

The consumer's credit - collections journey, powered by artificial intelligence

What the
consumer
does

What AI is doing
behind the
scenes

Benefits of AI to
consumers &
companies

Who provides
the behind the
scenes tech?



A typical consumer's credit-collections journey

Things start off smoothly...

Consumer applies for credit



Consumer makes purchases



Sometimes life throws us curves...

Consumer receives a fraud alert, or notice of a possible breach of PII



...But we resolve them and move on

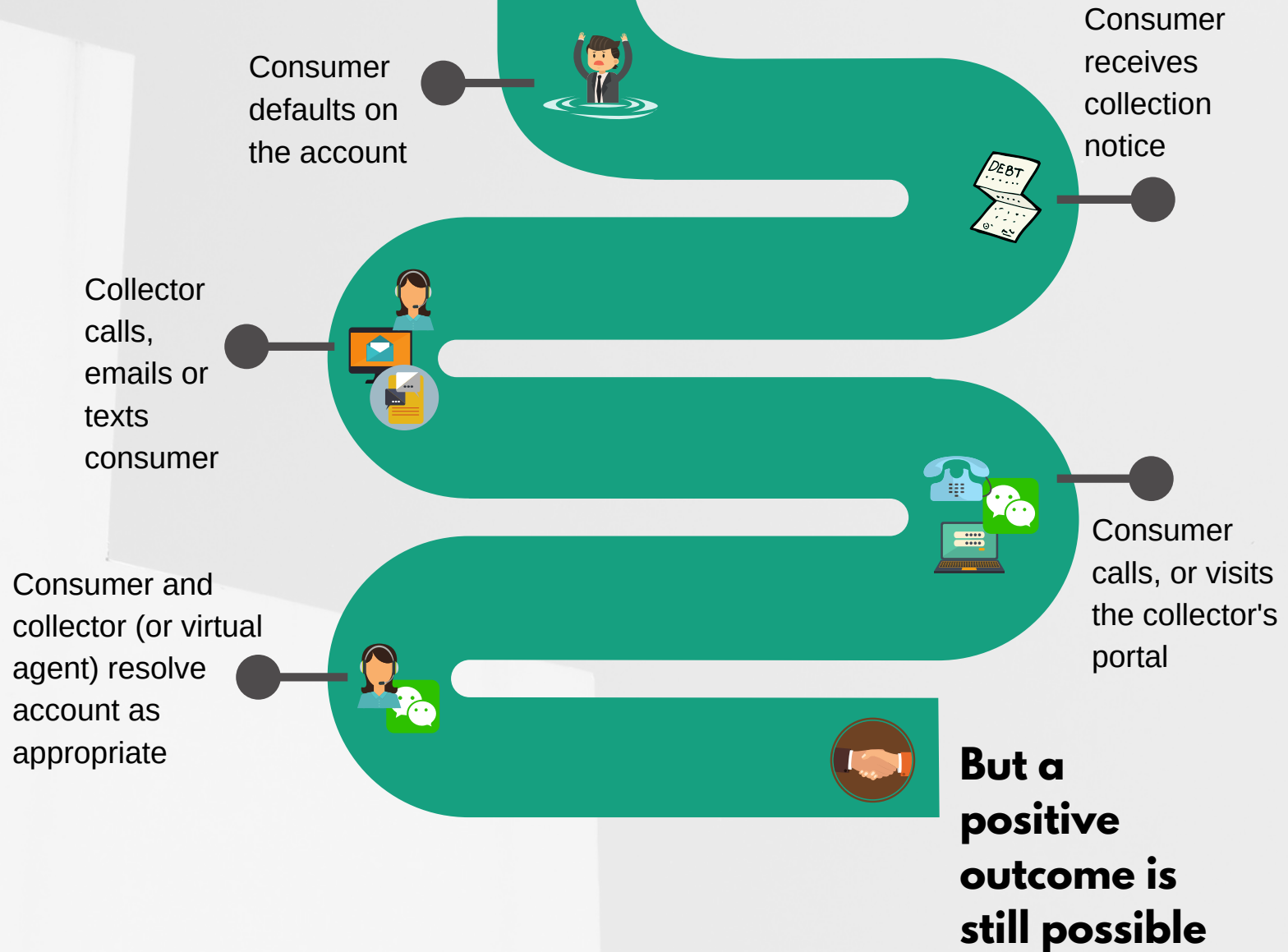
Consumer contacts customer service by phone or web chat, or logs into account to review transactions or make a payment



Consumer misses a payment; receives late notice



**Unfortunately,
sometimes things
don't go as
planned**



So, what's going on behind the scenes?

What the consumer does



Applies for credit

What AI does

Adds non-traditional data to (or replaces) traditional credit score to predict risk

Benefits to the consumer

More credit extended with fewer defaults

Some companies that do it



Makes purchases & payments

Constantly monitors for unexpected or out of range patterns

Purchases are protected without any effort by the consumer



Logs into account to make a payment or review transactions

Differentiates real people from bots, detects compromised credentials

Consumers receive consistently improving automatic protection with little to no inconvenience



Authenticates consumer using biometrics or behavior

The authentication process occurs seamlessly; no awkward interaction or sharing PII



...and when the curves come along

What the consumer does

What AI does

Benefits to the consumer

Some companies that do it



Receives fraud alert or notice of breach

Constantly monitors network and individual purchases for unexpected or out of range patterns

Consumers receive immediate notification of fraudulent activity so they can take action; Static algorithms aren't up to date enough to detect constantly evolving threats



Falls behind and receives statements, late notices

Determines most appropriate channel and/or message to send based on history of payments, interactions, account data, etc.

