



AI debt collection vs. traditional methods: what's different?

The new generation solution that's disrupting the landscape — AI-powered debt collection

While traditional debt collection is increasingly seen as out of touch, a new generation solution is disrupting the landscape: AI-powered debt collection. It puts the power back into customer's hands, to manage their debt their way.

With up to 7x higher engagement than traditional methods, this customer-first approach raises the standards for liquidation performance. Find out how it compares to traditional debt collection and how it's changing the world of consumer debt recovery for good.

What is AI-powered debt collection?



AI-powered debt collection uses artificial intelligence to deliver a

Personalised & frictionless collections experience

for every customer.

Backed by

5-star Customer Experience team

Enterprise-grade security

Built-in compliance engine

The difference is in the technology.

While other solutions rely solely on traditional or digital-only communication methods, AI-powered debt collection's machine learning models offer an omnichannel experience that responds to the specific needs of a customer.

It gives businesses a better way to collect by helping customers get back on track faster.

What is traditional debt collection?

Traditional debt collection relies on teams of agents to recover debt using traditional methods such as phone calls and letters.

98%

of collection agencies still use letters

Source: Transunion

Agents are responsible for reaching out to customers, negotiating payment plans, managing compliance regulatory requirements and data security with little to no use of automation.

Decisions are based on intuition and driven by the need to meet KPIs, rather than what's best for the individual customer.

Contact centre debt collection is a traditional model, and modern consumers are demanding a change.

40%

of collection agencies have no plans to use AI or machine learning based technology

Source: Transunion

Agencies currently using AI

Less than 1 in 5

AI-powered vs traditional: What's right for your business?

Research shows that

2 in 3

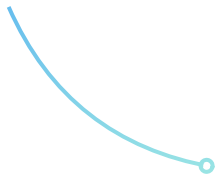
adults in the UK found their experience with a debt collection agency 'stressful'

Source: InDebted

Repetitive phone calls and aggressive tactics leave consumers feeling disempowered, driving a disconnect between the consumer and the client.

The long-term result?

Traditional practices are doing more harm than good.



0.5% customer engagement rate

Manual-driven compliance

Underperforming recovery results

It's clear that traditional debt collection has passed its sell-by date. Debt collection must anticipate and adapt to consumer expectations, or risk being left behind.

AI-powered debt collection is the future-forward solution driving change. Its built-in security, intelligent compliance, high engagement rates, and leading liquidation performance make it the global recovery solution of choice. This is the new generation of debt collection.

Four advantages of AI-powered debt collection

1. Machine learning

Harnessing millions of data points, AI-powered debt collection uses machine learning models to predict and adapt to customer behaviours in real-time.

For customers, this means a personalised collections journey that's second to none. In a matter of clicks, customers can:

Receive the info they need

When they need it

On the channels they prefer

It empowers people to make payments on their terms when it's convenient for them, with the support of a real Customer Experience team when they need it.

This supercharged collections data also unlocks invaluable insights for clients. Machine learning enables businesses to see real-time portfolio performance, knowing that their compliance and data security are taken care of. Reports, forecasts and more are at their fingertips, enabling clients to grow and scale with one streamlined solution.

With 40% higher liquidation results, AI-powered debt collection outperforms traditional collections agencies across the board.

Four advantages of AI-powered debt collection

2. Engagement intelligence

With AI, every customer touchpoint is maximised, but human empathy is still preserved.

Instead of limited communication channels, AI-powered debt collection is omnichannel. From live chat to email, phone support to self-serve – consumers can engage how they choose and experience a consistent, unified collections experience.

Tools

Our AI Copywriter is trained with high-performing communications to generate engaging email messages using the tone, language and structure customers are proven to respond to. It combines best practices and compliance with unprecedented efficiency.

32% higher conversions than human-written messages

Our Voice AI feature also has the same impact on voice channels. In the first week of launch, this technology empowered 92% of engaged customers to restart their payment plans, resulting in a 7% conversion rate.

Empowered 92% to restart their payment plans

Using AI to do the heavy lifting gives our team the focus they need, to support customers who need it most. It also alleviates teams from simple tasks so they can stay at the forefront of regulations and data security, keeping compliance at the top of our priorities.

Four advantages of AI-powered debt collection

3. AI agents at scale

In the traditional model, growth and scalability goes hand-in-hand with agent headcount. The larger the team, the greater the operational costs, and the higher the risk of human error. But with AI-powered debt collection, this balance shifts entirely.

AI technology breaks the restraints on debt collection to offer infinite customer volume and unlimited referral capacity.

Accounts can be referred with no maximum capacity,
with a personalised experience given to every customer

With this type of debt collection, customers have the freedom to manage their debt at their convenience with full self-serve capabilities.

