

# ONLINE COLLECTIONS AND THE DEBT PURCHASE SECTOR

Make use of new technology to direct your customers towards self-servicing their accounts online

By Steve Grima

'SELF service' is a current buzz word, with increasing numbers of customers wanting to take more control of the way they manage their finances.

With 67% of the population set up to use e-banking, according to the Office of National Statistics, it is clear that UK consumers have trust in managing their finances online.

Despite many customers having failed to manage their debts, when a debt is sold, it provides the customer with a fresh opportunity to engage in a new relationship with the buyer, and this is where offering choice can be attractive to many people in debt.

Up to this point, customers may have buried their heads in the sand and ignored traditional methods of contact. Web-based communications provide the customer with perceived levels of anonymity without feeling pressured by direct contact with agents.

Calling campaigns and collections letters should be optimised to encourage customer engagement through these self-service channels. This approach can increase the level of customer engagement and reduce operational costs.

The most immediate results to online customer engagement can often be delivered through SMS and e-mail campaigns. When contacted through SMS and e-mail, many customers will be on a platform whereby they can immediately access a debt purchaser's website. To put things in to context:

- ◆ 51% of the UK population own personal smartphones (up 21% in the last 12 months), according to Google.
- ◆ 94% of those people use their smartphones to access the internet.
- ◆ 8% of the UK population are using tablets, which is significant growth considering that the UK tablet market was almost non-existent two years

ago, according to YouGov.

When using SMS and e-mail as campaign drivers, you must pay due regard to the level at which the customer is prepared to communicate via those methods. Pay close attention to the Office of Fair Trading Debt Collection Guidance and the Data Protection Act, doing everything you can to safeguard data. For example, messages may only

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be provided as attachments to e-mails, with a warning that attachments should only be opened by the intended recipient.

### Outline the benefits

Communication via e-mail is a fast, efficient and certainly a more cost-effective way of engaging with a customer to outline the benefits of self-servicing their accounts via the internet.

As well as increasing the level of self-servicing of accounts, e-mail campaigns will, of course, generate inbound e-mail contact. In these instances technology should be used to automatically sort, manage and route inbound e-mails to agents within the organisation that have the most appropriate skill sets.

Whether customers are using smartphones, tablets, laptops or home PCs, we need to offer choice in the way in which our customers can engage with us. It is important that websites are optimised for use across the full range of platforms. Non-optimised websites can act as a 'turn off' from online customer engagement and result in missed opportunities.

dlc are embracing multi-channel communications to give its customers the choice in how they want to manage

their debts, and indeed the way in which they would like us to communicate with them. Our data has shown us that many customers will engage through self-service methods, having previously ignored traditional letter and telephone attempts.

The ability to make payments must be simple and, of course, secure to create trust, and the creation of a customer portal to update information, make payment offers, and update information has to add to the customer experience of being in control.

Although control of the customer

experience is passed to the customer, the control of decision making still remains firmly in the hands of the debt purchaser. This can include rules-based negotiation based on customer data such as income and expenditure, in conjunction with the purchaser's own data sets – including creditor information, bureaux data, behavioural scores and so on.

With rising costs of compliance and postage for traditional recoveries methods, online self-servicing provides a much welcomed cost effective tool for recoveries operations. It is also an effective way for customers to communicate, by enabling them to avoid call charges and manage their accounts in their own time – another tick in the box for TCF purposes. We certainly see self-servicing as a growing area of our business due to the win-win scenario it provides between us and our customers. **CCR-2**



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