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Pricing Mechanism and Risk Prevention of Consumer Finance Installment Products under the Framework of Commercial Law

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ABSTRACT
Against the backdrop of the vigorous development of the consumer finance market, consumer finance installment products, as important tools to meet the diverse needs of consumers, have made their pricing mechanism and risk prevention key issues. This paper explores the pricing mechanism of consumer finance installment products under the framework of commercial law, and analyzes the implementation effect and optimization direction of the differential pricing strategy. It elaborates on risk prevention measures in the pre-loan, in-loan, and post-loan links, including customer qualification review, anti-fraud mechanisms, dynamic monitoring and early warning, and intelligent collection systems, and puts forward suggestions for strengthening compliance risk management. Through case analysis, the effectiveness of the pricing mechanism and risk prevention measures is verified, and the existing problems and improvement directions are pointed out. A reasonable pricing mechanism and a comprehensive risk prevention system are the cornerstones for the steady development of consumer finance installment products.

KEYWORDS
Consumer finance; Installment products; Pricing mechanism; Risk prevention

1 Introduction

With the continuous upgrading of the consumer market and the rapid development of financial technology, consumer finance installment products have become an important tool to meet the diverse needs of consumers and promote consumption upgrading. Under the framework of commercial law, how to scientifically and reasonably formulate a pricing mechanism, effectively prevent and control various risks, and ensure the stable operation of consumer finance installment products has become a focus of attention for both financial institutions and regulatory authorities. This paper aims to explore the pricing mechanism and risk prevention strategies of consumer finance installment products under the framework of commercial law, providing theoretical reference and practical guidance for financial institutions. It will analyze the pricing mechanism of consumer finance installment products, discuss the implementation effect and optimization direction of the differential pricing strategy, elaborate on the risk prevention measures in the pre-loan, in-loan, and post-loan links in detail, put forward suggestions for strengthening compliance risk management, and verify the effectiveness of the pricing mechanism and risk prevention measures through case analysis, so as to provide learnable experience and enlightenment for financial institutions.

2 Legal Basis and Market Environment of Consumer Finance Installment Products

As an important innovation in the modern financial market, the development of consumer finance installment products is not only strictly restricted by legal norms but also deeply influenced by changes in the market environment. Before discussing its specific legal basis, it is necessary to have a macro understanding of the overall legal and market background in which it is located.

2.1 Legal Basis of Consumer Finance under the Framework of Commercial Law

2.1.1 Overview of Laws and Regulations Related to Consumer Finance

As an important part of financial services, the business operation of consumer finance is restricted by a number of laws and regulations. The Law on the Protection of Consumer Rights and Interests provides basic protection for consumers' rights and interests, ensuring their right to know, right to choose, and right to fair transaction in the process of receiving financial services. The Contract Law regulates the conclusion, performance, and liability for breach of contract of consumer finance contracts, providing a clear legal basis for the legal relationship between financial institutions and consumers. The General Provisions on Loans further refine the specific operation norms of loan business, including requirements on loan conditions, procedures, interest rates, and risk management [1].

The principle of good faith requires financial institutions and consumers to maintain honesty and credibility in the transaction process, and refrain from fraudulent and concealing behaviors. The principle of fairness emphasizes the fairness of transaction conditions and prohibits unfair transactions by taking advantage of a dominant position. The

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principle of autonomy of will respects the expression of will of both parties to the transaction and allows them to freely agree on transaction terms within the scope permitted by law.

2.1.2 Comparison of Domestic and Foreign Legal Environments for Consumer Finance

There are significant differences in the legal environments of the consumer finance market at home and abroad. Overseas, many developed countries have established a relatively complete legal system for consumer finance, which comprehensively regulates the access of financial institutions, business operations, and consumer protection. In contrast, the legal system of China's consumer finance market is still under continuous improvement. In recent years, with the introduction of policies such as the Guiding Opinions on Promoting the Development of Consumer Finance Companies, the legal environment of China's consumer finance market is gradually optimizing.

2.2 Analysis of the Market Environment for Consumer Finance Installment Products

Research on Market Demand and Consumer Behavior

The market demand for consumer finance installment products presents diversified characteristics. With the improvement of residents' income levels and the change of consumption concepts, more and more consumers begin to accept and tend to use installment payment methods for large-value consumption. Consumers of different ages, occupations, and income levels have different demands for installment products. Young and high-income groups are more inclined to choose flexible and diverse installment plans, while middle-aged and elderly groups and low-income groups pay more attention to installment costs and repayment pressure. Financial institutions must conduct in-depth analysis of consumer behavior characteristics, accurately position target customer groups, and develop installment products that meet market demand.

