

Case Study

Validate – Phone Validation



Product Line

Validate

Product

Phone Validation

Product Compliances

Standards of Consumer Financial Protection Bureau (CFPB)

Telephone Consumer Protection Act (TCPA)

Regulations set forth by the Federal Communications Commission (FCC)

Product Impact

Our validate product line gives clients the ability to generate revenue by collecting debt that is owed, while remaining fully compliant to TCPA laws and CFPB standards.

Phone Validation equips clients with the certainty they need to call the right consumer.

Client Discussion

Our client is a Fortune 500 retailer that extends credit through store credit cards, with an annual revenue totaling more than \$15 billion. The client's name cannot be revealed due to confidentiality and security in a highly compliant industry.

Client Need

Our client needed to maintain a flawless brand reputation. For our client, a major need in reducing reputation risk is remaining compliant to industry regulations.

TCPA laws required our client to be stringent with their usage of consumer calling data, so the client was searching for a way to double-check the accuracy of phone numbers in their records.

The client uses data vendors for large-batch data verification, but because the accuracy of the data is about 60-70%, an additional layer of certainty was desired, and our solutions help achieve more accuracy. Large-batch data is part of our client's process, and our solution is the next step in our client's process.

Client Challenges

Our client needed to achieve a substantial return on doubtful accounts, but through compliant methods that would not threaten their reputation or increase risk of class-action lawsuits.

Our Solution

After extensive discovery and attention to our client's situation, we found that **Phone Validation** is well-suited to our clients' needs.

For our phone validation product, we call the phone numbers provided by our client to confirm that the phone number still belongs to the person listed on the account.

Phone Validation Process

To begin our phone validation process, our client sends a file containing a large volume of consumer contact information that needs to be confirmed. Our agents take the file and call the listed phone numbers, speaking according to compliant scripts, to ask if the phone number belongs to the listed person. The agent asks a series of questions to confirm the identity of the consumer, and if the phone number is confirmed, it is considered a verified hit.

All of these validation calls are recorded for further proof of compliance, and our client conducted an audit to ensure that our calls are being made according to standards.

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Once our client has the list of verified hits, they can use their own call center to contact their consumers for collections purposes. Since we validated the phone numbers, our client will now be able to reach the right person on their first try.

Results

Category of Figure	Client's return figure	Client's return (%)
Rate of Verified Hits	50,000/200,000 listed	25% of listed accounts
Return on Investment	\$6.15 million	6,150% of investment
Annualized ROI (for 2 years)	\$6.15 million	690.57% of investment

In our client's list, each consumer owed an amount between \$500 and \$1000. By verifying an average of 50,000 accounts per month from our client's list of approximately 200,000 we achieved an average verified hit rate of 25%.

To translate these numbers into revenue, each month we verified the contact information of consumers with debt totaling \$25-50 million. As a conservative estimate, the realistic collection on this amount is an estimated \$6.25 million.

We billed our client \$100,000 each month. Because the client will collect at least \$6.25 million as a result of the services we performed each month, our client's return on investment will be 6150%. For each dollar spent on Accutrac's services, the client collected \$61.50 additional revenue.

Because our client will not collect the \$6.25 million immediately, we estimated the return to happen gradually over the course of 2 years. These numbers are conservative estimates, accounting for the possibility of not being paid the debts in full. If the conservative amount of \$6.25 million is collected over the course of 2 years, the annualized ROI for the client is 690.57%.

These results were achieved consistently for the client throughout 2016.

Information

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