



Debt Collection as a Customer Service

Can debt collection become a point of differentiation that helps retain customers?

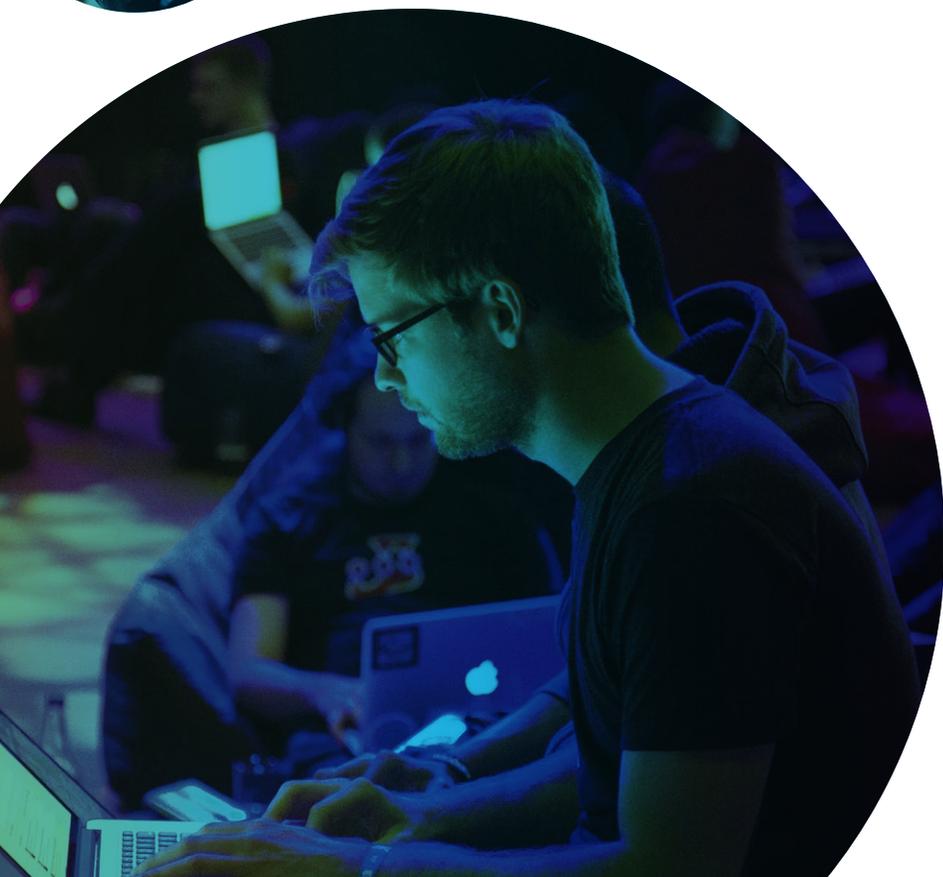




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"It has to be"

Ian Parry, Bristol Energy,
Flexys Refreshing Collections Podcast





Rising Expectations

Challenger organisations across many sectors are promoting easy-to-access, flexible customer service as a differentiator with their more traditional competitors and in the process, are altering the scope and nature of those services across the board.

When it comes to collections there are two pertinent questions for customers going through the process, does this company value my custom even when I'm going through a difficult period in my life? And secondly, are they interested in my custom in the long term?

The associated shame and anxiety of being in debt raises the emotional stakes of the customer relationship, creating a tension that can be counterproductive to both parties. It is not so long ago that the process of collecting debt would have taken little account of this but several factors have changed: the rise of consumer voices on the internet, increased regulation and a culture of changing providers.



Resolving Tension

The first obstacle to tackle is the preconception some customers have that the debt collection process will steamroll over their personal concerns and won't offer any flex to those who feel defeated by their circumstances. Some of this may stem from previous poor experiences, some from the media and internet forums and some is just a natural residual fear of exposing our weaknesses. When it comes to counteracting this fear, it may go against the grain for businesses to actively publicise debt services and consequently, some 'struggling to pay your bill' help pages can be somewhat obscure and uninformative.

Other organisations are taking a proactive and transparent approach to customer debt that focuses more on the customer service aspect. For example, it's becoming more common for customers to contact the 'payment enablement team' or 'escalated care team' in place of the 'collections and recovery team'. It may be semantics but changing the terminology is a clear way to let customers know that the old ways are changing and signal the business's cultural and ethical values. If it results in higher engagement, especially with hard to reach customers or those experiencing difficulties, it will prove worthwhile.



Technological Change

As well as the changes to external messaging, the collections process itself is evolving towards a more convenient and streamlined experience largely due to digitisation. In particular, this comes from optimising digital systems and making them context-sensitive to make the online process work sustainably for more customers. Meanwhile, contact centre resources can be deployed where they are needed the most. Customers expect that any service they interact with to be personalised, flexible and intuitive and this helps to reduce anxiety and frustration and improves the prospect of a successful encounter. It's also more likely that the customer will return to that service again if they need it, keeping customers communicating and paying through bad times.





Moving Beyond the Average Customer

The concept of an ideal or average customer is becoming less relevant. In a world of personalised services, it doesn't make good business sense if a customer receives irrelevant, untimely, outdated or inflexible collections communications. Given that many debtors have more than one creditor, they will simply move on and pay the provider who shows understanding and who demonstrates a long term interest in their situation and their value as a customer. Personalised service is now so common in online retail and social media and customers are so used to things working for them that they barely notice it but they do notice its absence. There is no reason why a similar segment of one service model cannot happen in collections. With modern technology extracting value from existing data and applying it in real-time to each customer and importantly, learning from every encounter, it's set to become the norm in collections too.



Debtors as Advocates?

Is it realistic then, to expect debt collection services and outcomes to positively influence net promoter scores? Can customers in arrears be converted to advocates through an innovative service ethic that includes those who are struggling to pay, perhaps previously characterised by some as poor value customers?

It may constitute a relatively small section of all customers but one that has an amplified and powerful voice across the media and is sharply in focus amongst regulators across every industry and sector. Plus, it's simply the right thing to do.

“Collections is a service; if we can get that message across in a friendlier way we could drive a lot more engagement.”

Mark Chapman, OVO Energy,
Flexys Refreshing Collections Podcast

Get in touch

We would like to start a conversation. Our objective is to be the most transparent and approachable digital debt resolution providers you will find. We like to listen to our customers because experience tells us that is how to keep learning and evolving.

You can connect with us on LinkedIn and Twitter, we'd like to hear your opinions and answer your questions. To keep up with the exciting developments at Flexys, please sign up for our newsletter.



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