

Vulnerability in Parking Enforcement



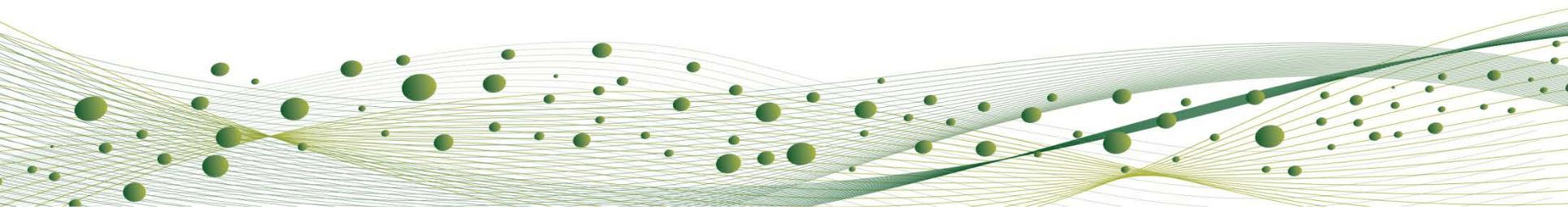
Presented By

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Date

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- High volume warrants
- Associated assets – contravening vehicle
- Focus on PIF or removal
- Persistent evaders / ANPR
- Very low advice sector engagement / payment arrangements
- Higher percentage of complaints
- Greater efficiencies through technology and data
- Quicker case turnaround
- Shorter recovery cycles on SLAs
- Recycling
- High percentage of bad debt / write off – approx. 75-80%



Vulnerability

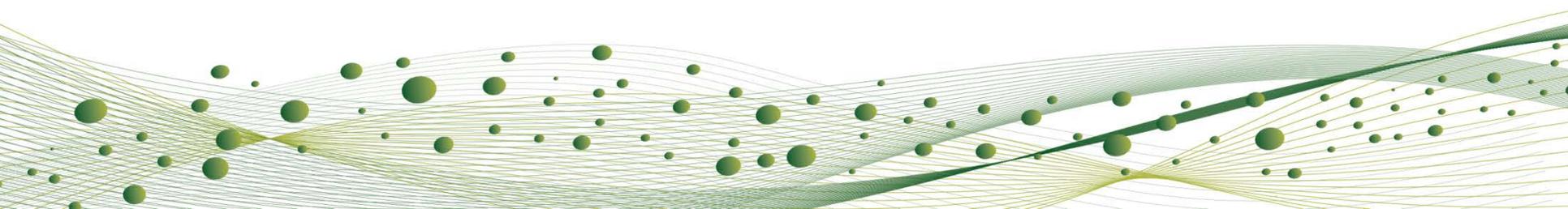
Mental Health Pregnancy Elderly
Disability Bereavement Unemployed
Financial hardship Language barriers
Learning difficulty
Illness Addiction



Fear factor

Training, bespoke letters, tailored workflows, advice sector relationships, specialist staff, dedicated teams, policies and procedures, etc

Have we gone too far?



- Is vulnerability relevant in parking enforcement?
- Debt balance is generally low so why can't they pay in full?
- Endless opportunities to pay
- Enforcement means enforcement
- A car is a luxury and we know they have one
- Does their vulnerability stop them from paying?!

