### Amid rising rates of household debt and delinquency, first-party creditors and collection agencies are facing more pressure than ever As a result, they are looking for ways to keep costs down and maintain operational

efficiency. To learn more about how they plan to allocate resources, we surveyed first- and third-party collectors and discovered three broad takeaways.<sup>1</sup>

## Collectors consistently place case complexity (disputes between

the collector and the customer) among their top four challenges

Take a closer look at the top challenges cited by collection teams.

The most frequently chosen among the top four was complexity of cases.







Ability to enhance collections

**56%** 



communications needs of customers



**Keeping ahead** of regulatory and compliance concerns

First-party Challenge Third-party

First-party and third-party collectors indicate similar levels of concern around many challenges, but there are three where their rankings were significantly different.

Tir st party	Chatterige	Thu a party
44%	Ability to handle debt volume	59%
49%	Regulatory and compliance requirements	<b>62</b> %
61%	Enhancing collections processes with new capabilities	<b>51</b> %

#### For each of the prominent challenges identified by collection teams, technology has a critical role to play. Improvements in automation and

Key takeaway

data management will remain a high priority — whether it's updating systems and processes, enhancing regulatory compliance or meeting consumer communications preferences.



## Collection teams are focused on reducing expenses and improving operations

### First-party and third-party collection teams share many priorities with respect to how they plan to invest in operational improvements.

Collectors plan to increase investments in:



When it comes to operational challenges, compliance concerns

Third-party





rank higher for third-party than first-party collectors. As a result, third-party collectors place a higher priority

First-party 39% has been paid to third-party collectors in recent years, leading to increased compliance burdens.

**51%** 

Portion of all respondents currently offering or planning **75**%

Analyzing data for determining

litigation strategies

**61%** 

Leveraging our existing data

to improve the collections

experience for consumers

to introduce the following capabilities in the coming year: **66%** Using new sources of data to

support the collections process

**74**%

Using non-traditional

data to supplement traditional

scoring strategies

on compliance requirements when making collections

outreach decisions. This discrepancy can likely be attributed to the increasing regulatory attention that

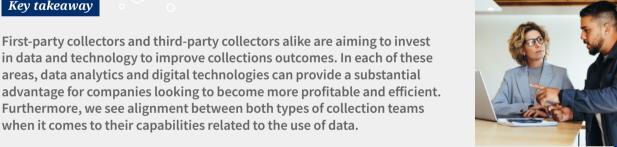
## Key takeaway

First-party

67%

**58%** 

**47**%



organizations looking to invest more in digital channels in the coming years. The following channels are most likely to see increasing usage:

Digital communications channels will play a critical

role in improving collections outcomes

Both first-party and third-party collectors are looking to enhance consumer engagement, which plays a key role in debt recovery efforts. This is leading to another shift, with many

**Channels** 

Online/Browser

(web payment portals)

Text notifications

#### Mobile notifications **55%** 40% (push notifications)

Mobile app

(inside the app)

Contact centers

02/0	(inbound calling)	11 /6
more accurate, current and Moving forward, the most s digital efficiency with tradi	digital channels will require collectors to have relevant data to optimize collections outcomes. Successful collections approaches will balance tional customer service. Routine interactions apps and chat bots, while more complex cases	

will still require human intervention.



Third-party

**51%** 

44%

**53%** 

# can differentiate themselves from the

competition and ensure long-term success.

1. 2025 State of Collections Report, LexisNexis Risk Solutions

Alternative data can support

By improving customer communications with enhanced digital technologies and leveraging clean, more current, relevant data, collectors

a range of collections goals



Download now

LexisNexis® Risk Solutions includes seven brands that span multiple industries and sectors. We harness the power of data, sophisticated analytics platforms and

technology solutions to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit LexisNexis Risk Solutions and RELX.

**About LexisNexis Risk Solutions** 

This document is for informational purposes only and does not guarantee the functionality or features of any LexisNexis Risk Solutions products identified. LexisNexis Risk Solutions does not represent nor warrant that this document is complete or error free. LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. RiskView is a trademark of LexisNexis Risk Solutions Inc. Other products or services may be trademarks or registered trademarks of their respective companies. Copyright © 2025 LexisNexis Risk Solutions. NXR16879-00-0425-EN-US