



CASE STUDY

Digital-First Engagement Out-Performs Call-and-Collect for National Bank's Late-Stage Debt Recovery

Dedicated to serving its customers, communities, and employees, this national bank is considered one of the strongest financial organizations with locations across the United States. For over three decades, they have served individuals from all walks of life and businesses and organizations of every size, offering personal, business and agricultural banking, mortgage, wealth management, ACH and Treasury Services.

While their dedication to service has always remained steadfast, a lot has changed in the world of personal banking, technology, compliance, and, in turn, debt collection. The bank knew that delivering the level of service their customers expect meant it was time to update their recovery methods for the new digital age.



Challenge

The national bank had seen moderate success in late-stage collections with their call-and-collect vendor, but they had a list of goals that they were unsure their existing collection provider could achieve:

- Improve and increase liquidation performance
- Keep up with new regulations and ensure compliance
- Leverage new, more cost-effective solutions

The bank knew it was time to add digital methods into their communication mix along with their traditional call-and-collect vendor. To test and measure the success of digital engagement compared to outbound calling, the bank decided to use the Champion-Challenger model with TrueAccord joining their existing collections partner.

What is the Champion-Challenger Model in Debt Collection?

The Champion-Challenger model distributes a particular debt portfolio between two or more collection competitors with specific objectives (outlined for the national bank above). The Champion-Challenger model structures performance reviews on these objectives through a scorecard, ensuring that the competing providers are evaluated in a consistent manner.

For the bank, the Champion-Challenger model was the ideal way to compare not only TrueAccord versus their existing provider, but how effective digital engagement would be against call-and-collect.

Solution

So how was the Champion-Challenger model structured for TrueAccord using digital communications and the existing vendor using outbound calling?

For the initial run, TrueAccord was assigned 50% of primary placements and secondary placements against the bank's traditional collection provider. By using scorecards, the bank was able to compare the two providers using set collection goals (varying by month and season) and several key performance indicators (KPIs), including:

- Overall liquidation rates
- Percentage of settlements in full
- Percentage over/under set collection goals

Scorecards are essential when evaluating collection agencies in a Champion-Challenger model so the account originator (in this case the national bank) can easily see which collection providers are top-performing or underperforming in the different KPI categories. From there, it allows the originator to shift or reallocate placements based on the performance of each challenger, ideally minimizing the volume of *lost dollar opportunities*. A lost dollar opportunity refers to the debt amounts that could have been collected if those accounts had been placed with the collection provider with a higher performance rate.

Primary Placements

First time placement of accounts with a debt collector between 90 and 180 days past due.

Secondary Placements

If an account is not recovered in the primary placement, it will be placed a second time, typically with a new agency.

Results

With the Champion-Challenger model in place, collection goals and KPIs designated, and scorecards set, it was time to see how TrueAccord's digital engagement methods would measure up compared to the old school call-and-collect method...and the numbers would speak for themselves.


Primary Placements

50% → 100%

TrueAccord out-performed the other collection providers consistently on scorecards—so much so that for primary placements, the bank dropped the competing collections vendor so all primary accounts went to TrueAccord. On top of the primary accounts, the bank also **increased the secondary placements from 50% to 70%.**

But the impressive recovery rates from TrueAccord's digital engagement methods should come as no surprise considering:

- Nearly nine in ten Americans are now using some form of digital payments
- 59.5% of consumers prefer email as their first choice for communication
- Digital-first customers contacted digitally make 12% more payments than those contacted via traditional channels



For a national bank known for its decades of dedication to serving customers, the Champion-Challenger model proved that today's consumers respond and repay at better rates through TrueAccord's digital communication and engagement strategies.

Ready to improve your collections communications using TrueAccord's proven digital-first engagement approach?

[Schedule a consultation today!](#)

About TrueAccord

TrueAccord is a digital-first provider of outreach, recovery, and collection solutions helping more than 20 million consumers of service, lending, technology, financial, and FinTech organizations since 2013. We are transforming the debt collection industry and helping consumers reach financial health with convenient payment plans, customized billing schedules, and easy documentation.