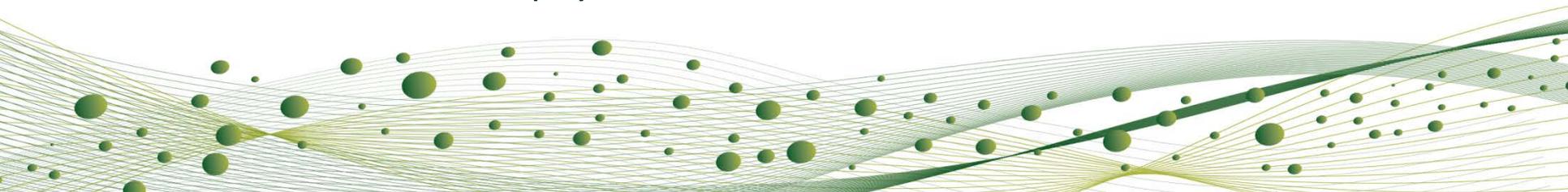


**I want to
become
A Social
Worker**



The Reality

- Vehicles, TV's and smart phones are no longer luxuries
 - Few people can pay in full (17m with less than £100 savings)
 - Vulnerability is often the reason for lack of engagement
 - We all bury our heads in the sand at some point
 - Who are we to judge?
-
- The majority of debts progress to enforcement because the customer forgot to pay or was afraid and embarrassed to deal with the situation at the outset.
 - Vulnerability does not prevent payment or enforcement and is not an automatic default to return a case
 - Skills for identifying and dealing with vulnerability are basic principles of customer service and should be the norm, not the default once the vulnerability marker is flagged – TEXAS model
 - Engagement is vital and therefore solutions which achieve buy in and commitment will lead to payment



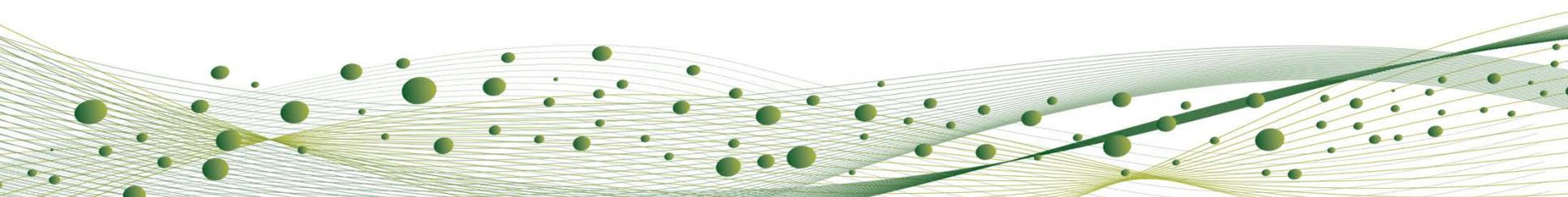
The Customer

Recent research into debt behaviours and experiences has highlighted the following:

- 63% of UK adults have experienced debt recovery procedures
- 1 in 4 people have or are suffering with a mental health disorder
- The most common reason for failing to pay = 41% forgot / 32% through protestation (dispute/service issues)
- Richer households are a problem area – demanding jobs / less tolerant of bad service
- Half of all debt is paid upon reminder

Dec 01, 2016 13:17 jamesbass	SMS to debtor Hi. Just a reminder that your payment to Phoenix is due by tomorrow. Details on how to make this can be found by visiting www.payphoenix.com . Your Phoenix ref is 2745047.
Dec 03, 2016 06:59 SVR-PROC	SMS to debtor Hi. It appears we didn't receive your payment yesterday. To keep your arrangement in place, and avoid further action and costs, this needs to be made now. Visit www.payphoenix.com for details on how to pay. Your Phoenix ref is 2745047.
Dec 03, 2016 POL-90.212.184.59	Payment 5.00 (D/C, Other, Batch: -5 - clears on: Dec 06, 2016)

- Local authorities have the worst debt recovery practices
- Customer top 5 best practice techniques – friendly and helpful staff, easy payment options, affordable payment plans, clear charges, relevant account info
- 1 in 3 people would pay debts more promptly if they received good collection practices



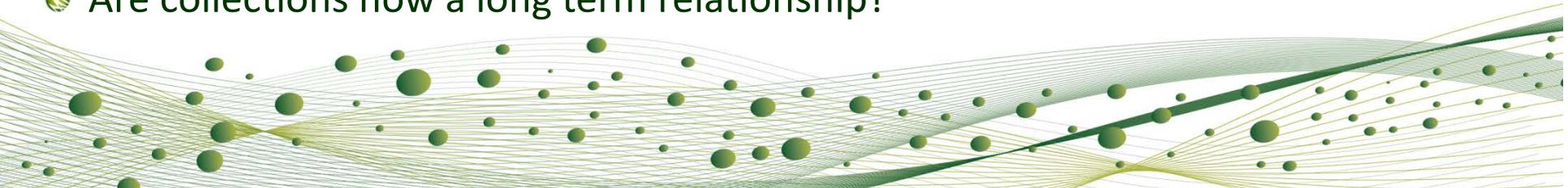
The New Buzz Words

Customer Affordability Sustainability Flexibility Welfare

- The old stereotypical collection methods have gone.



