

Client Guide – Ask your Collector

Your collector is here to help you, any questions that are asked in the process of debt collection are for your collector to gain knowledge on the debt, we have compiled a series of articles based on information required by your collector to perform their role and have a smooth outcome.

The collectors job is to Limit your Losses.

Client and collector communication

It is imperative that all communication with your debtor is channelled back to your collector and that you do not make any arrangements with your debtor without consulting your collector. This is important as you may weaken the power of your collector by contradicting anything they may have discussed with the debtor and the debt may then be deemed compromised.

- The best method of communication is via the client access system and this should be your first point of enquiry
- Your collector will make notations for you to read every time they access your debt.
- Your collector may contact you via telephone or email for details or any clarification that may be needed.
- Please remember that time spent on the phone to you with enquiries that could be answered by you accessing the web, is time spent away from collecting your debt.

Requesting information

Request for information from your collector, from time to time your collector will request information to be provided by you, this request may be either verbal or in written form. The collector will provide a date by which the information is required. Normally this will be within five working days. Unless specified otherwise.

Your collector may request further information or copies of invoices/statements regarding the debt as required.

BCA Debt Process for requested information

- Your collector may contact you by phone to request information or discuss your debts.
- Alternately an email may be sent, outlining the nature of the information required, giving you a date due for return of that information.
- BCA Debt Process for negotiation of Debt – Please note this is the power of debt collection and once your debtor puts an offer on the table all parties need to respond quickly.
- When a negotiation is on the table, twenty four hours is the optimum amount of time to ensure a good result.

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- In the event your collector does not receive an answer from you within the requested time frame, they may deem your failure to reply as acceptance of the offer.
- Alternatively they may choose to send a letter to your mailing address or email requesting you respond by a certain date. Failure to respond to this type of request may also be deemed as acceptance of the offer.
- Further to this, failure to provide information may result in the debt being compromised, and subsequently closed. Full commission will be charged on the debt.

Your collector is not obliged to submit any offer to you, however they may do so at their own discretion. (see clause 3(f) of the General Provision of Agreement for Debt Collection)

When will I get my money?

The EOM is completed approximately in the first week of the new month and all payments are allocated to clients electronically and invoices and statements are sent to you via email and a link to log in and view them.

Please note that unless otherwise arranged commission is subtracted from the amount collected from your debtor, you may contact administration and request to have your money sent in its entirety however you will be required to pay the invoice prior to money being released.

Writing off a debt

Once a debt is handed to BCA Debt the collector will proceed to work on that debt for a period of twelve months from the date the debt was added, if after some time working on your debt, they feel that the debt will never be recovered they will advise you.

Writing off debts is done only after your collector has exhausted all feasible avenues of debt collection.

If this is the case the debt will be closed, and no commission is payable on balance of outstanding monies and you will be issued with a written off debt report.

However if you request your collector write the debt off before the twelve month period then you will be liable for all fees and charges in association with that debt. To write off the debt you need to login to the client access system and write the debt off yourself.

Will this affect their credit rating?

If the case goes to court, and judgment is found for the plaintiff (the creditor), this would be recorded and would affect the debtors credit rating.

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For a fee, BCA Debt can lodge a Mercantile Enquiry on your debtor this is where a debt is lodged against your customer for the amount you have sent to us. The Mercantile Enquiry lodgement remains on your customer's name for 5years. The customer must have an ABN and there are requirements that need to be carried out prior to lodgement.

Adding debt collection costs to your debts.

Adding fees onto your debt means you can get your debt collection for free; you must add the additional fees before the debt goes to debt collection. By law we cannot any additional fees to the debt.

Please make sure your debtor has a **signed credit agreement** with you with a clause that outlines they are liable for any additional costs should the account be passed onto a debt collection agency.

Below is a breakdown of how to add costs to your debt

Original debt eg: \$100.00

$$\begin{array}{r} + \quad 37.93 \% \quad (\text{percentage to be added}) \\ \hline \quad \quad \quad \mathbf{\$ 137.93} \quad \mathbf{\text{total to send for collection}} \end{array}$$

Once we have subtracted our commission and GST you will received the original amount back and you will not be left out of pocket.

We expect to receive the full amount of the debt from your debtor, in this case \$137.93 once we subtract our commission fees we will forward you the original amount of the debt. Please see the below description explanation.



What happens when a case goes to court

Our collectors follow a proven procedure for debt collection that involves different levels and methods of contact.

Our policy is to follow this procedure to make sure that the value is there for the client.

If your collector feels that issuing a summons will be an option that is highly likely to get a good outcome, you will be given a quote for the costs of getting your case in front of a magistrate.

Our legal team are instructed to action this, with minimum cost to our client. Your collector will prepare the majority of the documents, and you will liaise with your collector throughout the court process.

Court action is not taken lightly and a decision is made on the merits of each individual case.

Legal Action– these costs are paid up front and sent with the court documents & paperwork to BCA's legal team.

- BCA is unable to provide a quote for legal proceedings; if your collector feels this is an avenue worth taking they will send you the relevant information.
- You are responsible for all ongoing costs in regard to legal proceedings.

Taking a debtor to court is only carried out if your collector believes they will get the money back for you, there must be value to do this process. ***We do not take debtors to court for revenge.***

Value for money

1. What we do is follow the full debt collection process by using our "Six step debt collection system." This is designed to get clarity from your customer as to what their attitude is towards the debt and verify with them that they need to pay and we then negotiate payment on your behalf.
2. The six step process is a specially designed program for debt collectors and our collectors are all trained with this system.
3. We match the collector with your type of business, and the collector will take over the entire collection process on your behalf leaving you free to concentrate on your profession.
4. Our team of collectors are highly motivated to get the best outcome for you, they are paid on commission so we don't get paid if they don't collect the debt.
5. Our online client access system allows you to keep up with what is going on with your debt. We are affiliated with a National network of Agents who can go to any debtor's home or

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office to follow up on debts.

