



# Unlocking Debt Settlement Efficiency

## THE PROBLEM

A major credit issuer was experiencing communication and workflow issues in its debt settlement processes. Increasing numbers of consumers were working with debt settlement companies to settle their delinquent accounts, but inefficient and insecure communication methods such as email, phone, and fax were leading to laborious and drawn-out settlement agreements. The issuer also lacked full transparency into how many accounts, and how much debt, was with each debt settlement company.

## THE SOLUTION

Using Convoke's Debt Settlement Directory, the issuer was able to gain a secure channel to communicate with the debt settlement companies and have access to all consumers working with them. With a centralized location for collection artifacts created during the settlement process, both parties were able to seamlessly communicate through Convoke's work queues and reports.

# \$900K

**ANNUAL COMMISSION SAVINGS**

## KEY CLIENT OUTCOMES

- ◆ Identification of all accounts represented by debt settlement companies
- ◆ Work queues, reporting and automation enabled secure, streamlined communication with the settlement companies
- ◆ Efficiency gains led to 50% reduction in headcount
- ◆ Settlement processing time reduced by 75%
- ◆ Collection agency and law firm commissions reduced by \$900K annually

**COMMUNICATIONS STREAMLINED**



**TIME SAVED**



**LABOR COSTS REDUCED**



**REPORTING AND AUTOMATION ENHANCED**



AT A GLANCE

## MEETING THE CHALLENGE

In carrying out its settlement duties, the credit issuer needed to communicate with debt settlement companies working on behalf of multiple consumer accounts. With hundreds of such accounts coming onto their systems each month, negotiating settlements through email, phone, and fax made for a protracted, convoluted process that involved a high headcount. Unnecessary costs were also incurred because the issuer did not know of all accounts that were with a debt settlement company. This led to them placing accounts to their own collection agencies and attorneys, thereby paying fees on accounts that would ultimately be resolved through a debt settlement company. Further, the credit issuer was not immediately aware if a consumer ceased working with the debt settlement company. This meant they were unable to resume collection efforts in a timely manner.



**We are pleased with the efficiencies that the Debt Settlement Directory has brought to this client.**

## GENERATING LASTING IMPROVEMENTS

Once the credit issuer had introduced Convoke's new Debt Settlement Directory, they were able to more easily manage and expedite the debt settlement process. Advanced work queues, reporting, and automation allowed them to communicate fluidly with the settlement companies. It allowed debt settlement companies to load their entire population of accounts, making them immediately available for review and action by the issuer. These efficiency gains allowed the issuer to maintain a significantly lower headcount, reducing costs. Additionally, the issuer was able to immediately see when an account was being represented by a debt settlement company. This enabled them to reduce unnecessary placements. If the consumer left the settlement program, the issuer was able to place the account promptly with one of their own collection agencies or attorneys.

**"Convoke is pleased with the efficiencies that we have created for this issuer through the Debt Settlement Directory. This new directory will simplify its efforts to reach a quick settlement with the consumer in cases where the consumer is working with a debt settlement company."**

*David Pauken, CEO of Convoke*

Issuers know that the rising popularity of debt settlement companies means they will be part of the collections and recovery industry for the foreseeable future. Convoke's Debt Settlement Directory is tailor-made to meet the unique challenges created by working with a company that works for the consumer rather than the credit issuer.

