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Optimisation of debt collection processes.

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Built on ML and AI, our solution creates behavioural models to improve the efficiency of your debt recovery methods.

About the debt collection industry:

Just as global debt surpassed $233 trillion in 2019, the collections industry has also been on the rise.

The most significant chunk of global debt ($63 million) belongs to non-financial companies, including world governments. When it comes to consumer debt, the most important sources of debt come in the form of mortgages, credit cards, and student loans.

Over the years, organisations around the world have increasingly started to outsource debt collection to external companies. This has resulted in a significant rise in recoveries while simultaneously reducing costs.

The usual process is twofold: the collection agency first purchases a debt portfolio and then begins the recovery process, which may span several months, years, or even decades.

Challenges in the industry:

Despite an increase in demand, the revenue for the collections industry hasn't seen any substantial gain. According to estimates, the industry on average has only been able to retrieve 20% of debt amount from 2018.

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Many common problems encountered by collection agencies stem from limited information about the receivables and debtors.

By applying strategic models to debt portfolio assessment, agencies can better determine whether cases require either legal or arbitral measures.

Unfortunately, scarce or limited data impacts this assessment. It also impedes the process of debt valuation and recovery prediction, lowering the efficiency of recovery procedures, consequently reducing collectors' revenues.

Our solution:

Built on Machine Learning and Artificial Intelligence, our solution helps to predict the behaviour of different groups of debtors, based on data from their previous interactions with the agency.

As a result, debt collectors can create behavioural models that help them better assess whether a given debtor will repay the full amount within the required timeline and if not–then how they will deviate from the preferred course of action.

By introducing Deep Learning mechanisms, our solution offers an easier way to prepare data, helping to automatically include a chronology of events, and ensure a continuous analysis of cases.

As a result, the quality of forecasts and their period of validity increase, equipping debt collectors with the insights they need to improve their recovery methods.

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Our approach

1. Insight & Problem diagnosis
   - We always start with a thorough analysis of the challenges you are facing, as it helps us to prescribe the best ways to adapt the solution to your particular needs.

2. The best of both worlds
   - Our solutions draw on our expertise in classical statistics and advanced analytics–ensuring that your debt collection agency reaps the benefits of both these approaches

3. Additional dimensions of analysis
   - By introducing further analyses of voice data (signal processing), as well as conversation transcripts (NLP), our solution equips you with even more actionable insights.

Related case study.