



Best practice debt collection strategies

www.decisioningvision.com

DV Decisioning
Vision 2020

Introduction

In the digital era, people want to manage how they repay their commitments seamlessly through the channel of their choice, at a time that suits them. Providing the best possible experience for customers – including those in financial difficulties, is essential to retain good customers and comply with Treating Customers Fairly regulations.

Experian's Decisioning Vision 2020 research study revealed that whilst the time spent recovering late payment (**78%**) is the biggest challenge today, steps are being taken to balance this against how customers are treated over the next five years (**77%**) a rise from **34%** today.

Individual collections strategies should be tailored to each customer profile. But such an approach requires the right systems, data and analytics to help inform decisions about an appropriate collections method.

77% of organisations intend to improve the customer collections experience over the next five years



Deliver the best customer collections experience

Key steps to provide the best customer collections experience whilst reducing time and cost to collect:



Focus on the right customers

Access to data can help identify those who have the means and assets to pay to help prioritise your efforts on those who can – but won't pay, to achieve the best returns on your collections investments. By rehabilitating customers fairly you can foster brand loyalty, keep good customers and reduce attrition.



Streamline early stage collections

Scoring and segmentation tools can be used to identify the 'early stage' accounts with the highest payment potential. Automated technologies can help you track and cure accounts cost effectively.



Use automated collections processes

Embracing multi-channel communications will have many benefits:

- Automated collections systems allow an audit trail of communication to be maintained, regardless of channel, ensuring consistent customer experiences
- Preconfigured systems can be live within weeks, giving almost immediate access to best practices for debt collection
- Automation aids regulation compliance (e.g. Treating Customers Fairly), allowing you to manage contact frequency and payment preferences



Provide customers with self-service tools

Digital communications can be used to speed up and simplify collections processes. For example, text messages and emails can provide an interactive experience, giving people the option to make a payment, set-up a payment plan or complete a financial assessment on their own terms. Such self-serve processes can be automated, offering real cost benefits. Furthermore, self-service tools free up staff to perform more complex tasks – including those that improve customer experience overall. This can work particularly well for customers who have previously kept up with repayments and have missed one for the first time. It prevents any embarrassment for them as well as delivering cost benefits.



Monitor debtor accounts

Debtor accounts can be monitored over time to assess when the ability to pay has improved. You can then use this information to intervene and collect unpaid balances at the most opportune time for the customer.

Find out more today

To find out more about how you can improve the collections experience and time and cost to collect, please contact your Account Manager, or email decisioning.vision@experian.com.

Experian encourages organisations to achieve the ultimate customer experience by focusing on five key areas:

- Attain multiple and new sources of data
- Achieve a holistic view of customers
- Provide real-time, consistent and pre-qualified decisions
- Use multi-channel automation across all customer touch points
- Embrace advanced analytics across the entire organisation

Organisations can read the full EMEA research report and also use Experian's interactive tool to find out if they are ready for 2020, by visiting www.decisioningvision.com. Join in the conversation on Twitter [#dv2020](https://twitter.com/dv2020).