2.3 Market Competition Pattern and Product Innovation

The competition pattern of the consumer finance market is becoming increasingly fierce. Multiple forces such as banks, consumer finance companies, e-commerce platforms, and internet financial enterprises have entered the market one after another. Various institutions have launched fierce competition in product design, interest rate pricing, and service experience, promoting the continuous innovation of consumer finance products. Some institutions have launched promotional activities such as "zero down payment and zero interest", while others have realized accurate customer profiling and personalized recommendations through the application of big data technology, improving customer experience and satisfaction.

2.4 Impact of Policy Environment on Consumer Finance

The government has introduced a series of policy measures to support the development of consumer finance, such as relaxing market access, encouraging financial innovation, and strengthening consumer protection. Regulatory authorities have also strengthened the supervision of the consumer finance market, standardized market order, and prevented systemic risks. Changes in the policy environment have put forward new challenges and requirements for the pricing mechanism and risk prevention of consumer finance installment products. Financial institutions must pay close attention to policy trends, adjust business strategies in a timely manner, and ensure compliance in business operations.

3 Pricing Mechanism of Consumer Finance Installment Products

The pricing mechanism of consumer finance installment products is a complex and sophisticated system constructed by financial institutions to determine the product price when providing installment services. It is not only related to the profitability and market competitiveness of financial institutions but also directly affects consumers' choices and the overall operational efficiency of the market. A deep understanding of the theoretical basis of its pricing mechanism is crucial for grasping the nature and laws of consumer finance installment products.

3.1 Theoretical Basis of the Pricing Mechanism

The pricing mechanism of consumer finance installment products is based on a variety of theories, each with its own characteristics and applicable scenarios. The cost-plus pricing method focuses on product costs. In the case of consumer finance installment products, it accurately calculates various costs such as capital cost, operation cost, and risk cost, and adds a certain profit margin on the basis of these costs to determine the final price. The advantage of this method lies in its simplicity in calculation and ease of understanding, enabling financial institutions to clearly grasp the relationship between costs and profits. However, it also has obvious limitations. Since it does not fully consider market demand and competition, it may lead to a disconnect between pricing and the market, resulting in either too high a price that fails to attract customers or too low a price that affects profitability [2].

The market-oriented pricing method focuses on market demand and competition. Financial institutions conduct in-depth analysis of key factors such as market demand elasticity, competitors' pricing strategies, and customers' willingness to pay, accurately position the product in the market, and determine the price level accordingly. This method can keenly capture changes in market supply and demand, making the product price more adaptable to the market and effectively

enhancing the product's market competitiveness. The risk-adjusted pricing method is based on risk assessment. In the field of consumer finance installment products, it quantifies and assesses various risks such as customer credit risk, market risk, and operational risk, and adjusts the product interest rate accordingly to ensure a balance between risk and return. This pricing method can accurately reflect the risk level of the product, provide a strong basis for the risk management of financial institutions, and enhance their risk resistance capabilities.

3.2 Key Factors Affecting Pricing

The pricing of consumer finance installment products is comprehensively affected by a variety of key factors.

Capital cost is an important cornerstone of pricing. Financial institutions raise funds through various channels such as absorbing deposits, issuing bonds, or inter-bank lending, and there are significant differences in capital costs among different channels. In the pricing process, financial institutions fully consider the dynamic changes in capital costs to ensure that the product interest rate can not only cover the capital cost but also achieve the expected profit target. Ignoring the impact of capital cost may lead to unreasonable pricing, affecting the profitability and market competitiveness of financial institutions. The credit status of different customers varies greatly. Customers with lower credit ratings have relatively higher default risks, so financial institutions need higher interest rates to compensate for potential risk losses. The establishment of a sound credit evaluation system is crucial. Financial institutions must conduct a comprehensive and in-depth assessment of customers' credit status and formulate differential interest rate levels based on the assessment results to achieve a reasonable balance between risk and return [3].

