

Is Your Agency Ethical?

How many times have you heard “there’s a right way and a wrong way” to do something? The same holds true when it comes to collections. Today there are many rules and regulations that are meant to protect the debtor and the collector. Unfortunately, the rules are not always followed. Even worse is the organization that knows better but makes the choice to “bend the rules” These groups do a disservice to their collectors, debtors and customers.

A recent review of the American Collectors Association (ACA) website revealed the top ethics complaint in August, 2007, concerned debt collectors allegedly continuing to contact the wrong person during a collection call. While it becomes increasingly more difficult to deal with privacy issues in this mobile electronic age, agencies should be following the basic rules.

The Fair Debt Collection

Practices Act (FDCPA) requires that within five days of an initial communication with a consumer, in connection with the collection of a debt, the debt collector must send the consumer a written notice, known as a validation notice. One of the primary purposes of the validation notice is to prevent a collector from collecting a debt from the wrong individual.

This notice contains information regarding the debt and provides that the debt will be assumed to be valid by the debt collector unless the consumer disputes the validity of the debt within thirty days of receipt of the validation notice. It further notifies the consumer that if they dispute the debt in writing, the collector will cease collection activities until verification is sent to the consumer.

Upon receipt of such a request, the debt collector must cease all collection activity until obtaining verification from the creditor that the amount demanded is

the amount owed by the consumer from whom the collector is attempting to collect and provides this information to the consumer. If no verification is available, the collector must cease all attempts to collect the debt.

If the consumer alleges that the debt collector is attempting to collect from the wrong person, the collector may request appropriate proof of identity. A collector may find it necessary to request copies of government-issued identification documents, copies of utility bills or to ask the consumer to answer questions to which only they would have the answers. Consumers, however, are not required to respond to these inquiries.

Continued education of collection staff is a must for all agencies. With rules and regulations being changed in order to keep up with our fast-paced life styles the way we collected even last year is not the same now.

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“Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world”.

Joel Barker

Receivable Recovery Partners—Dedicated to *Raising the Standard*®

Receivable Recovery Partners (RRP) began from a simple idea— there had to be a better way to provide active receivable and collection services.

Delivering service, technology and results that were high above what we had seen and experienced in the industry was the goal.

Our commitment to quality would ensure the positive outcome that we knew clients would expect. To make it all happen, we would pledge to treat clients the way we would want to be treated - every day,

every time we worked with them. We wanted to create a secure and professional environment.

The experience at RRP is a balance of operations, customer service and collections in active receivables and bad debt. We have the ability to identify, develop, deploy and validate solutions that will make an impact.

We realize how difficult it can be today. It's about more than just collecting a debt. It's about people and it's about *raising the standard*®.

All active accounts are worked by our team at Outsource Billing Services (OBS). OBS is a customer focused group that works to resolve accounts before they turn into a bad debt. This may include resolving insurance company reimbursement.

If no payment is received on an account within 120 days, we consider it to be a bad debt. Worked by our collection team at RRP, these accounts may be subject to additional remedies including credit reporting or legal action.



Visit RRP on the web at: www.rrplc.com

Know exactly what you can handle and then outsource for better results and customer outcomes.

When Should You Outsource?

No one knows your business better than you. That said, it may still be a tough decision to outsource your collections. Ask your self these questions:

1. New Services? Significant growth and the addition of new services can equal an increase in work load. Eliminate the hassles of ramping up new employees.

2. Can you make a Capital Investment? Either in equipment, software, space or employees? Outsourcing keeps cost lower by spreading cost of employees and technology over many customers.

3. Time to test and learn? Many find it easier and cheaper to use a vendor than to retrain in-house employees.

4. Volume? Seasonal or unpredictable changes in volume can really benefit from the extra capacity of outsourcing.

5. Can you support the cultural changes? As our populations change so will the services we provide. Can you support a multi-language effort for instance?

Is your agency ethical (continued from page 1)

Make sure your agency is following the rules. One bad experience with an agency representative will likely travel from the debtor thorough your entire organization. As far as your debtors are concerned, the agency is a part of you and they expect the same treatment you work so hard to provide.

If you are not sure about your agency and their practices go to the ACA website for more information on the rules and ethics of collection agencies. And, ask your agency to give you a clear picture of how they work accounts and represent you. Then, test them out, make a return call to the collection floor

or send through an audit account to see how it is handled.

ACA Website: www.acainternational.com

Your agency represents you—make sure they are doing it properly. At RRP, we stand by you.

