

COLLECTION TECHNOLOGY NEWS

UNCOVERING THE OPPORTUNITIES IN COLLECTION IT

WEB SERVICE LETS CREDIT CARD DEBTORS SELF-CURE

A new product from **Incurrent Solutions** aims to provide a self-cure option for the shy, fearful, and just plain hard-to-reach.

The product, called InSite Collections, enables credit card issuers to provide delinquent debtors with a private-label web portal through which they can settle payments or communicate with their creditors — without having to talk to collection agents, said **Bill Kinnelly**, chief marketing officer for Parsippany, N.J.-based Incurrent.

Delinquent cardholders may use the InSite Collections web portal to pay debts, or to make promises or set schedules to pay them, among other things. The site, which provides resources about bankruptcy and other personal finance subjects, may also be configured to alert debtors of payment due-dates or changes in account status. Debtors interested in speaking directly with collection agents complete a simple web form that requests a phone number and preferred time for the call.

"The cardholder decides when and where to [conduct] the transaction," Kinnelly said.

Although Incurrent is targeting the product at the credit card market, InSite Collections is also suited to other types of collections, he said.

Creditors may utilize the site to

provide settlement offers using a preset online "dialogue" feature that prompts debtors for financial information related to delinquent accounts.

One of the nation's top-three credit card issuers is slated to launch an InSite

Collections web portal "imminently," Kinnelly said, though he declined to name the company.



Bill Kinnelly
Incurrent Solutions

One of the benefits of the InSite product is its ability to enable debtors to initiate contact with their creditors while preserving anonymity, said **Dawn Wiley**, president of **BridgeForce Inc.**, a New Castle, Del., consultancy. Consumers are more difficult to contact, and

many are uncomfortable, embarrassed, or fearful about having a conversation about personal finances, she said.

"You used to be able to get four to five 'promise-to-pays' an hour, but now you get maybe one or two an hour," Wiley said. "If the consumer doesn't want to talk to you, you're never going to reach them."

A product like InSite will likely be most effective with early-stage delinquencies and with consumers "who have just hit a bump in the road, but are good customers," Wiley said.

The major financial benefit for card issuers is avoiding losses, which can run as much as nine times the operating cost of conducting collections, Kinnelly said. "The goal is not to let

[the account] roll from one [delinquency] stage to the next, and avoid the loss altogether," Kinnelly said.

For a card issuer with a \$2 billion portfolio, a few basis points of improvement in collection activity via the web could translate to more than \$1 million in annual savings, he added.

MARKETING & INTEGRATION

InSite Collections web portals will be marketed via promotions on paper account statements and letters to consumers, as well as by outbound automated phone messages and inbound interactive voice-response systems, Kinnelly said. Because of potential regulatory ramifications, Incurrent is "choosing not to promote [the service] by email in this release," he added.

InSite Collections can be integrated into Incurrent's — or other vendors' — account-maintenance systems, Kinnelly said. It takes about 90 days to customize the product for a customer, he added.

Incurrent charges a one-time implementation fee, as well as a monthly fee for managing the operating infrastructure and systems, software, and product upgrades.

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