In a highly competitive market environment, in order to attract more customers and increase market share, financial institutions need to enhance product competitiveness through product innovation and service optimization. The differential pricing strategy has become an effective means to meet the needs of different customer groups. Financial institutions can segment customers into different groups based on factors such as customers' credit ratings, consumption habits, and payment capabilities, and tailor differential interest rate levels for each group, thereby better meeting customers' personalized needs and improving customer satisfaction and loyalty. Regulatory policies and compliance costs also have a potential impact on the pricing strategy of consumer finance installment products. With the continuous improvement and strengthening of regulatory policies, financial institutions need to strengthen compliance management to ensure compliance in business operations. The increase in compliance costs may lead to an increase in product pricing. Financial institutions must strike a balance between compliance operations and profit targets, not only meeting regulatory requirements but also maintaining the market competitiveness of their products.

3.3 Optimization Strategies for the Pricing Mechanism

To improve the scientificity and effectiveness of the pricing of consumer finance installment products, financial institutions need to adopt a series of optimization strategies. The dynamic pricing strategy is a flexible pricing method based on market changes and risk assessment. Financial institutions can monitor changes in factors such as market supply and demand, customer credit status, and risk levels in real time, and adjust the product interest rate level in a timely manner according to these changes. Through the dynamic pricing strategy, financial institutions can respond more quickly to market changes, improve the accuracy and adaptability of pricing, and keep the product price consistent with the market and risk conditions at all times. Financial institutions can make full use of multi-dimensional information such as customers' credit ratings, consumption habits, and payment capabilities to divide customers into different groups and formulate differential interest rate levels for each group [4]. By collecting and analyzing multi-dimensional data such as customers' consumption data, credit records, and social network information, customer profiles and risk assessment models are constructed. Based on the results of big data analysis, financial institutions can more accurately assess customers' credit risks and repayment capabilities, providing strong support for pricing decisions. Big data technology can also be used to monitor market dynamics and competitors' pricing strategies, providing financial institutions with real-time and accurate market information, helping to make pricing decisions more scientifically and accurately, and enhancing the competitiveness of financial institutions in the market [5].

4 Risk Prevention of Consumer Finance Installment Products

As an innovative form of financial services, consumer finance installment products not only provide convenience for consumers but also are accompanied by a series of potential risks. If these risks are not effectively prevented and controlled, they may not only damage the interests of consumers but also affect the stable operation of financial institutions and the healthy development of the market. Therefore, the construction of a scientific and comprehensive risk prevention system is crucial for the sustainable development of consumer finance installment products.

4.1 Risk Identification and Assessment

The risk identification framework covers various risks such as fraud risk, credit risk, market risk, and operational risk. Financial institutions should clarify the identification standards and assessment methods for various risks to ensure the comprehensiveness and accuracy of risk identification. Through regular risk investigation and monitoring, potential risk

points are discovered in a timely manner, providing a basis for subsequent risk assessment and prevention.

Risk assessment models and methods are important tools for quantifying risk levels. Financial institutions can use statistical models such as Logistic regression and decision trees, combined with multi-dimensional data such as customers' credit records, consumption behaviors, and repayment capabilities, to construct risk assessment models. Through model calculation, the default probability and risk level of customers are obtained, providing strong support for pricing decisions and risk prevention [6]. Big data technology has significant advantages in risk assessment. Financial institutions can collect and analyze massive amounts of data to explore customers' potential risk characteristics and behavior patterns. Big data technology can also be used to construct a real-time risk monitoring system to dynamically monitor and early warn key indicators such as customers' repayment behaviors and changes in assets and liabilities. Through the application of big data technology, financial institutions can more accurately assess customers' credit risks and repayment capabilities, and improve the efficiency and effectiveness of risk prevention.

4.2 Risk Prevention Measures and Strategies

4.2.1 Pre-loan Risk Prevention

Pre-loan risk prevention is directly related to the quality and recovery rate of subsequent loans. Effective pre-loan risk prevention can screen out high-quality customers, reduce default risks, and bring stable returns to financial institutions.

4.2.1.1 Strengthening Customer Qualification Review

Financial institutions should establish a comprehensive and strict customer qualification review system. In addition to verifying basic identity information, they should conduct in-depth assessments of customers' credit records, income stability, and occupational status. For customers with multiple overdue or default records in their credit history, their loan applications should be reviewed with caution. By verifying materials such as customers' income certificates and bank statements, it is ensured that customers have sufficient repayment capabilities. Financial institutions can also obtain more comprehensive credit information about customers, such as social behavior data and consumption habits, through third-party data platforms to more accurately assess customer qualifications [7].

