) of his credit collateral are verified (Polasik *et al.,* 2024).

The assessment is carried out (stage one) on personal data: such as age, marital status, number of people in the household, or education - this is the personal aspect. Next, the economic and financial situation is assessed: disposable income, monthly income and expenses, savings held, assets and liabilities of the client (Antonowicz *et al.,* 2023). The customer's previous 'credit history' is also verified, usually through credit reference bureaus (Dąbrowska *et al.,* 2023).

Individual creditworthiness can be programmed, depending on the needs (demand). It's a kind of 'multifactor model'. Any increase in financial inflows or decrease in expenses in the household budget can increase disposable income. When planning to enter into a credit agreement, you can also aim to increase your own contribution while paying off previous (other) obligations in full. You can design to repay the credit in equal installments (instead of decreasing) or extend the credit period while maintaining lower rates.

These reasons alone justify undertaking research on key aspects of individuals' banking creditworthiness in the local financial services market (Piechocka, 2024). The basis was the question of changes in credit scoring, as seen from the perspective of the consumer, the potential borrower. So, in order to get a bank credit, do you have to prove that you don't actually need it?

## 2. Materials and Methods

In designing the methodological basis of the study and selecting the research material, reference was made to consumers' knowledge of creditworthiness assessment techniques and the consequences of this assessment. Thus, the starting point became the available methods of creditworthiness testing, or, de facto, methods of credit risk assessment (Iwanicz-Drozdowska *et al.*, 2024; Piechocka, 2024). Why?

From the bank's perspective, the level (measure) of credit risk depends on the borrower type, the amount of the credit granted, its purpose and repayment term (Bouteille and Coogan-Pushner, 2021). The assessment of creditworthiness should lead to the determination of a 'safe' credit amount for the bank (although the borrower's safety is said to come first). Of course, a correct assessment leads indirectly to the determination of the maximum credit amount, the installments of which the borrower will be able to pay without much difficulty (and excessive debt). The maximum permissible debt level are calculated for a specific customer, based on: income, collateral value, costs and credit period, relying on relevant sector indicators (Jankowska, 2023).

The first is the DStI (debt service to income) ratio. Based on “Recommendation S” issued by the Financial Supervisory Commission, it replaced, in 2019, the previously used DTI (debt to income) ratio. The DStI measure determines “the ratio of the annual cost of servicing credit and non-credit financial obligations to the total annual income of a retail customer” (Financial Supervisory Commission, 2024). In Poland, has been assumed that this indicator level should not exceed 50%. During the same period, the DStI rate [for residential properties] was set at 29.5% in the Netherlands and at 100% in Slovakia. (Kruszka and Wroński, 2019). Similarly, the average value of the same DStI in Poland in 2020 was 29%. Moreover, less than 30% were credits with a DStI not exceeding 20%. In comparison, the share of consumer credits whose DStI exceeded the maximum allowed was 23.3% (Czechowska *et al.*, 2022).

Another measure of bank credit risk is the LTV (loan to value) ratio. This measure determines 'the ratio of loan exposure to the market value of the property'. LTV applies only to credits secured by property (Jankowska, 2023; Kucharska-Stasiak, 2023). In Poland, the maximum value of this ratio is 90%. Other LTV values were accepted: in the Netherlands (100%) and in Malta (70%) (Kruszka and Wroński, 2019).

Quantitative, qualitative and mixed methods are used to assess the creditworthiness of a retail customer (Borsuk and Markiewicz, 2020; Begenau and Landvoigt, 2022). The general equation, which determines creditworthiness, takes the form of the difference between all the income possessed by the potential borrower and all his liabilities (cost of living, fixed costs, other obligations, installments on existing loans and credits, etc.).

Quantitative analysis involves determining the amount and stability (regularity) of the prospective borrower's income (Vardi, 2022). Its derivatives are economic and financial indicators (for example, the debt service to own income ratio). Qualitative analysis leads to an assessment of individual borrower characteristics (age, marital status, number of household members, education and housing status, profession and its employment form, property status, skills). The 'credit history', which is a 'picture' of past timely 'solvency', is also examined (Brodzikowska and Olejniczak, 2021).

'Credit-scoring', on the other hand, is a mixed, point-based assessment of creditworthiness. Points are awarded for each attribute (quantitative or qualitative), recorded in what is known as a credit-scoring 'scorecard'. Of course, this analysis is usually done using dedicated applications that apply machine learning (Wu and Pan, 2021). Selected attributes describing the borrower are evaluated, followed by the complete credit application (Paleczna, 2019).

