

# Supporting a leading short-term loan company through transition from an in-house debt recovery process to a fully managed service

## Client

- Leading international short term and near prime lender

## Sector

- Financial Services

## Situation

- Client required a solution proven to deliver customer outcomes in line with FCA expectations while delivering excellent financial results.

## TDX Group solution

- Application of TDX Group's cross-sector insight and practitioner expertise to create value-generating debt recovery strategies.
- Use of data enrichment to improve right party contact rates.

## Results

- Double-digit lifetime liquidation on the historic aged portfolio.

## Company summary

- Financial Services organisation authorised and regulated by the Financial Conduct Authority (FCA).
- Best known for their short term loan products.
- Undergone a period of significant change as the business has matured.

## Relationship history

The client and TDX Group, with an existing working relationship in Spain, saw an opportunity to expand this to the UK, leading to the implementation of TDX Group's Recoveries Management solution in the UK.

## Objectives

- Implement best practice debt recovery, delivering improved debt recovery rates.
- Minimise risk within the debt recovery process by ensuring fair and appropriate customer treatment in line with FCA principles.

## Challenges

Having significantly scaled down their recoveries operations following an industry review by the regulator, the client required a solution proven to deliver fair customer outcomes in line with FCA guidelines while delivering excellent financial results.

## Solution

The solution was designed to drive optimised debt recovery strategies and is underpinned by robust processes to ensure improved collections performance within a FCA regulated environment. After the success of this initial piece of work, the partnership was then expanded to include debt recovery (moving services 60 days earlier within the debt life-cycle) and insolvency management.

“ The client said: “Since engaging TDX Group to support our recoveries management processes in late 2016, we've seen improved financial performance within a transparent and customer treatment focussed framework. The partnership model implemented has combined the best of TDX Group data, analytics and insight with our business knowledge to deliver against our core business objectives.”

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### TDX Group solution

- The application of TDX Group's cross-sector insight and practitioner expertise to create value-generating debt recovery strategies, taking into account portfolio and customer specific characteristics.
- Use of data enrichment to improve right party contact rates and reduce risk by adapting the treatment path based on an in-depth understanding of customer circumstances.
- Establishing a client specific framework for conduct and oversight, whilst ensuring full confidence in customer treatment.
- Reducing the risk of working aged debt through intelligent data enrichment, removing unsuitable and high-risk accounts, and adapting collections strategies to suit specific customer circumstances.
- A collaborative and close working relationship leveraging the insight of both organisations to make improvements to the clients' debt recovery operations on an ongoing basis.

### Results

- Double-digit lifetime liquidation on the historic aged portfolio – performance 50% ahead of initial client expectations.
- Consistent performance improvement across the ongoing flow debt portfolio, leading to the client placing debt 50% earlier in the collections cycle within the first year of the initial three-year contract.
- A robust conduct and oversight framework reducing risk; the effectiveness of which has resulted in a very low complaint rate of 1 per 10,700 accounts placed.

**Recoveries Management from TDX Group: Know your customer, achieve the right outcomes.**  
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