4.2.1.2 Improving Anti-fraud Mechanisms

With the development of financial technology, fraud methods have become increasingly diversified. Financial institutions need to continuously improve anti-fraud mechanisms, construct anti-fraud models using big data analysis and artificial intelligence technology, and conduct real-time monitoring and analysis of customers' application information. By analyzing customers' application behavior patterns, abnormal application behaviors such as multiple applications within a short period of time and inconsistent application information are identified. A blacklist system is established to include customers with fraudulent behaviors in the blacklist and prohibit them from applying for loans again. Financial institutions can also cooperate with public security and telecommunications departments to share fraud information and jointly combat financial fraud.

4.2.1.3 Cross-validation

Financial institutions can verify customers' information through multiple channels to ensure the authenticity and accuracy of the information. For example, for the income certificates provided by customers, verification can be conducted through telephone return visits and on-site inspections. For customers' identity information, verification can be conducted through data connection with public security departments. Through cross-validation, false information provided by customers can be effectively detected, and fraud risks can be reduced.

Through real-time monitoring of loan usage and customers' repayment behaviors, financial institutions can detect potential risks in a timely manner and take corresponding measures to prevent and resolve them.

4.2.2 In-loan Risk Monitoring and Management

4.2.2.1 Analysis of Key Indicators

Key indicators include repayment behaviors and changes in assets and liabilities. In terms of repayment behaviors, financial institutions pay attention to whether customers repay on time and in full. For customers who have overdue repayments, the reasons should be analyzed in a timely manner to determine whether it is a temporary difficulty or a potential malicious evasion of debts. In terms of changes in assets and liabilities, financial institutions pay attention to whether there are significant changes in customers' asset status and liability levels, such as whether customers suddenly sell important assets or have a large increase in liabilities. Such changes may affect customers' repayment capabilities, so financial institutions must conduct timely assessments and adjust risk strategies [8].

4.2.2.2 Dynamic Monitoring and Early Warning Mechanism

Based on the analysis of key indicators, financial institutions should establish a dynamic monitoring and early warning mechanism. By setting reasonable early warning thresholds, when customers' repayment behaviors or changes in assets and liabilities exceed the normal range, the system will automatically issue an early warning signal. For example, when a customer has overdue repayments for two consecutive months, the system can issue a yellow warning. When a customer has overdue repayments for more than three months or the asset-liability ratio rises significantly, the system can issue a red warning. After receiving the early warning signal, financial institutions should take timely measures, such as

communicating with customers to understand the situation, adjusting the repayment plan, and strengthening collection efforts, to prevent the further expansion of risks.

4.2.3 Post-loan Collection and Asset Preservation

Traditional post-loan collection methods mainly rely on manual telephone collection and on-site collection, which are inefficient and costly. With the development of financial technology, intelligent collection systems have gradually been applied in the field of post-loan collection. The intelligent collection system can realize large-scale and efficient collection through automatic voice calls and SMS reminders. Using big data analysis and artificial intelligence technology, a collection scorecard is designed to assess customers' willingness and ability to repay, and personalized collection strategies are formulated based on the assessment results. For customers with a strong willingness to repay but temporarily encountering difficulties, gentle collection methods such as extending the repayment period and reducing part of the interest can be adopted. For customers with a weak willingness to repay or maliciously evading debts, legal means can be used for collection.

When customers are really unable to repay the loan, financial institutions can reduce losses through asset preservation measures. Asset preservation measures include the disposal of collateral or pledged property and claiming compensation from guarantors. Before issuing a loan, financial institutions should clarify the ownership and disposal method of the collateral or pledged property to ensure that it can be disposed of smoothly when needed. A clear guarantee contract should be signed with the guarantor, specifying the guarantee liability and scope. When a customer defaults, financial institutions can promptly claim compensation from the guarantor to reduce loan losses.

4.2.4 Compliance Risk Management

Financial institutions should strictly abide by relevant laws, regulations, and regulatory requirements, strengthen the construction of internal compliance systems, and improve employees' compliance awareness and risk prevention capabilities.

4.2.4.1 Strengthening the Construction of Internal Compliance Systems

Financial institutions should establish a sound internal compliance system, clarify the compliance responsibilities and processes of various departments and positions, formulate normative documents such as compliance policies and compliance manuals, and provide clear guidance for business operations. A compliance review mechanism should be established to conduct compliance reviews of business contracts and product promotion materials to ensure compliance with laws, regulations, and regulatory requirements.

