



AUSTRALIAN COLLECTORS &  
DEBT BUYERS ASSOCIATION

1 September 2014

## Results of FY2014 Member Data Survey

Attached is a summary snapshot of industry data gathered from the members of Australian Collectors & Debt Buyers Association for FY2014 and compared to the 2 previous years.

The snapshot reveals:

### Values

- The total value of debt under collection stands at almost \$15 billion up 17.2% on FY2013.
- The total number of debts under collection stands at 4.1 million files up 15.2% on FY2013.
- The breakdown of debts by value between contingent collections and debt purchase collections is presently 32.9% and 67.1% respectively.
- Members report a total of 2,797 full time employees tasked to the collection work – in total members have 68 full time employees engaged in compliance duties.
- The value of debt actually collected in FY2014 at \$2.2 billion for the year remained static when compared to FY2013

### Contact

- The number of contacts made with debtors during FY2014 totalled 65.4 million up 31.4%, a significant increase on the previous year. Telephone and SMS remains the preferred channel of communication at 77.3% of all contacts.
- Despite the high number of contacts with debtors including by telephone and SMS the ratio of total alleged incidents received from debtors and compared to total debtor contacts is extremely low, being only 0.0134% of all contacts made.

### Conduct

- 75.7% of all incidents raised by debtors in FY2014 were resolved within that period with 64.4% resolved as having no basis or insufficient detail to investigate or alternatively the allegations were completely withdrawn.
- The 4 notifications to the industry by regulators alleging compliance breaches during FY2014 were all dismissed on the basis of no finding of any breach.

# ANALYSIS OF MEMBER DATA SURVEY RESULTS

## 3 YEARS TO 30 JUNE 2014



<b>PARTICIPATION</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Member Respondents	17	13	14
Members who failed to respond at all	0	3	0

For each survey question the number of respondents who provided data for the question is listed

Part 1 of the survey records values as at a single day (ie on 30/06/12) whereas Part 2 of the survey seeks out values for the whole year ended (ie y/e 30/06/12).

<b>PART 1</b>	<b>Snapshot at 30/06/2014</b>	<b>Snapshot at 30/06/2013</b>	<b>Snapshot at 30/06/2012</b>
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<b>Total value of debts under collection in terms of</b>						
Number of Respondents	17		13		14	
	\$	No. of files	\$	No. of files	\$	No. of files
Contingent collections	\$4,913,859,637	1,746,717	\$3,878,922,350	1,474,005	\$2,935,602,104	1,291,998
Debt purchase collections	\$10,021,249,133	2,371,830	\$8,859,205,095	2,101,639	\$8,432,581,639	1,897,916
Not specified	\$0	0	\$0	0	\$0	0
<b>Total</b>	<b>\$14,935,108,770</b>	<b>4,118,547</b>	<b>\$12,738,127,445</b>	<b>3,575,644</b>	<b>\$11,368,183,743</b>	<b>3,189,914</b>

<b>On a percentage breakdown the value of debts under collection by type of debt are</b>						
Number of Respondents	17		13		14	
	\$	No. of files	\$	No. of files	\$	No. of files
Contingent collections	32.9%	42.4%	30.5%	41.2%	25.8%	40.5%
Debt purchase collections	67.1%	57.6%	69.5%	58.8%	74.2%	59.5%
Not specified	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Number of accounts under payment arrangements</b>						
Number of Respondents	17		13		14	
	\$	No. of files	\$	No. of files	\$	No. of files
<b>Total</b>	<b>\$2,073,754,539</b>	<b>375,705</b>	<b>\$1,874,684,571</b>	<b>348,579</b>	<b>\$1,930,814,246</b>	<b>333,187</b>

<b>PART 1 (cont'd)</b>	<b>Snapshot at 30/06/2014</b>	<b>Snapshot at 30/06/2013</b>	<b>Snapshot at 30/06/2012</b>
<b>Number of employees in terms of</b>			
Number of Respondents	17	13	14
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Contingent collections	982	803	939
Debt purchase collections	1,815	1,634	1,516
<b>Total</b>	<b>2,797</b>	<b>2,437</b>	<b>2,455</b>
<b>Number of compliance officers</b>			
Number of Respondents	17	13	
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Total</b>	<b>68</b>	<b>52</b>	
<b>Number of collection offices</b>			
Number of Respondents	17	13	
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Total</b>	<b>50</b>	<b>42</b>	
<b>PART 2</b>	<b>12 month period to 30/06/2014</b>	<b>12 month period to 30/06/2013</b>	<b>12 month period to 30/06/2012</b>
<b>Total value collected from accounts</b>			
Number of Respondents	17	13	13
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total</b>	<b>\$2,192,891,819</b>	<b>\$2,175,948,596</b>	<b>\$2,570,789,772</b>
<b>Total value of debt written off in response to genuine long term hardship situations</b>			
Number of Respondents	10	7	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total</b>	<b>\$13,563,178</b>	<b>\$13,862,225</b>	