6. With the national network we are expected to follow a strict code of conduct and our company prides itself on making sure we follow the debt collection guide lines which protect both you and us.

By following our six step debt collection process we can assure our clients get value for money in the debt process.

Proof of debt

Proof of debt in collection and legal proceedings lies with the person alleging the debt is owed.

Therefore you are responsible to prove that the debtor owes you the money and BCA Debt will require proof of debt to follow debt collection procedures.

Your collector may request further information or copies of invoices/statements regarding the debt as required.

When it comes to having a debt collected you need to have proof that a person or entity owes you money. It is your responsibility to prove the debt not the debtors to disprove the debt.

Retrieval of goods

Retrieval of goods, in the case of goods provided, whereby you have a clause in your contract with the debtor, stating goods remaining the property of the provider until full payment is made.

The following applies

With regards to the retrieval of property by you the client, all laws of the land must to be adhered to, and BCA take no responsibility or gives advice in these situations.

1. BCA supports retrieval of goods when it has been agreed upon by all parties.
2. Please refer to your contract with BCA – clause 3(f).

It is important to note the changes to legislation in 2012 and the introduction to the Personal Property Securities Act has changed the way in which creditors can enforce the Retention of Title within any contract.

When you have a debt for goods that you have provided you need clear guidance on how to retrieve these, unfortunately you cannot just go and collect your items there are certain rules that apply.

Six step debt collection process

This process is designed to encourage a resolution on the debt with a three month period. If there is no resolution with the three months your collector will decide if they wish to continue the process for a further three months.

Debt collection as a role is to maximise you the client in limiting your losses, BCA Debt does not promise at any stage to collect any money whatsoever. What BCA Debt do promise is to follow this process to give clear guidance and satisfaction that every possibility is utilised to get the best outcome be that the debt is paid or not.

Things to take into consideration

Collectors rosters are formed around them having the opportunity to follow this procedure.

All steps here are performed at the collectors' discretion and may not flow in the exact order, some steps will organically be left out of the debt collection process as they are not always necessary.

Debt collection is a highly emotionally charged process and the collectors are trained to manage this emotion and perform according to limiting the losses of their clients.

Step 1

Letter of Demand:

Once a debt is entered into the system a letter of demand is automatically created and sent to the address provided.

The collector and client are notified of the debt being added via the wall on the recoveries global debt software.

The debtor is given 5 working days to respond to the letter of demand, when the debtor responds to the letter there is one of three options here;

1. The collector enters negotiation of payment in full.
2. Or by payment arrangement.
3. Discusses any disputes or problems that have occurred with product or service with the debtor.

If there is no response from the debtor the collector moves to stage two

Step 2

Debtor Contact:

(See page 12 of the ACCC/ASIC Debt Collection Guidelines) this is imperative reading as there are restrictions as to when and who a collector or creditor can implement the following procedures.

Contacts include:

1. Speaking to the debtor by phone
2. Letters sent to the debtor (BCA Debt have a series of letters that are utilised after the Letter of Demand has been issued).
3. Emails
4. SMS
5. Phone messages left

A Minimum of 6 calls is made per month; if no contact is made a further 4 calls are attempted. No more than 10 calls per month are attempted, this in accordance with the ACCC/ASIC Debt Collectors Guidelines.

However if letters, emails or SMS's have been actions calls are restricted to come into accordance with the guidelines recommendation of 10 contacts per month. Contacts include all of the above listed

Call Times: Calls are carried out in blocks of three and are only carried out twice a month. Further calls may be made at the request of the debtor only.

Call 1 is carried out in normal business hours

Call 2 is carried out between hours 7.30am and 9.00am

Call 3 is carried out after 5.00pm

Step 3

Negotiation:

Please refer to your client guide for information in regard to negotiated debts. Also see page 21 of the ACCC/ASIC Debt Collectors Guidelines in regards to providing information and documents to your collector when requested. Failure to do may constitute misleading and deceptive conduct.

1. Collectors negotiate with debtors in regards to payment of debt.
2. Negotiate payment arrangements.
3. Discuss disputes with the debtor and the client to come to a resolution.
4. Negotiation of debt adjustments in cases where client or debtor have made an offer.
5. Research and obtain evidence of any misconduct on either side, to effect a resolution to the debt being finalised.

Step 4

Skip Tracing:

Locating of the debtor's whereabouts.

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If the letter of demand is returned or the phones are disconnected the collectors then utilise paid in house databases and searching systems to locate the debtor.

We match all data supplied with information available within BCA Debt's resources, telephones, addresses, related names and similar spelling.

Double checked details with white pages and Where Is to confirm spelling of addresses.

Confirm that individual was not deceased or incarcerated.

Crossed reference between ABN & ASIC.

Step 5

Investigation:

(please note if paid searches are required there will be a fee for the client and the collector will request this if it is agreed upon)

Further information is sort in regards to the debtor, such as business names, aliases, investigation of financial status, property ownership, partnerships, bankruptcy and insolvency.

Step 6

Personal Call:

The personal call involves a Mercantile Agent making a visit to the nominated address of the debtor and handing them a letter of Intention to Summons. The agent is also given instructions on what to discuss with the debtor and demand payment on account.

There is a fee for the client to pay to have this service and the collector will request this if it is agreed upon.

The Collector may recommend a Personal Call be issued on a debtor if they are not getting any response from them.

BCA Debt does not collect personal debts, BCA Debt is a Commercial Debt Collection Agency and only work with business to business or business to consumer clients