

Enhancing the credit life-cycle through a partnership approach

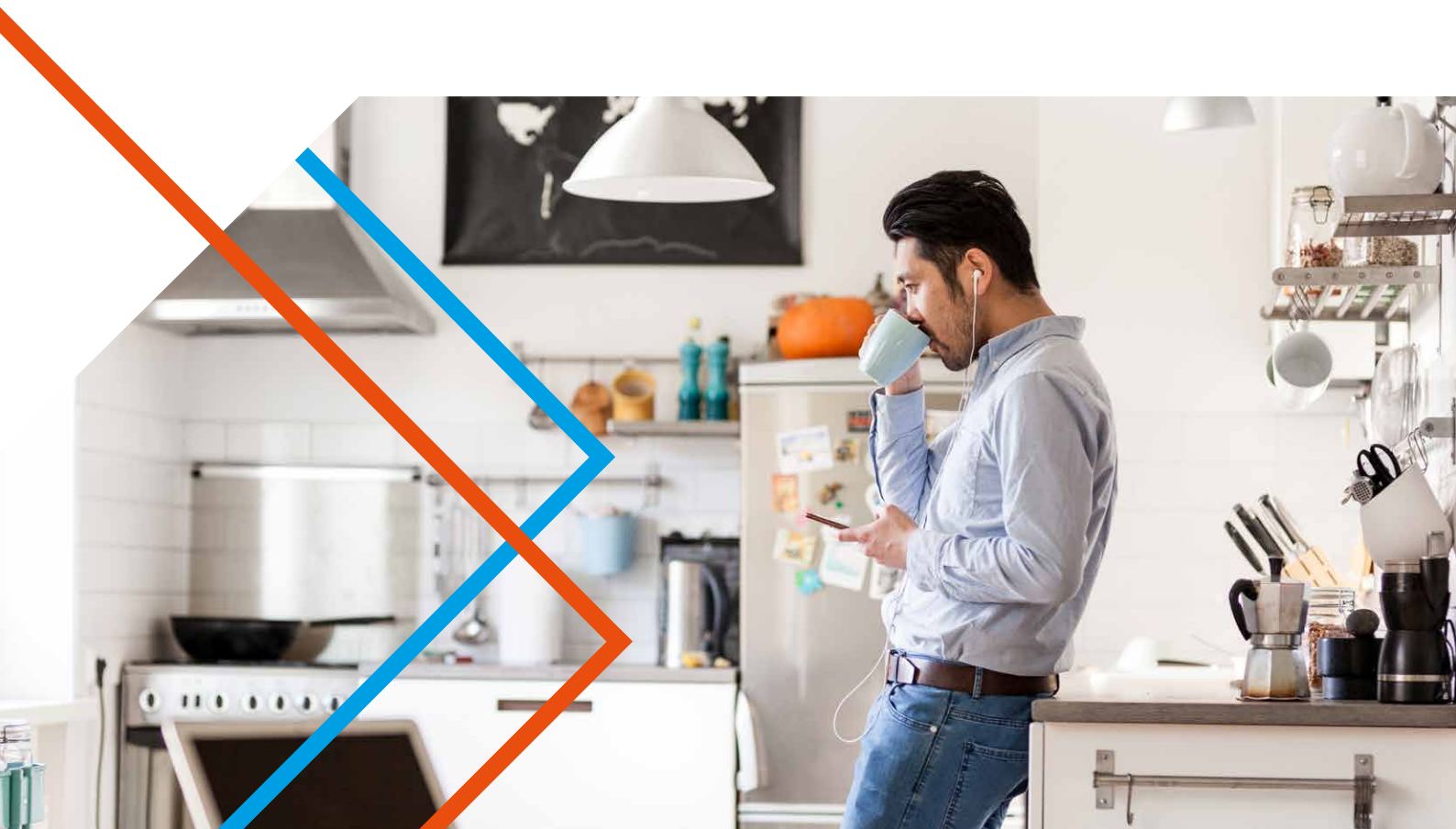
Telecommunications

Challenge

- Despite having a well-established collection strategy in place, our client was burdened with an above-average customer churn rate and associated revenue leakage due to a heavy reliance on manual processes and unreliable customer data.
- As a result, our client was struggling to engage with disconnected accounts in a timely manner which was impacting on customer experience, and the volume of unsuccessful customer contact attempts was also creating a significant drain on resources which could have been deployed elsewhere.
- Additionally, our client was also experiencing high levels of recourse from the sale of aged debt portfolios, particularly in the area of Insolvency. Almost 1.5% of customer accounts were regularly returned back to the client, significantly impacting their ability to realise the full proceeds from any debt sale.

Solution

- Working in partnership with our client, we undertook a full review of their credit life-cycle process, highlighting opportunities to maximise revenue, increase financial certainty and reduce operational inefficiencies, while enhancing customer experience and brand loyalty.
- Leveraging our vast pool of market-leading data and insight, we were able to understand our client's customer profiles in greater detail and develop a bespoke collections scorecard tailored to each individual customer journey in order to determine whether they would be best supported by a DCA or debt sale team.
- A new, fully-automated, scalable business process with integrated trace and cleanse capabilities was also implemented, enabling our client to validate customer contact details and submit accounts to Lowell for pre-sale assessment securely and efficiently.



Results

- Through this new proactive approach our client is now able to reach out to customers at the optimal time, offering them the most appropriate course of action.
- By verifying customer contact details through our trace solution, our client has seen a significant improvement in customer contact success and satisfaction. Over 5,000 accounts are verified on a daily basis, with an average of 11% resulting in new contact details being identified. The impact of which has been a reduction in customer churn of over 2%, with the added benefit of improved operational efficiencies from the reduced number of letters issued that will never reach the right customer.
- Disconnected customer accounts are quickly directed to a collections team who can offer the most appropriate level of support to help them reduce their outstanding debt more effectively. Of the 95,000 accounts assessed, a number have been deemed more suitable for sale rather than DCA and have subsequently been transferred to us.
- As well as providing a better, more personalised customer experience, this new approach has enabled our client to improve cash flow as a result of accounts being sold more quickly in the customer journey. Our client has also witnessed a stronger performance from their DCA as they are now focused only on those customers who are well-matched to the level of support they can provide.
- The ability to auto-detect ineligible accounts for sale has also resulted in a reduction in customer recourse of 66%, bringing the average level down to 0.4%. Not only has this significantly improved customer experience and FCA compliance by reducing the risk of complaints, it has also increased financial certainty by eliminating the requirement to hold a provision for post-sale recourse. In addition, revenue leakage from inefficient manual processes has also been reduced.



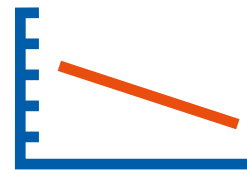
11%

uplift in customer contact details



2%

reduction in customer churn



66%

reduction in recourse

Get in touch

To find out more and to discuss your company's specific requirements, please speak to our sector expert;

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