The higher the number of scored points, the greater the ability to get a credit. A simple calculation method makes it easier to evaluate a credit application by standardizing it and using a uniform scoring index (Przanowski, 2014; Twarowska, 2023). On this basis (point total, see Table 1), a decision is made to grant or decline the credit (Djeundje *et al.*, 2021; Piechocka, 2024). The speed and uniformity of evaluation in the credit granting process makes this method popular in banking practice (Bouteille and Coogan-Pushner, 2021).

***Table 1.*** *Credit assessment model based on the scoring card [total 32 points].*

| **Total scoring** | **Credit decision** |
|---|---|
| more than 29 points | Customer is creditworthy, preferential credit terms |
| from 22 to 28 points | Customer is creditworthy, standard credit conditions |
| less than 21 points | Customer is not creditworthy |

***Source:*** *Own elaboration based on Piechocka (2024).*

However, it seems that the determining factor in granting or denying a credit is the collateral for the credit agreement ('authorizes' the borrower's creditworthiness). Even a customer who does not have 'basic' (credit score) creditworthiness can obtain a credit provided, that the credit agreement is adequately (effectively) secured (Kietliński, 2022). So although the establishment of collateral is not legally mandatory, banks commonly use it (Lewis, 2023; Ulhaq, 2023).

The value of the customers' assets should therefore secure the highest possible value of the credit granted (Kucharska-Stasiak, 2023), in practice exceeding it several times over. Personal and in-kind collateral (e.g., security deposits, transfer of ownership, mortgages) are used. The bank may require the debtor (borrower), reliable bank credit insurance (having the same effect as in the case of insurance accident compensation). The agreed sum insured then satisfies the creditors' claim (Jurkiewicz and Urbaniak, 2023).

The designed own research, which is an attempt to assess the knowledge of the creditworthiness examination principles in the local banking services market (subject scope), was carried out using the diagnostic survey method. A survey technique and a self-developed questionnaire, consisting of 23 questions, were used. These included the degree of interest and satisfaction with credit services, knowledge of the creditworthiness examination rules, and how to assess creditworthiness. Respondents also shared their personal metric (qualitative) data. The survey was conducted in the traditional formula of an individual interview with individuals, living in the selected territory (subject scope), in the period from August to November 2023 (time scope), in the Poznań agglomeration area (Piechocka, 2024).

The study area (and population), was defined on the basis of Resolution No. LXIX/1251/VIII/2022 of the Poznań City Council of 12.07.2022 (Resolution..., 2022) on the designation of the area and boundaries of the Poznań agglomeration. The research population included only individuals living in the Poznań agglomeration, that is, 992,065 people. The minimum sample size (representative sample) of n=384 people was determined in a customized manner, based on the attributes: place of residence (Miszczak and Walasek, 2013). Thus, the following were assumed: confidence level (0.95), fraction sizes (0.5) and maximum error (0.05) (Piechocka, 2024).

The spatial survey included, the city of Poznań (excluding: Głuszyna, Piotrowo, Sypniewo, and Morasko and Radojewo settlements), the city of Luboń, the municipality of Czerwonak (with the districts Annowo, Czerwonak, Dębogóra, Kicin, Kliny, Koziegłowy, Mielno, Miękowo), Mosina municipality (Babki, Czapury, Wiórek), the city and municipality of Pobiedziska (Biskupice, part of Bugaj, Główna, Główienka, Gorzkie Pole, Jankowo, Jerzykowo, Kowalskie, Pomarzanowice, Promienko, Stęszewko, Tuczno, Uzarzewo-Huby, Wronczyn, Wronczynek), the municipality of Suchy Las (including Suchy Las, Jelonek, Złotniki, Złotkowo), the city and municipality of Swarzędz (Bogucin, Garby, Gortatowo, Gruszczyn, Janikowo, Jasin, Kobylnica, Kruszewnia, Łowęcin, Paczkowo, Rabowice, Uzarzewo, Zalasewo), the municipality of Tarnowo Podgórne (Baranowo, Chyby, Przeźmierowo, Wysogotowo), and the municipality of Dopiewo (including part of Skórzewo).

It is notable that more than 81% of the residents of the surveyed territory live in metropolitan Poznań. Next, the largest municipalities in the agglomeration in terms of population include: Czerwonak (5.58%), Swarzedz (5.54) and Luboń (3.15%). The fewest people live in the municipality of Dopiewo (0.17%). The results were organized, aggregated, analyzed and discussed. On this basis, the most important conclusions and recommendations were finally formulated.