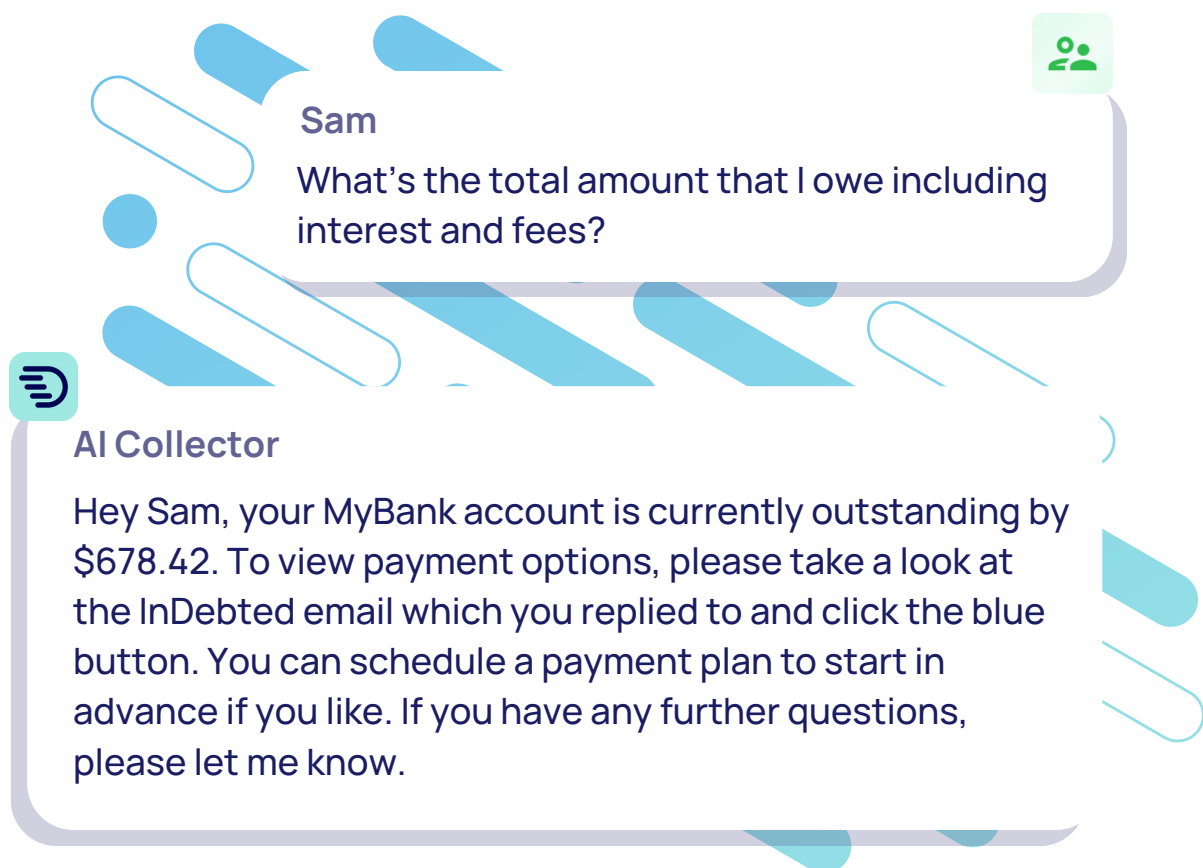
Self-serve is preferred by
Over 4 in 5 customers

To take this even further, we launched our
AI Collector

This latest feature uses conversational response AI to handle inbound email inquiries. It can respond, provide information, escalate cases and offer tailored payment plans – at scale.

Four advantages of AI-powered debt collection

When consumers need extra support, the AI Collector is programmed to alert our Customer Experience team. By automating straightforward customer queries and flagging complex cases for further support, our teams are empowered to work smarter and more efficiently. Ultimately, this enables greater capacity to scale and adapt to markets across the globe.



Currently live in Beta with one of our largest Australian clients, the AI Collector is already improving efficiency and customer experience.

Four advantages of AI-powered debt collection

4. AI-driven compliance

In traditional collections, the risks of non-compliance and human error are significant.

Businesses are forced to rely solely on agents and manual processes to protect their customers and adhere to compliance regulations.

Combined with automated diallers and outdated engagement practices, this is rarely a recipe for success.

With AI-powered debt collection, clients rest easy with our hard-coded multi-market compliance engine, backed by specialists.

Continual investment in our compliance engine means AI-powered debt collection stays on top of multi-market regulatory requirements. Every infrastructure advancement is written and deployed as code, meeting the most demanding localisation constraints.

To protect client and customer information at the highest levels, InDebted is regulated under global standards.

PCI

ISO27001

SOC Type 2

ISO9001

Alongside failsafe mechanisms, including audits, state-of-the-art encryption protocols and regular system reviews, AI-powered debt collection is amongst the most reliable solutions on the market.

Collect:

AI-powered debt collection with human support

Our AI-powered debt collection solution, Collect, is the recoveries partner of choice for organisations across the globe. Combining AI technology with the highest-rated Customer Experience team, Collect is changing debt recovery for the better.

“InDebted’s omnichannel approach is core to how we support our loyal customers when something unexpected happens. We want to empower our customers to resolve their overdue balances in a way that truly works for their circumstances. InDebted makes that seamless.”



Rakesh Teckchandani, Sr. Director Risk Product

Replacing the need for traditional collections and going further than debt collection software, Collect is redefining the collections experience for both businesses, and their customers. Delivering 40% increased recovery performance and empowering 4 out of 5 customers to resolve their debt independently, Collect is the future of debt collection.

Experience the new gold standard of AI-powered debt collection with Collect

– the only collections solution for future-thinking businesses.

Collections for future-thinking organisations

We create personalised experiences for people to manage debt, their way. Delivering 40% increased liquidation, our Collect solution is the AI-powered collections backbone for future-thinking organisations.

Give your customers the power to self-serve their accounts, or talk to someone who cares - with the world's highest rated debt collection customer experience.

Offering the only multi-market and scalable solution for consumer credit organisations, we replace the need for traditional third party collections agencies and software.

InDebted is operational in Australia, the United Kingdom, the United States, Canada and New Zealand.

See how our product works: indebted.co