

Nick Cherry believes there are still too many myths about probate collections, and such a delicate operation should be left to the specialists.

GIVEN that average life expectancy continues to increase with the emergence of improved clinical treatments, it may seem a contradiction in terms to talk of the increased prevalence of death and debt in UK society. Yet this is very much the case.

Not only is the population living longer, but statistics also show that we are working longer. Nor is this just a short-term response to the hardships of the recession, but a trend which has gathered pace over the last 15 years. During this period there has been a 50 percent increase in the percentage of men over 65 working, and the percentage of women over 65 working has more than doubled. Why?

Part of the reason for this is the long-term behavioural change that has taken place in society. The old values of prudence and of living within our means, have over time been widely discarded by generations accustomed to using readily available credit to augment their living standards. Average levels of indebtedness in the over 50's continue to rise as they do amongst all other age bands.

So whilst as a rule we are living longer, people are more heavily indebted than previous generations and this will inevitably increase the numbers dying in debt.

The common misnomer

So what happens to our debts when we die? There is a widely held but unfortunately incorrect belief that 'debts die with me'. Whilst it is not my aim in this piece to examine the intricacies of UK probate law, it is fair to say that this belief is wrong. Put simply, if we die leaving a solvent estate, then our liabilities in life remain due from that estate in death, once any funeral bills have been settled as a priority.

So why do creditors sometimes write the debt off? With the exception of a number of more sophisticated collections operations, very few creditors have the specialist probate knowledge and training required to enable them to effectively engage with the representing party



Dead on time

handling the final affairs of the deceased.

Historically therefore, creditors have been reluctant to engage with consumers on deceased accounts, where a lack of probate knowledge and most often a dearth of training on how to engage appropriately and compassionately with representing parties, has caused real potential for reputational or brand collateral damage.

Rather than risk causing offence to grieving relatives, creditors have often chosen to simply write a debt off rather than pursue it appropriately. There are no published figures quantifying this cost but based on our experience over the last four years, we would estimate the cost to the economy of writing off these debts to be over £200 million per year.

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Companies, including my own, have worked hard over the last few years to promote awareness of this issue, and to demonstrate that it is possible to recover these legitimate debts without reputational damage, providing that the style of engagement is appropriate. This is clearly essential to the types of businesses with whom we are engaged. Increased awareness of the deceased market means that creditor attitudes are slowly changing to appreciate the recoveries that can be achieved, providing the relevant safeguards are in place.

A maturing market

The maturing market is further evidenced by the fact that a number of larger debt collection agencies have started to offer probate collections, by simply making it one

of a number of product offerings provided by them rather than specialising solely in deceased. Whether the same safeguards against reputational risk exist within a non-specialist agency remains to be seen.

The recoveries process

At the risk of stating the obvious, the starting point for any probate recoveries process is to ensure that the manner and style of engagement with the relatives of the deceased is appropriate. The loss of a loved one is always a traumatic event, and every single case must be treated with the utmost care and attention.

In the probate arena, the approach is more of a fact find than that of a

traditional collections call. It needs to be made abundantly clear from the outset that only the estate of the deceased is liable and the agent must seek to understand the financial circumstances of the deceased prior to passing. There are many types of assets that may form part of an estate in death, which are not suitably liquid for the repayment of liabilities during life. The probate recoveries process is centred around identifying these assets in a compassionate manner and ensuring that the legal obligation to pay is fulfilled in an amicable fashion.

For a relative who has recently lost a loved one, liquidating the assets of the deceased can be an especially traumatic time, and it is essential for staff to understand the grieving process, show genuine compassion, and most importantly, not to pressurise the representing parties. Although it is acceptable to make settlement offers to try to expedite the recoveries process, it would not be appropriate to set deadlines or to seek to exert negative incentives to pay.

This is one of the major differentiating aspects of probate debt recovery. A traditional debt recovery process would contain a series of escalated steps or potential consequences for non-payment that may include the registering of a default, court action or the recovery of goods. In the probate arena, whilst there are similar enforcement tools that can be employed, it is not appropriate to pursue such action and the emphasis should always remain on working positively to achieve an amicable solution.

By employing highly trained staff with expert knowledge and by focusing on positive rapport building to achieve an amicable resolution, it is possible to realise recoveries in the probate arena without damage to a client's reputation.


The TCF benefits

The actual benefits of employing a specialist agency or 'probate partner' are significant on many levels. From a purely commercial perspective a business will experience improved recoveries in a shorter time frame. Most importantly however, working with a specialist probate partner who has expert knowledge of the process and sensitivities of the situation, will produce an improved customer experience.

By employing industry leading listening skills, using additional sources of consumer data, and by understanding the various stages of the grieving process and the intricacies of probate law, a specialist probate partner is able to offer a superior customer experience to many internal collections operations.

The speed and ease of handling the situation can be improved for the representing party, enabling them to achieve closure and move on with life in their own time. This is an essential part of the grieving process.

To ensure complete brand protection, it is also essential that any probate partner be entirely dedicated to that process. To consistently display genuine empathy and compassion when handling cases, the ethos of the business must be aligned appropriately. It would seem almost impossible to multi-skill staff in probate collections and to expect them to alternate from living to deceased cases as they may do in a traditional debt collection agency.

So perhaps a word of warning to any organisation considering employing a probate partner: make sure the specialist partner you choose is genuinely committed to delivering a quality service with the customer experience at its heart. Make sure that they understand that protecting your brand and the customer experience are the cornerstones of success. 

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