## 3. Results and Discussion

The authors' diagnostic survey involved 384 residents of the Poznań agglomeration. Selected results of the survey were analyzed, indentifying, from the respondents' (borrowers') perspective, potential changes in the banking assessment of individuals' creditworthiness. The analysis was performed on the local financial services market, against the background of the criteria discussed in the introduction (Piechocka, 2024).

First, the structure and primary attributes of the respondents (gender, age, residence, education, form of employment and marital status) were identified. The vast majority of respondents indicated where they lived in the metropolitan area, as well as their gender and age. Among the participants surveyed, women predominated (221), as well as young people, from 18 to 26 years old (44% of respondents). A marginal group were seniors, over 65 years old (0.05%). Most had a higher education (45%) or were studying at a university (27%). Only 7% had specialized education, and 1% had only primary education.

In terms of working activity 38% were employed on the basis of a permanent contract (a criterion preferred by lenders), 10% were entrepreneurs (individual business). The remaining group (52%) declared irregular forms of employment: fixed-term (16%), civil law contracts (16%) or another form of employment (20%). Only 37% of respondents were married.

It was noted that 59.1% of respondents had never applied for a bank credit. This result probably appeared as a derivative of the relatively high participation of young people (18-26 years old) in the survey. 'Young adults' do not take out credits for a diverse range of reasons. Their uncertain (precarious), often changing situation does not facilitate a positive credit check, acting as a barrier rather than an opportunity. On the other hand, 38% of those surveyed successfully obtained financing, and only 3% of those surveyed were denied credit by the bank (Piechocka, 2024).

Is it possible to read the profile of the leading Poznań agglomeration borrower from the survey results? This 'universal borrower' is a woman (60% of respondents), aged 27-29 (45.5%), with a higher education (65%), employed under a permanent, 'long-term' working contract (60%). Married women received the largest share of positive credit decisions. The most common contract was for a construction and housing credit (39.5%).

This indication corresponds roughly to the share of spouses in the survey (37%), who find it relatively easier to prove their creditworthiness than other groups of potential borrowers. Cash credit (33%) and installment credit, most often car credit (28%), were equally popular. Interestingly (Piechocka, 2024), the young, aged 18 to 26 (47.1%), and seniors, over 65 (60%), were the most likely to apply for a cash loan.

The average credit value obtained by the surveyed residents of the Poznań agglomeration was: for a construction and housing credit almost 382 thousand PLN, for a cash credit about 34 thousand PLN, and for a revolving credit about 4 thousand PLN. Banks were most likely to provide respondents with long-term credits. Incidentally, it was noted that only 34% of those surveyed had a credit card.

The structure of already contracted credits indirectly informs about the creditworthiness of respondents. Why indirectly? Because it is not only the actual creditworthiness that determines whether you get a credit, but the decision of the bank and ultimately both parties to the contract, accepting the actual credit agreement details (Piechocka, 2024).

Financing personal or family, home-based ventures requires at least basic economic knowledge, as well as the ability to 'build' personal creditworthiness. After all, in order to raise funds, you need to demonstrate 'hard' arguments to the bank, minimizing credit risk. When indicating the sources of knowledge that constitute basic credit information for residents of the Poznań agglomeration, respondents divided into three almost equal groups. The first uses the services of a bank advisor (138 persons), the second uses online resources (131 persons), and the rest use professional literature, advice from family and friends.

Recognizing that the respondents had basic knowledge of banking, it was then verified whether they could assess their own creditworthiness on their own? An experiment was thus performed. A credit scoring method and a scoring card template were used. For this purpose, a scoring template was built (Table 1). A verified, prospective borrower can earn a maximum of 32 points on the card. Potential creditworthiness will be 'decided' by at least 22 scoring points obtained. A score lower results as a negative decision (Piechocka, 2024) (Table 2).

