

Microcredit refers to small loans to borrowers who typically lack of collateral, steady employment or a verifiable credit history. It is designed not only for start-ups but also for individuals. Microcredit industry is experiencing fast growing in China. In contrast with traditional loans, microcredit is typically lack of collateral, which makes credit scoring important. Due to the fast development of on-line microcredit platforms, there are various sources of data that could be used for credit evaluation. Among them, the bank card transaction records play an important role. How to conduct credit scoring based on this type of data becomes a problem of importance. The key issue needs to be solved is feature construction. That is how to construct meaningful and useful features based on the bank card transaction data. To this end, we propose here a so-called RFMS method. Here "R" stands for recency, "F" stands for frequency, and "M" stands for monetary value. As one can see, our method can be viewed as a natural extension of the classical RFM model in marketing research. However, we make a further extension by taking "S" (Standard Deviation) into consideration. The performance of the method is empirically tested by a real data example from a Chinese microcredit company.