



## Utilities Debt Recovery

### Maximising collection rates in utilities

Maximising collection rates whilst minimising disconnections and complaints are significant goals in the utility sector. The means to achieving these is a solution that facilitates communications between the field and the office teams and integrates and diarises the steps needed for debt recovery, meter management, and disconnection.

#### Unique characteristics

The utility sector has characteristics which challenge the process of debt recovery. In many cases the debt continues to accumulate due to the on-going consumption of the service. Disconnection is an option. However, in practice this is an option only in the case of commercial accounts. Even in this case there are mandatory checks to carry out, multiple authorities to liaise with, and site based activities to complete before disconnection can be effected. At any stage in the process the debt may be repaid meaning the scheduled work needs to be stopped.

#### Achieving higher collection rates

Achieving higher collection rates requires an approach that can manage and exploit the

sector's distinctive characteristics to the advantage of the utility provider. One of the most successful strategies for doing this is the integration of the processes of live and final-billed debt recovery with the processes associated with meter management and disconnection.

The key is to run the disconnection and the debt recovery process side by side so that each supports the other. This shortens the recovery process, improves recovery rates, and reduces exposure to an increasing debt as a result of continued consumption.

#### Requirements

To achieve this collector-negotiators need the tools and processes to combine Ofgem (or Ofwat) compliant meter disconnection with their debt recovery negotiations.



The solution must have at its core the means to support close working with the field based team which carries out the pre-disconnection visits (PDV's), disconnections and warrant applications.

### **The ACS solution**

Just under two decades ago ACS launched a utility specific debt recovery service. A proprietary software based collection platform was the key to delivering the strategy of integrating live and final billed debt collection with disconnections. Although technology is the enabling factor in delivering the solution it does not dictate it.

The software platform - branded Colman - provides collection agents with the information and resources to enable them to start and manage the mandatory PDV's and allows field agents to upload documents and images resulting from site visits. It diarises the processes so that site visits, warrant applications, and the utility provider's meter operator agent (mops) appointment are arranged along with other needed services such as locksmiths or dog handlers.

### **Benefits and successes**

Colman is a strategic resource which enables ACS to offer a service which integrates live

and final billed recovery with meter management.

It gives utility providers real time web-based access to the status and information about the process and allows them to post additional information when needed. It provides debt recovery agents with the resources they need to collect the debt, negotiate repayment plans with the debtor and agree these with the utility provider.

The solution (Colman plus the sector optimised processes) consistently delivers collection rates higher than typical in the sector. This performance has been instrumental in a utility provider choosing to outsource its full credit management to ACS.

### **The future**

The Colman platform is continually being developed and enhanced and is now a highly rated client portal. However, the drive to improve the collection process continues. In 2016 with the University of Hatfield ACS won government funding to build the next generation of debt collection software which, in the view of the funding assessors,

"...has the potential to make a step change within the industry and the approach can then be applied to other sectors. A successful project will be revolutionary for the Company"

### **Advanced Collection Systems**

Established in 2000, ACS provides credit management and debt collection services. Further information and resources including copies of "How To" guides are available on its website.

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