***Table 2.*** *Model credit scoring card for evaluating creditworthiness [32 points].*

| **Scoring [32 point] card template** | | |
|---|---|---|
| **Overall criterion** | **Detailed criterion** | **Score (points)** |
| 1. Age | a) under 26 years of age | 1 |
| | b) 27-39 years old | 4 |
| | c) 40-49 years old | 3 |
| | d) 50-64 years old | 2 |
| | e) over 65 years old | 1 |
| 2. Education | a) higher | 3 |
| | b) secondary (middle) | 2 |
| | c) in the course of study | 2 |
| | d) basic vocational | 1 |
| | e) primary | 0 |
| 3. Marital status | a) married | 3 |
| | b) single/widowed/widowered | 2 |
| | c) other | 1 |
| 4. Persons in the household | a) higher | 5 |
| | b) secondary (middle) | 4 |
| | c) in the course of study | 3 |
| | d) basic vocational | 2 |
| | e) primary | 1 |
| 5. Monthly net household income (in | a) less than 3 thousand PLN | 1 |
| | b) 3-4 thousand PLN | 2 |

| | | |
|---|---|---|
| thousands of PLN) | c) 4-6 thousand PLN | 3 |
| | d) 6-8 thousand PLN | 4 |
| | e) 8-12 thousand PLN | 5 |
| | f) more than 12 thousand PLN | 6 |
| 6. Employment length in current job | a) more than one year | 2 |
| | b) less than a year | 1 |
| 7. Residence length at current address | a) more than one year | 2 |
| | b) less than a year | 1 |
| 8. Bank account ownership | a) yes | 2 |
| | b) no | 1 |
| 9. Employment form | a) employment contract (indefinite term) | 6 |
| | b) employment contract (fixed-term) | 3 |
| | c) own business activity | 5 |
| | d) civil law contract | 1 |
| | e) other | 1 |

***Source:*** *Own elaboration based on Janc and Kraska (2001) and Piechocka (2024).*

Based on the selected scenario (Table 1), examples of positive (Table 2) and negative (Table 3) assessment were discussed. In the first case, the respondent's creditworthiness (assessed by the technique chosen here), was determined by the 30 points obtained in the scorecard (Table 2). Factors for a positive credit risk assessment include: high income, a small group of dependents and a stable form of employment.

***Table 3.*** *The case of positive assessment according to the simple scoring card.*

| Credit-scoring question | Respondent's answer | Scoring points |
|---|---|---|
| Do you have a bank account? | Yes | 1 |
| How long have you been working at your current employment? | Several years (5) | 2 |
| How long have you lived in your current residence? | Several years (5) | 2 |
| How much is your household's net monthly income? | More than 12 thousand PLN | 6 |
| How many people live in your household? | 2 | 4 |
| Age group | 27-39 years (35) | 4 |
| Education | Higher / university | 3 |
| Employment form | Permanent indefinite contract | 6 |
| Marital status | Single | 2 |
| Total scoring | | 30 |

***Source:*** *Own elaboration based on Piechocka (2024).*

In the second case, the respondent's lack of creditworthiness was determined by the 19 points (out of a possible 32) obtained in the scorecard (Table 4). Factors that determined the respondent's negative credit risk assessment were: uncertain form of employment and student status.

***Table 4.*** *The case of negative assessment according to the simple scoring card.*

| Credit-scoring question | Respondent's answer | Scoring points |
|---|---|---|
| Do you have a bank account? | Yes | 1 |
| How long have you been working at your current employment? | Several years (3) | 2 |
| How long have you lived in your current residence? | Several years (3) | 2 |
| How much is your household's net monthly income? | 4-6 thousand PLN (5,2) | 3 |
| How many people live in your household? | 2 | 5 |
| Age group | 18-26 years (25) | 1 |
| Education | During the course of study | 2 |
| Employment form | Civil-law contract | 1 |
| Marital status | Single | 2 |
| Total scoring | | 19 |

***Source:*** *Own elaboration based on Piechocka (2024).*

But is the knowledge level of potential borrowers sufficient? Residents of the Poznań agglomeration were asked about this. Less than half of those surveyed felt that their knowledge of bank credit risk assessment was definitely sufficient or rather sufficient (48%). This good rating applies in part to young people, aged 27-39 (47%), with higher education (64%). This means that an analogous proportion of respondents (52%) are not aware of credit procedures and credit scoring rules.

Yet 78% of those surveyed (a minority this time were young) said they could tell the difference between a loan and a credit. Probably, they have not yet verified their competence in practice. At the same time, 6% of residents considered their level of credit knowledge to be definitely insufficient (Piechocka, 2024). Banking and especially credit exclusion of seniors does not seem to concern financial institutions, despite the fact that the potential of the silver economy market is not insignificant (Sikora et al., 2018).

Interestingly, 60% of respondents are not familiar with credit scoring and do not understand what the 'credit-scoring' method is. Could it be that potential borrowers are living under the illusion that in a modern, digital, corporate bank, someone in management will take the time to thoroughly, qualitatively evaluate the documents and information from an individual credit application? This, unfortunately, does not happen. Meanwhile, most of those surveyed know what a business intelligence or credit information bureau is, which tracks the history of credit transactions. Comparing the two perspectives, it is surprising in what unconsciousness some of us have operated in the twenty-first century.