4.2.4.2 Strengthening Employees' Compliance Training

Employees' compliance training should be strengthened to improve their compliance awareness and risk prevention capabilities. The training content can include relevant laws, regulations, regulatory policies, and internal compliance systems. Through regular training and assessment, it is ensured that employees are familiar with compliance requirements and strictly abide by them in business operations.

4.2.4.3 Strengthening Communication and Cooperation with External Regulatory Authorities

Communication and cooperation with external regulatory authorities should be strengthened to timely understand the dynamic changes of regulatory policies and ensure compliance in business operations. Financial institutions should actively cooperate with the inspection and investigation work of regulatory authorities and truthfully provide relevant information and materials. Through good communication with regulatory authorities, financial institutions can adjust business strategies and risk prevention measures in a timely manner to adapt to regulatory requirements.

5 Case Analysis (Taking the "Home Decoration Installment" Product of X Consumer Finance Company as an Example)

After in-depth discussion on the pricing mechanism and risk prevention strategies of consumer finance installment products, it is necessary to further understand and verify the application and effect of these theories in practice through specific case analysis. The following is a detailed case analysis of the "Home Decoration Installment" product of X Consumer Finance Company.

5.1 Introduction to the Case Background

5.1.1 Overview of X Consumer Finance Company

X Consumer Finance Company is a professional consumer finance company established with the approval of regulatory authorities, dedicated to providing consumers with convenient and efficient consumer finance services. The company has a clear market positioning, mainly targeting low- and middle-income groups, and providing diversified consumer finance products including home decoration installment, education installment, and travel installment. After years of development, the business scale of X Consumer Finance Company has been continuously expanding, and it has a certain market influence in the consumer finance field.

5.1.2 Overview of the "Home Decoration Installment" Product

Compared with other consumer finance products such as mobile phone installment, electronic product installment, and virtual product installment in game malls, the home decoration installment product provides services with a service cycle ranging from one week to several months. The special delivery method of the home decoration installment product leads to its special risks. In addition to the lender and the borrower, the home decoration installment product also involves a third party, namely the decoration company (merchant) that provides services. The fraud risk that consumer finance companies need to face will change when merchants collude with borrowers to obtain loans, as shown in Table 1.

Table 1 Types of Consumer Loan Scenarios

Scenario	Main Institutions/Products	Service Form
Shopping Scenario	JD Baitiao, Jiebei	The shopping scenario is the main form of scenario-based consumer finance. It is used to obtain consumer loans through installment payment or credit sales when purchasing goods or services.
Education Scenario	Labi Installment, Baidu Youqian	It is used to purchase education products, including skill training, on-the-job exams, and tuition loans.
Travel Scenario	Xiecheng, Tuniu, Qunaer	It is used for consumer loans for travel expenses.
Post-car Purchase Scenario	Yixin Auto Loan, Cheguo	It is used for installment payment of expenses after car purchase.
Rental Scenario	Hui Installment, Haofangbao	It is used for rental loans.
Decoration Scenario	Youyoubao, Tubatu	It is used for design, construction, and material expenses.
Wedding Scenario	Wedding Loan, Xinhunbao	It is used for wedding preparation and wedding services.
Medical Scenario	Qiandaifu, Kuaikangda	It is used to supplement medical insurance.

Source: Compiled from public data

5.2 Practice of Pricing Mechanism and Risk Prevention

5.2.1 Implementation of the Pricing Mechanism

X Consumer Finance Company has adopted a differential pricing strategy in its "Home Decoration Installment" product. It formulates different loan interest rates based on factors such as customers' credit ratings, income levels, and installment terms. For customers with high credit ratings and stable incomes, lower loan interest rates are given. For customers with low credit ratings and unstable incomes, the loan interest rates are appropriately increased. At the same time, market competition factors are taken into account to ensure that the product pricing is competitive. The implementation results show that the differential pricing strategy can effectively attract high-quality customers, improve the loan recovery rate, and bring reasonable profits to the company.

5.2.2 Application of Risk Prevention Measures

X Consumer Finance Company has established a strict customer qualification review system before loans. It screens out high-quality customers by verifying customers' identity information, credit records, income certificates, and other materials. It uses big data analysis and anti-fraud models to conduct real-time monitoring of customers' application information and prevent fraud risks. As shown in Table 2, from 2017 to 2019, the overall non-performing loan ratio of X Consumer Finance Company decreased from 2.27% (224 million yuan) in 2017 to 1.86% (638 million yuan) in 2019, a decrease of 0.41 percentage points; the overall overdue loan ratio decreased from 4.54% (448 million yuan) in 2017 to 3.72% (1.276 billion yuan) in 2019, a decrease of 0.82 percentage points.