<b>PART 2 (cont'd)</b>	<b>12 month period to 30/06/2014</b>	<b>12 month period to 30/06/2013</b>	<b>12 month period to 30/06/2012</b>
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<b>Total number of contacts made with debtors and/or their representatives</b>			
Number of Respondents	17	13	12
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Telephone calls to debtors</b>	42,053,103	30,738,560	17,641,393
<b>SMS/text messages to debtors</b>	8,522,086	5,658,719	5,349,034
<b>Letters to debtors</b>	13,371,698	12,435,455	12,395,970
<b>Emails to debtors</b>	1,479,616	950,820	486,681
<b>Total</b>	<b>65,426,503</b>	<b>49,783,554</b>	<b>35,873,078</b>

<b>On a percentage breakdown contacts made with debtors and/or their representatives were</b>			
Number of Respondents	17	13	12
	<b>%</b>	<b>%</b>	<b>%</b>
<b>Telephone calls to debtors</b>	64.3%	61.7%	49.2%
<b>SMS/text messages to debtors</b>	13.0%	11.4%	14.9%
<b>Letters to debtors</b>	20.4%	25.0%	34.6%
<b>Emails to debtors</b>	2.3%	1.9%	1.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Incidents recorded as part of each members IDR process are considered to be any matter relating to alleged unsatisfactory professional conduct lodged as requiring investigation and exclude genuine requests made by debtors for additional information to understand the terms of an account, the balance outstanding or the history of payments made.

**Number of incidents received from debtors and logged via:**

Number of Respondents	17	13	12
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Via IDR</b>	6,925	4,045	3,638
<b>Via EDR</b>	1,811	1,364	1,305
<b>Via regulators</b>	14	17	43
<b>Total</b>	<b>8,750</b>	<b>5,426</b>	<b>4,986</b>

**Incidents received from debtors as a ratio of debtor contacts:**

Number of Respondents	17	13	12
	<b>%</b>	<b>%</b>	<b>%</b>
<b>Via IDR</b>	0.0106%	0.0081%	0.0101%
<b>Via EDR</b>	0.0028%	0.0027%	0.0036%
<b>Via regulators</b>	0.0000%	0.0000%	0.0001%
<b>Total incident rate</b>	<b>0.0134%</b>	<b>0.0109%</b>	<b>0.0139%</b>

<b>PART 2 (cont'd)</b>	<b>12 month period to 30/06/2014</b>	<b>12 month period to 30/06/2013</b>	<b>12 month period to 30/06/2012</b>
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<b>Outcome of incidents received from debtors</b>						
Number of Respondents	17		13		12	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>Account paid</b>	101	1.1%	93	1.7%	966	19.4%
<b>Apology letter issued to debtor</b>	106	1.2%	87	1.6%	111	2.2%
<b>Arrangement made/settlement accepted</b>	426	4.8%	409	7.5%	518	10.4%
<b>Withdrawn by debtor</b>	789	8.9%	137	2.5%	169	3.4%
<b>Internal processes reviewed/amended</b>	39	0.4%	67	1.2%	88	1.8%
<b>Matter referred back to client for resolution</b>	237	2.7%	290	5.3%	278	5.6%
<b>No basis &amp;/or insufficient detail to investigate</b>	3,519	39.8%	2,093	38.6%	1,482	29.7%
<b>Credit file listing corrected/removed</b>	526	6.0%	389	7.2%	367	7.4%
<b>Finalised by EDR award in favour of debtor</b>	26	0.3%	68	1.3%		
<b>Other or not dissected</b>	920	10.4%	86	1.6%	92	1.8%
<b>Unresolved</b>	2,149	24.3%	136	2.5%	396	7.9%
<b>Outcome not advised</b>	0	0.0%	1,571	29.0%	519	10.4%
<b>Total</b>	<b>8,838</b>	<b>100.0%</b>	<b>5,426</b>	<b>100.0%</b>	<b>4,986</b>	<b>100.0%</b>

<b>Number of notifications during period by regulators of alleged breaches</b>						
Number of Respondents	16		13		14	
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Total</b>	<b>4</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>24</b>	<b>24</b>

<b>Notifications from regulators as a ratio of debtor contacts:</b>			
	<b>%</b>	<b>%</b>	<b>%</b>
	<b>0.000006%</b>	<b>0.000036%</b>	<b>0.000067%</b>

<b>Outcome of notifications during period from regulators</b>						
Number of Respondents	16		13		14	
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>No finding of breach/dismissed</b>	4	16	16	16	20	20
<b>Apology offered to customer</b>	0	1	1	1	1	1
<b>Written warning</b>	0	0	0	0	-	-
<b>Enforceable undertaking</b>	0	0	0	0	-	-
<b>Court decision pending</b>	0	1	1	1	8	8
<b>Unresolved</b>	0				1	1
<b>Total</b>	<b>4</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>30</b>	<b>30</b>

**Note:** Number of notifications by regulators of alleged breaches will not always reconcile to Outcomes of notifications from regulators due to timing issues. For example in 2012 one respondent reported 1 notification and 8 outcomes and one respondent reported 1 notification but no outcomes, while in 2011 one respondent reported 8 notifications and 4 outcomes.