

Adapting Your Collection Approach Proactive, Empathetic, Personalized

“You can’t just keep doing what works one time, everything around you is changing. To succeed, stay out in front of change.” - Sam Walton

With the pandemic winding down and economic conditions continuing to evolve, it is difficult to predict when, or how quickly, a consumer’s financial picture will recover. Even after rounds of stimulus payments, experts in the industry suggest that financial institutions will continue to see inconsistent payments from customers with delinquent accounts. In a recent article by [The Financial Brand](#), “deferral and forbearance programs have delayed the inevitable tidal wave of delinquencies and defaults.” The same article stresses that collection departments delivering an exceptional customer experience are more likely to be paid first.

The collector’s job is to help consumers pay their debts by negotiating a win-win for the financial institution and consumer. The best collector will offer kindness and respect to the customer’s financial situation but will be persistent in working through payment options. To do this, a firm grasp on current collection laws and industry best practices is essential. Equally essential is maintaining a relationship with the customer. “I want to help you on your journey to get out of debt” should be the clear message whether speaking on the phone or leaving a message.

It’s About Tone and Timing

- Focus on the customer when making calls. Don’t multi-task, they will ‘hear’ that you are not fully focused.
- Pause before answering a specific stall or objection. That allows both you and the customer to consider alternatives.
- Don’t let confidence overshadow sensitivity. As a collector, you may know exactly what you’re doing but your customer may be new to dealing with debt.
- Be direct as well as empathetic. Be personable and conversational with your customer, but don’t forget to focus on the goal of repayment.
- Tone, pitch, inflection, and even the speed at which you talk can have a powerful influence on your listener.
- Smile while you talk — although the person on the end of the line can’t see it, they will hear it.

Offer Flexible Options

- Have a clear set of options for payments or payment arrangements for customers. They will feel more confident if they have some flexibility in payments during times of economic hardship or an unknown future.
- One thought is to offer the consumer flexibility to plan payments around their cash flow. This could minimize the risk of a failed payment due to insufficient funds.
- Consider offering tips on creating an updated budget to transition from COVID relief into a more traditional repayment plan.

Success in today's collection environment requires creativity, a commitment to the customer relationship, and a sharp eye on changing collection laws. Optimal efficiency in the collection department will depend on adapting with a fresh approach to every nuance along the way.

TriVerity, has worked with over 2700 financial institutions nationwide as a full-service collection agency, providing delinquency management services and collections training exclusively for financial institutions. The Loan Service Center provides first-party collection services to minimize loan loss by managing early-stage delinquency. The Collection Academy offers a curriculum of collection processes with tools that will be effective in your collection department. For more information: www.triverity.com