Table 2 Analysis of Non-performing Loans of X Consumer Finance Company

Category	2017 Amount (Million Yuan)	2017 Proportion (%)	2018 Amount (Million Yuan)	2018 Proportion (%)	2019 Amount (Million Yuan)	2019 Proportion (%)
Normal	9441.03	95.65	19927.67	96.29	32964.71	96.22
Special Mention	204.86	2.08	295.33	1.43	656.48	1.92
Substandard	54.33	0.55	177.35	0.86	439.56	1.28
Doubtful	66.43	0.67	160.76	0.78	148.1	0.43
Loss	103.28	1.05	133.35	0.64	50.71	0.15
Total Customer Loans	9869.93	100	20694.46	100	34259.56	100
Non-performing Loan Balance	224.04	2.27	471.46	2.28	638.37	1.86
Non-performing Loan Ratio (%)	2.27	-	2.28	-	1.86	-

Source: Financial Report of X Consumer Finance Company

5.2.3 In-loan Risk Monitoring and Management

The consumer finance company conducts dynamic monitoring of loans by setting key indicators such as repayment behaviors and changes in assets and liabilities. When a customer's repayment is overdue or the asset-liability ratio rises significantly, the system issues an early warning signal in a timely manner. After receiving the early warning, the company

communicates with the customer in a timely manner to understand the situation and adjusts the repayment plan or strengthens collection efforts according to the actual situation.

Post-loan Collection and Asset PreservationIn terms of post-loan collection, a combination of an intelligent collection system and manual collection is adopted. The intelligent collection system realizes large-scale and efficient collection through automatic voice calls and SMS reminders. For customers with a long overdue period or difficult collection, manual on-site collection or legal proceedings are conducted. In terms of asset preservation, the company requires customers to provide collateral or guarantors before issuing loans to ensure that losses can be reduced by disposing of the collateral or claiming compensation from the guarantors when customers default.

5.3 Existing Problems and Improvement Suggestions

5.3.1 Existing Problems

In terms of the pricing mechanism, the current pricing strategy is mainly based on customers' credit ratings and income levels, and insufficient consideration is given to market supply and demand and cost factors. In the context of fierce market competition, this may lead to a lack of flexibility in product pricing. In terms of risk prevention, the accuracy of the pre-loan anti-fraud model needs to be improved, and there are certain cases of misjudgment and missed judgment. The indicator system for in-loan risk monitoring is not perfect, and some potential risk factors cannot be captured in a timely manner. The efficiency of post-loan collection is relatively low, and there are no effective restrictive measures for customers who maliciously evade debts.

5.3.2 Improvement Suggestions

Improvement of the Pricing MechanismA more complete pricing model should be established, which comprehensively considers factors such as market supply and demand, cost factors, and customer risk preferences to realize dynamic pricing. Market research should be strengthened to timely understand competitors' pricing strategies and ensure that product pricing is competitive. Improvement of Risk PreventionThe pre-loan anti-fraud model should be optimized, and more data sources and algorithms should be introduced to improve the accuracy and reliability of the model. The indicator system for in-loan risk monitoring should be improved, and monitoring indicators for aspects such as customers' consumption behaviors and social relationships should be added. The construction of the post-loan collection team should be strengthened to improve the professional quality and communication skills of collection personnel. Cooperation with judicial organs should be strengthened to establish a joint punishment mechanism for customers who maliciously evade debts, and increase the cost of default.

6 Conclusion

By discussing the pricing mechanism and risk prevention of consumer finance installment products under the framework of commercial law, this paper reveals the importance of reasonable pricing and comprehensive risk prevention for the steady development of consumer finance installment products. The differential pricing strategy, comprehensive risk prevention system, and suggestions for strengthening compliance risk management put forward in this paper provide useful theoretical reference and practical guidance for financial institutions. With the continuous development of the consumer finance market and the continuous improvement of regulatory policies, financial institutions should continuously optimize the pricing mechanism and strengthen risk prevention capabilities to adapt to market changes and regulatory requirements and achieve sustainable development.

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