



Vendor Termination Made Easy

THE PROBLEM

When a major credit issuer suddenly ended their relationship with a collection agency, they faced a problem that often plagues terminations — how to receive all collections information correctly and efficiently so it can be sent on to the new vendor. When this occurs, there is no one-size-fits-all solution, as each vendor is different, creating the potential for consumer harm if mistakes are made.

THE SOLUTION

As an existing Convoke customer, the issuer was able to minimize the potential difficulties involved in the termination process. Through Convoke, the organization quickly identified the vendor's outstanding responsibilities. As all collection artifacts were housed in a central hub and associated with the consumer account number, they travelled with the accounts to the new vendors.

KEY CLIENT OUTCOMES

- ◆ Comprehensive tracking of the terminated vendor's outstanding tasks
- ◆ Achieved critical recall of old vendor's accounts and collection artifacts
- ◆ Immediate placement of accounts and artifacts to the new vendor
- ◆ Elimination of manual data transfers between terminated and new vendor
- ◆ Risk of regulatory violations and consumer harm minimized

52,000+
LOANS RECALLED

AT A GLANCE

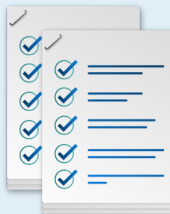
INSTANT FILE TRANSFER



TIME SAVED



TERMINATION CHECKLIST SIMPLIFIED



ACCOUNTS AUTOMATICALLY PLACED



MEETING THE CHALLENGE

Terminating a relationship with a collection agency or attorney is a common occurrence for credit issuers. Processing those terminations, however, places a variety of responsibilities on the issuer and terminated party. The terminated party must gather the correct documents, consumer communications, and other collection artifacts for the issuer, so they can be delivered to the new vendor.

Throughout this process, there are multiple opportunities for important collections information to be missed, increasing the likelihood of unintended consumer harm. If the new vendor does not receive all the information, they may not know where the consumer is in the collections process or their outstanding balance. They may also be unaware of consumer-specific restrictions or requirements such as active-duty status, do not call numbers, and preferred language, as well as any complaints filed by the consumer.

“ Immediate transfer of accounts and collection artifacts yielded transformative improvements when changing a vendor.

Ultimately, some issuers decide that the risk of consumer harm outweighs the potential benefits of terminating their relationship with the vendor. Others find the termination decision is effectively taken out of their hands when the vendor suddenly goes out of business — yet this often only adds to the complexity of retrieving the collections information.

BRINGING TOTAL CLARITY TO RECALLS AND PLACEMENTS

Because all the collections information was already housed on Convoke, the termination process was far simpler. Previously, the parties would have had to develop a custom process to transition to a new vendor. Now, through Convoke's reporting, the issuer could easily identify the items that needed to be completed. These included everything from outstanding consumer complaints and debt validation requests, to issuer audits on vendor-loaded documents and data. The issuer now had full clarity on all incomplete items and no longer had to manage a multi-step, multi-client process with its inherent compliance risks.

Upon the termination date, the issuer recalled the accounts from the terminated vendor and placed them to new vendors through their recovery management system (RMS) integration with Convoke. All issuer media, data records, vendor documents, consumer complaints, debt validation requests, and all other collection artifacts travelled with the account to the new vendors. This gave them a complete picture of all the collection activities that had occurred. By using Convoke to assist in transitioning to new vendors, the issuer was able to have confidence that they were meeting their regulatory requirements.

