



Convoke Rescues Debt Sales Operation

THE PROBLEM

A major US credit issuer was facing the possible shutdown of its entire debt sales collection channel due to significant workflow and regulatory issues with debt buyers. There were numerous media supply chain problems, both for upfront documents and post-sale orders, increasing costs significantly for both parties. Consumer direct pays to the issuer led to regulatory violations, as they were frequently not forwarded to the debt buyer so the account balance could be updated. Finally, if a buyback occurred, the whole process would begin all over again, resulting in a repeat of the same issues with the new debt buyer or other third-party collector.



**NEXT DAY
MEDIA FULFILLMENT**

THE SOLUTION

By implementing Convoke, the issuer was able to minimize its regulatory problems and completely revitalize its debt sales operation. Now, before every sale, Convoke validates each portfolio to ensure all the upfront media is available for each account. Media for upfront and post-sale orders can be fulfilled automatically, without any human intervention. Post-sale orders are checked before being sent to the issuer to ensure that no duplicate orders are submitted. Each direct pay is also carefully tracked, so debt buyers can be confident that their account balances remain accurate. For buybacks, all collection artifacts now travel with each account, enabling a smooth and secure transition to the new third party.

KEY CLIENT OUTCOMES

- ◆ Sale validation of each portfolio before transfer to buyer
- ◆ Automated fulfillment of upfront and post-sale media
- ◆ All duplicate document orders blocked
- ◆ Secure tracking of all consumer direct pays
- ◆ Collection artifacts move with accounts through post-buyback process

DEBT SALES OPERATION REVITALIZED



DIRECT PAYS TRACKED



MEDIA AUTOMATICALLY FULFILLED



CONSUMER HARM MINIMIZED



UNDERSTANDING THE ISSUES

Due to a disorganized debt sales process with numerous workflow problems, a major US credit issuer was incurring significant operating costs and risking compliance violations. The large account volumes being sold meant that upfront media could not be easily delivered to the debt buyer. There was also no defined process for tracking and fulfilling post-sale document orders, which was leading to long delivery times, duplicate orders, and misplaced documents. It also meant that documents were frequently being delivered multiple times in error, increasing operating costs significantly.

Consumer direct payments were also creating opportunities for consumer harm. When a consumer submitted a payment to the issuer, there would often be extended delays in forwarding it to the buyer, as well as in the buyer applying it to the consumer's account balance. This caused the buyer to collect on incorrect account balances, leading to improper payments and faulty information being sent to credit reporting agencies, harming consumer credit ratings.

If an account needed to be bought back for any reason, such as a bankruptcy, the entire process of media delivery would need to be repeated, creating further opportunities for the same mistakes to be made.

“**Convoke brings immense value to banks looking to rescue their debt sales from business-ending regulatory penalties.**”

TRANSFORMING THE DEBT SALES PROCESS

By implementing Convoke for their debt sales recovery channel, this issuer has been able to revitalize their operations and greatly improve their regulatory compliance. Before transferring portfolios to the buyer, the issuer can now quickly verify that each one has all the required upfront media. Any duplicate orders that the buyer places are automatically blocked, saving both parties time and money. Integration with Convoke also enables automatic media delivery, which has drastically reduced processing times.

Issuers and debt buyers can also track each direct payment, giving them full confidence that consumer account balances are updated. If the issuer receives a direct payment, it posts the payment to Convoke for the debt buyer to review. The debt buyer then attests that they received the payment and updated the account balance. Tracking direct payments in Convoke significantly reduces processing times, as well as the likelihood of consumer harm occurring.

Since Convoke acts as the central repository for the entire debt sales process, all collection artifacts are associated with the consumer account and travel with it through its entire lifecycle. Thus, if the account is bought back for any reason, all documents and direct pays will follow the account to the new third party so they have all the information needed to complete the collections process.