- TCE has forced us to review and change our collection strategy
- A different approach has improved engagement and payment rates and not only with vulnerable customers
- Dedicated departments vs front end skills
- Soft skills, negotiation and nudge techniques to encourage engagement
- Are collections now a long term relationship?



Does quicker = better?

The payment cycle – which would you prefer?



Based on issuing 10,000 warrants at £188 each the difference in revenue is
£169,200

(1) Not very fair/professional	(2)	(3)	(4)	(5) Satisfactory	(6)	(7)	(8)	(9)	(10) Highly Professional and Fair	Total
10.00% 10	3.00% 3	4.00% 4	2.00% 2	28.00% 28	9.00% 9	3.00% 3	7.00% 7	7.00% 7	27.00% 27	100

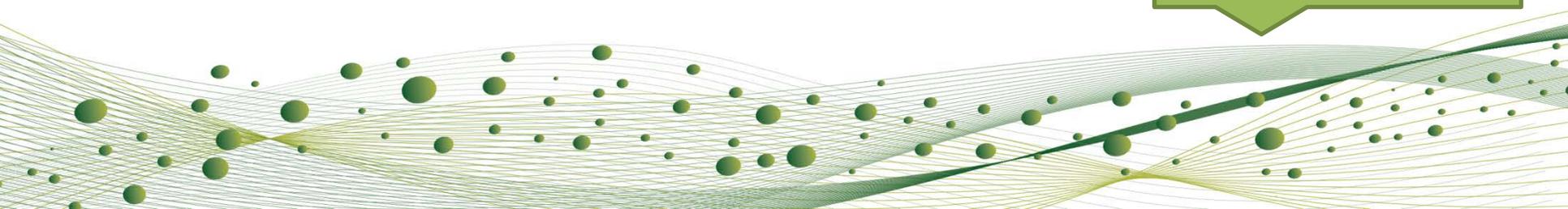
Assistant was understanding, courteous and offered a practical payment plan. Good service under difficult circumstances

Always found the person on the end of phone to be fair, honest and helpful

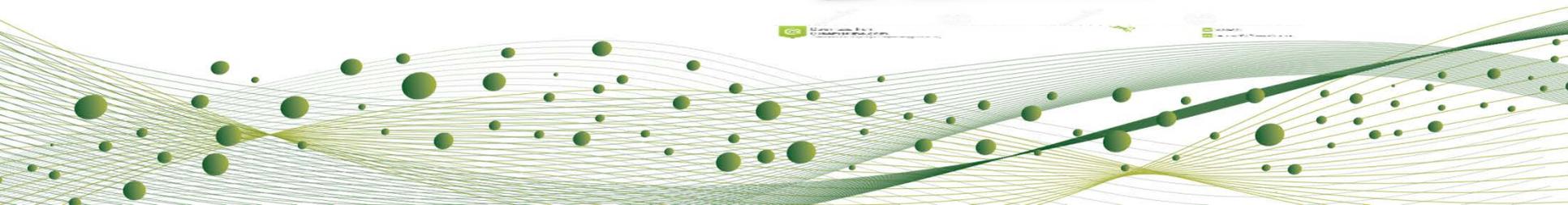
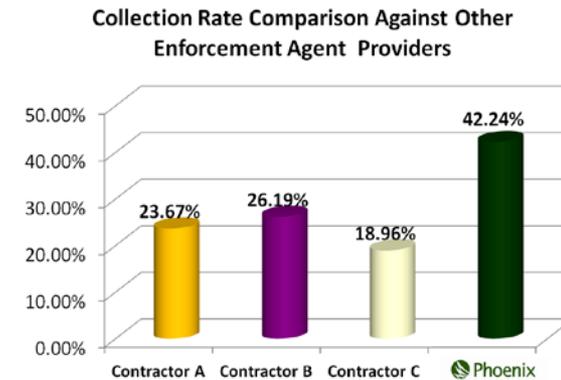
Very understanding

