Non-SACRRA Collections Prioritisation Model

Optimising collections performance

TransUnion's Consumer Collection Prioritisation Model is designed specifically for non-SACRRA customers—enabling you to prioritise collections efforts the moment delinquency has been established.

TransUnion applies a scorecard using non–SACRRA data sources to provide a clear view of your collections book. This allows you to identify high, medium and low priority categories in your book—helping you maximise collections effectiveness.

The collections function in any organisation is critical as it can ultimately make the difference between excellent or poor financial performance. An effective collections unit facilitates business growth by allowing the business to take on additional risk. It also greatly increases profitability by reducing the cost of provisions and write-offs.

Collections plays a key role

By identifying opportunities to make collections activities more efficient, effective and customer-orientated, the collections department is able to add significant value to the broader business.

Leading organisations implement advanced methods to enable their collections departments to perform effectively. These include setting effective objectives for each stage of the collections lifecycle and adopting a strategic approach to improving overall collections.

TransUnion's industry-wide data and expertise can help your organisation understand why customers have become delinquent and enhance decisioning around collections prioritisation.
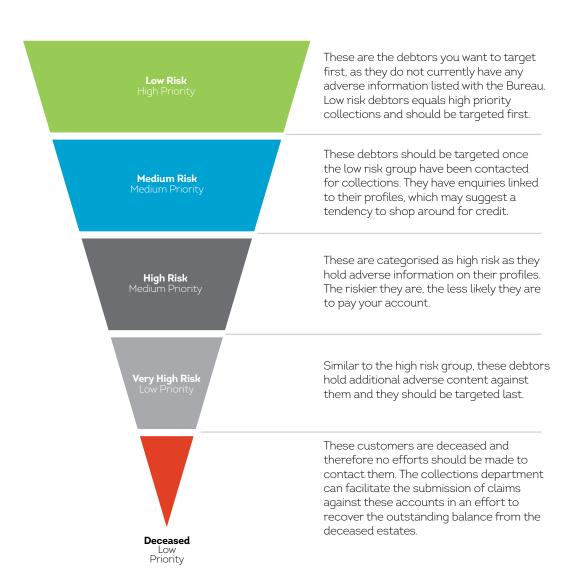
Using TransUnion's Collections Prioritisation Model

The collections process is a balancing act that requires the collector to weigh credit risk against future potential customer value. The challenge is to define the collections strategy by identifying the course of action most likely to achieve the best possible outcome given the circumstances.

Risk categorisation is based on the debtor's past payment behaviour—taking enquiries, defaults and judgments into account.

TransUnion Collections Prioritisation Model effectively segments your overdue book into risk categories, facilitating the successful prioritisation of accounts for collections activity. The combination of collections solutions, public domain data and contact information provides accurate results. This enables your business to develop an action plan that maximises the likelihood of success for individual accounts.

The risk categorisation and action plan prioritisation overlap provides you with the following prioritisation:

Low Risk
High Priority

These are the debtors you want to target first, as they do not currently have any adverse information listed with the Bureau. Low risk debtors equals high priority collections and should be targeted first.

Medium Risk
Medium Priority

These debtors should be targeted once the low risk group have been contacted for collections. They have enquiries linked to their profiles, which may suggest a tendency to shop around for credit.

High Risk
Medium Priority

These are categorised as high risk as they hold adverse information on their profiles. The riskier they are, the less likely they are to pay your account.

Very High Risk
Low Priority

Similar to the high risk group, these debtors hold additional adverse content against them and they should be targeted last.

Deceased
Low Priority

These customers are deceased and therefore no efforts should be made to contact them. The collections department can facilitate the submission of claims against these accounts in an effort to recover the outstanding balance from the deceased estates.

TransUnion