TrueAccord Case Study

TrueAccord Retain Delivers Breakthrough Results for Financial Services Giant

40% More Effective Early-Stage Recovery than Leading "Call and Collect" Vendors

The Challenge

A surprising feature of the COVID financial landscape was a decline in consumer credit card balances and delinquency rates throughout 2020, driven by stimulus payments and changes in consumer spending behavior.

But starting in early 2021, pent-up demand and increased credit card approvals led to an uptick in credit debt. And financial institutions have been preparing for the coming wave of delinquencies.

One such leader in the consumer credit market is a publicly-traded financial services company ("the client") that needed to shore up early-stage delinquencies throughout its portfolio of consumer and retail credit cards.

Previously, the client had relied on three off-shore BPOs. But with the need to build additional capacity – and logistical challenges related to hiring and staffing – the client wanted to deploy a digital strategy.

The Solution

The client's collection BPOs used a traditional "call and collect" model, powered by outbound agent operations.

But in their journey to improve the performance of early-stage recovery efforts, the client came across TrueAccord Retain. Retain offered a starkly different approach: an intelligent client-branded solution that harnesses digital technology and machine learning to deliver a personalized, effective early-stage strategy.

The client decided to pit Retain as a "challenger" against their current recovery process. To evaluate performance of different approaches objectively side-by-side, the client randomly assigned credit and retail card accounts to TrueAccord Retain and the other vendors. Key success metrics included:

Roll Rate: the percentage of dollars that became progressively delinquent, flowing from one bucket (e.g., current) to the subsequent one (e.g., bucket 1)

Gross Flow Through Rate: the percentage of dollars that flowed from one bucket across multiple subsequent buckets (e.g., bucket 4 > 5 > 6 > chargeoff)

The Results

TrueAccord Retain's machine learning-driven, digital experience significantly outperformed three traditional "call and collect" agencies across several of the client's portfolios.

Relative to the best-performing "call and collect" vendor for each product portfolio, TrueAccord Retain drove:

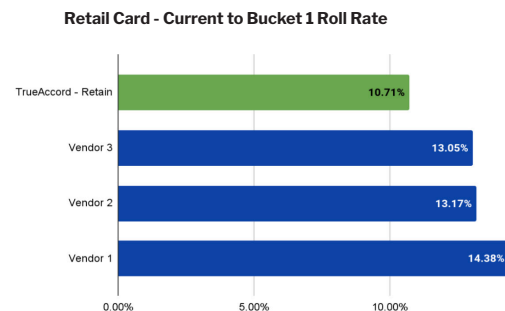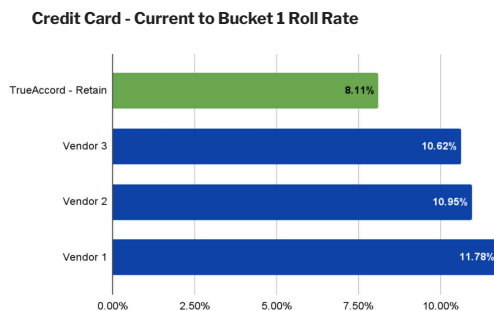|		
+24% ◢ Roll rate Improvement	**+28%** ◢ Early-stage Gross Flow Through Rate Improvement	**+40%** ◢ Late-stage Gross Flow Through Rate Improvement

The results of the A/B test were unambiguous: TrueAccord Retain's machine learning-powered, digital-first approach resonated with consumers and drove significant growth for the early-stage recovery business.

Empowered by these results, the client increased placements with TrueAccord Retain – trusting Retain to propel them to the next stage of digital maturity and consumer-centric communications.

Roll Rate improvements

Credit Card - Current to Bucket 1 Roll Rate

TrueAccord - Retain	8.11%
Vendor 3	10.62%
Vendor 2	10.95%
Vendor 1	11.78%

0.00%   2.50%   5.00%   7.50%   10.00%

Retail Card - Current to Bucket 1 Roll Rate

TrueAccord - Retain	10.71%
Vendor 3	13.05%
Vendor 2	13.17%
Vendor 1	14.38%

0.00%   5.00%   10.00%

Gross Flow Through Rate improvements (early-stage)

Early-stage Gross Flow Through Rates - Credit Card

TrueAccord - Retain	2.18%
Vendor 2	2.85%
Vendor 1	3.05%
Vendor 3	3.19%

Early-stage Gross Flow Through Rates - Retail Card

TrueAccord - Retain	1.44%
Vendor 2	2.00%
Vendor 3	2.03%
Vendor 1	2.08%

Gross Flow Through Rate improvements (late-stage)

Late-stage Gross Flow Through Rates - Credit Card

TrueAccord - Retain	58.85%
Vendor 2	74.58%
Vendor 3	74.69%
Vendor 1	78.98%

Late-stage Gross Flow Through Rates - Retail Card

TrueAccord - Retain	40.96%
Vendor 3	68.00%
Vendor 1	71.05%
Vendor 2	72.57%
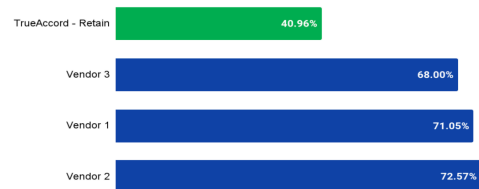
About TrueAccord

TrueAccord is a digital-first provider of outreach, recovery, and collection solutions helping more than 20 million consumers of service, lending, technology, financial, and FinTech organizations since 2013. We are transforming the debt collection industry and helping consumers reach financial health with convenient payment plans, customized billing schedules, and easy documentation.

Email sales@trueaccord.com or sign up for a product demo to learn more.