Was polite, helpful and listened to me as a person and not just a number

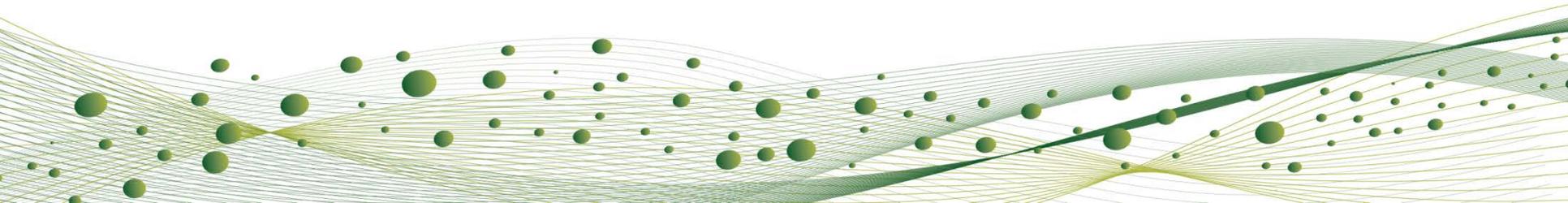
I was a few days late with my payment and really worried but the lady I spoke to sorted it for me and was very kind



- Long term impact on collection rates resulted in a 4% uplift in collection rates for the 2015/2016 period.
- Boroughs with increased advice sector engagement and strategies to target high deprivation areas and non-English speaking customers saw the highest uplift
- Contact/engagement rates have increased by 37%
- 2154 customers have been identified as potentially vulnerable or vulnerable, of which 83% have either paid or are paying via an affordable payment plan.



- Improved collection rates have derived from those who have limited means and assets – low propensity to pay
- They are not on the radar due to previous failure to engage
- Focus on the 75% who don't pay – it is likely they may fall into a vulnerable category yet have the long term means and will to pay
- People will engage with those they trust and when they believe there are options and solutions available to them
- Accept that the creditor may never be the first point of engagement
- Embrace relationships and partnerships which reach the customers who need guidance and support and give greater insight to customer's needs
- Faster collections does not = highest collections. Accept that sustainable payment plans will increase overall collection rates



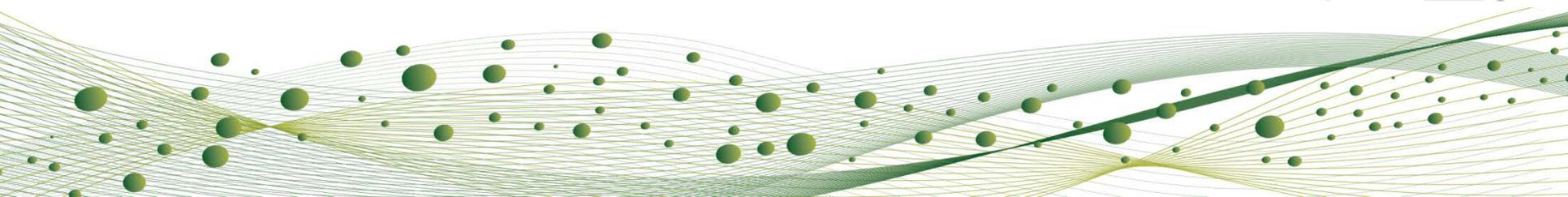
What you can do?

MONEY
ADVICE TRUST

How do you identify and support vulnerable customers?

What is the 'four step test' and how can it help you and your customers?
Select **Start** to find out how to identify and support vulnerable customers.

- Looking at decision making (2 mins) **Start**
- The 'four step test' (2 mins) **Start**
- Putting it into practice (4 mins) **Start**



THANK YOU



"Phoenix Commercial Collections has sought to work with vulnerable debtors to ensure that they can manage their repayments. Their work with charitable and consumer advice bodies is exemplary."