Reaches consumer in the way that best fits their preferences based on prior behavior; interaction is more comfortable and convenient.



...AI is still at work behind the scenes

What the consumer does



Calls customer service, clicks on a link in a text or email to log into their mobile/online account or initiate chat



What AI does

Confirms consumer's identity using device-based biometrics (voice, face, typing, swiping), location, or other

Routes contact to most appropriate agent (or virtual agent), and offers consumer options based on best predicted outcome.

Benefits to the consumer

The authentication process occurs seamlessly, and without the need to remember passwords or provide PII.

Consumer is paired with agent best able to handle their matter. Reduces time spent by both consumer and company. Automated options ensure 100% compliance.

Some companies that do it



...and when things don't go as planned

What the consumer does

What AI does

Benefits to the consumer

Some companies that do it



Defaults on an account

Analyzes account for most appropriate collection strategy (3rd party collector, legal, sale; and which vendor to use).

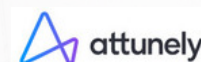
Provides a high level way to expedite optimal outcome for the creditor. When creditors know they can minimize losses it allows them to extend more credit.



Receives collection notice

Determines best approach to the consumer: contact channel, language, messaging, most likely current location of the consumer, accounting for past behavior, preferences, and compliance considerations such as state laws that apply where the consumer lives.

Consumer is contacted in a manner tailored to their demonstrated behavior. Provides continuity in communication method from creditor to agency, while ensuring compliance 100% of the time.



AI can reduce contacts, improve convenience, minimize embarrassment

What the consumer experiences



Receives follow up contact from collector via phone, text, email



What AI does

Determines best approach to the consumer: contact channel, language, messaging, most likely current location of the consumer, accounting for past behavior, preferences, and compliance considerations such as state laws that apply where the consumer lives.

Benefits to the consumer


Consumer is contacted in a manner tailored to their demonstrated behavior. Provides continuity in communication method from creditor to agency while ensuring compliance 100% of the time, and minimizing frequency of contact.

Some companies that do it



AI can reduce contacts, improve convenience, minimize embarrassment

What the consumer does	What AI does	Benefits to the consumer	Some companies that do it
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 Responds to a notice, phone call or text by calling or texting back

Authenticates the call before it's answered. Analyzes across the global phone network to determine if it's a real call.

Routes call to most appropriate human agent (i.e. language, age, training) or virtual agent.

Monitors for compliance using Natural Language Programming (NLP)-based system.








Eliminates need to provide PII to confirm identity. Reduces opportunity for fraud. Improves security, makes the interaction more comfortable, and increases likelihood of a resolution.

Pairs consumer with agent best able to handle their matter. Reduces time and frustration for all.

AI recognizes patterns, meaning and inflection, combined with programmed client and compliance requirements. Can incorporate call logs as unstructured data; minimizes effect of incomplete or inaccurate agent notes.



AI can reduce contacts, improve convenience, minimize embarrassment

What the consumer does	What AI does	Benefits to the consumer	Some companies that do it
<div> ...or by visiting the collector's portal,</div> <div> and</div> <div> resolving the account</div>	<p>Authenticates the consumer via a range of digitally-based options.</p> <p>Takes routine payments, negotiates payment plans within parameters, changes payment dates, transfers to live agent if needed.</p>	<p>No need to share PII with a stranger. Improves security, makes the interaction more comfortable, and increases likelihood of a resolution.</p> <p>Eliminates need for consumer to interact with a live agent. Minimizes emotion or embarrassment. Better customer experience than basic IVR, which forces people to follow categories, but can redirect to a human if needed. 100% compliance - i.e. disclosures never missed.</p>	<div> simpler stronger authentication</div> <div> Gathering Customer Solutions</div> <div></div> <div></div>

These are just some of the ways different types of artificial intelligence has improved (or could improve) consumer experience in the credit-collections cycle.

Members of the **iA innovation council** meet regularly throughout the year to explore how to implement new technologies in a compliant way to better serve all stakeholders.

We partner with regulators, consumer groups and others to educate about the opportunities and demystify the technology so it can be better understood, audited appropriately, and appreciated for its benefits.

Activate Financial . Afni . AllianceOne . Alorica . Attunely .
Ballard Spahr . BCA Financial Services . Beyond Investments .
Billing Tree . Citizens Bank . Clark Hill . Coast Professional .
ConServe . Convergent Outsourcing . Crown Asset
Management . CSS Impact . DCM Services . Enhanced Recovery
Company . EOS CCA . First Collection Services . FICO .
Firstsource Advantage . Frost-Arnett Company . GM Financial .
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Barnett . National Recoveries . NCB Management Services .
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