Assuming that half of the respondents declared a good understanding on the banking credit issues, they were asked additional questions. The survey participants should have indicated which factors in their opinion determine the assessment of individual creditworthiness. The following factors were asked: education, gender, age, form of employment, assets owned, financial obligations held, credit history, income level, and place of residence.

What attributes formed the final pillars of the consumer 'credit calculator'? Nearly all respondents listed: income level (92.4%), credit history (89.1%) and form/stability of employment (89.3%) as dominant criteria. Credit risk assessment verifiers were further supplemented by: value of financial obligations held (65.1%), personal assets (67.7%), and, interestingly, the recipient's age was also indicated (58.3%). Less attention was paid to education (37.8%), place of residence (13.3%) or gender (9.9%).

That is not all. Factors that adjust potential creditworthiness positively (+) and negatively (-) were also identified. Among the positive (+) criteria, reinforcing the rating, the following were listed: credit history (regular repayment of previous obligations), tangible assets (owning one's own home), and having a bank account (savings account) with regular salary receipts. In the group of negative criteria (-), the following were indicated: lack of own housing (rent), lack of a bank account, documenting income and expenses, as well as having a dependent family with many children (Piechocka, 2024).

While the remarks made may be surprising, they are a reflection of the way banks assess creditworthiness. The procedure is dominated by centralism and automaticity, intended to give a sense of supposed assessment objectivity. Of course, it usually eliminates 'high-risk customers,' but with them also potentially reliable ones. An example of evaluation? Despite the comparability of rent and home credit installments, that spouses from large families are generally very reliable payers and frugal householders, managing their personal finances well, the so-called 'credit scoring centers' do not seem to pay attention to this.

Credit advisors prefer the general model of a 'safe customer' who, as already mentioned, can demonstrate (collateral and income) that they do not actually need the credit. Sometimes, for so-called 'security reasons', banks also use abusive clauses in contracts (Korpalski and Nowak, 2024). Can this 'new stereotype' of credit scoring be changed? Can the 'credit dreams' of customers excluded by scoring be realized only by venture capital?

## 4. Conclusions

The study discusses key aspects of banking creditworthiness of individuals in the local financial services market. The goal was to resolve the question of changes in the way credit risk is assessed, based on a diagnostic survey and the opinions of residents of the Poznań agglomeration, in the Wielkopolska region, in Poland. Based on the conducted research and descriptive analysis, the following conclusions were formulated:

1. The financial knowledge of Poznań residents surveyed regarding banking credit services, how to assess potential creditworthiness and how to program their own ' borrower's business card', despite promising declarations, is insufficient. Weakness in borrowers' financial competence then results in difficulties in obtaining cash to finance household development.
2. Despite competency problems, respondents were able to accurately describe a consumer 'credit calculator'. When programming personal creditworthiness, they are aware of the importance of key evaluation criteria: income level, credit history and employment stability. Respondents also noted that the following can determine the assessment of the level of credit risk: the value of liabilities held, the value of fixed assets, as well as the borrower's age.
3. The most important changes that banks, being by law public trust institutions, have made to credit policy were also identified. Factors theoretically 'lowering' the credit risk level, but discriminating against borrowers, included criteria: households of large families, alleged instability of employment (but without proving which form is objectively stable), upper limit of customer age preference to 40 years. These criteria do 'facilitate' the work of the corporate credit center. But whether they actually improve the banks' bottom line (profit) is impossible to verify.

Unfortunately, so-called smart banking, with digital assistants and artificial intelligence, is currently favored in business practice. Centralization and automation of credit decisions and emphasis on transaction security dominate (Klus *et al.,* 2022; Muminovna *et al.,* 2024). Bank customers do not yet seem to be aware of the civilizational change taking place (Korenik and Ignor, 2024). Its consequence is the abandonment of the case-by-case individualization of banking services, including credit agreements, in favor of supposed objectivity, social engineering and placing decision-making in the hands of generative AI (Pajor, 2022).

Getting a credit, therefore, requires individual customers to be able to 'fit in' to the bank's optimal scoring model, which each financial institution (corporation) designs on its own, simplifies and automates. The priority (politically correct, so to say) turns out to be business 'sustainability', a preference for moderate risk and so-called 'prudential mechanisms', or, to translate it into understandable language, just one's own institutional convenience.

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