Debtor identities evolve—does your collections data keep up?

LexisNexis® Revenue Recovery Solution
Start collecting debt that is owed to your agency more efficiently and effectively. LexisNexis®—a leader in debt recovery solutions—offers a comprehensive suite of tools that address all phases of the collections cycle. LexisNexis® Revenue Recovery Solution enables you to verify and resolve identities, locate and contact debtors, and continuously monitor for updates to critical account information—so you can stop searching and start collecting.

The big question: Are you contacting the right debtor?

The single most important factor for successful and legal debt collection is current, accurate identity data. However, because identity data is constantly changing, the only way to maintain its accuracy over time is by proactively monitoring and updating debtor files at key intervals in the collections cycle. LexisNexis® Identity Contact Resolution is designed to support a continuous identity resolution strategy to keep your debtor records current and ensure you’re contacting the correct debtors.

The challenge: Identities are dynamic; debtor data is not

Government collections personnel are faced with a mighty task—to collect as much as possible of the $400 billion in unpaid debts that are owed. What makes this task so difficult is the fact that debtors’ circumstances and identities are not static—they are constantly changing. Between relocations, marriages, name changes, incarcerations, deaths and even just typos and errors, the quality and accuracy of debtor identity data deteriorates quickly. To make matters more challenging is that a substantial percentage of debtor records are unverified and inaccurate upon origination.

Locate and contact hard-to-find debtors

On average, 35% of delinquent debtors move annually and 50% need to be skip traced. Locating and contacting them before other collectors improves your probability of quick recovery. Accurint® for Government, another powerful tool in the Revenue Recovery Solution, leverages a database of over 37 billion public records and patented data linking technology to uncover subtle connections between people, locations, businesses, assets and phone numbers, enabling collectors to pinpoint and contact hard-to-find debtors.

- Per U.S. Census - 35 million Americans moved in 2011
- More than 3 million people change their names each year
- After 5 years, 60% of debtor identities on record will be inaccurate

The solution: Dynamic account monitoring

When identities change in real life but the changes are not reflected in your static debtor records, a gap between you and the debtor is created. The longer the record remains in your system without being updated, the larger that gap becomes until the original record becomes obsolete. If contacting the correct debtor is a top priority for your agency, and debtor identity information is constantly changing, then your debt recovery operation will benefit significantly from a dynamic account monitoring strategy, which updates your files on a quarterly basis to maintain their accuracy and validity.

“In a recent test of a file containing 16,000 debtor identities, 4% of the identities in the file had changed in just 6 weeks.”

Scott Straub, LexisNexis
Imagine how efficient and productive your collections efforts can be with access to accurate, reliable identity and contact data at every key interval of the collections cycle. And since the burden of proof is always on the collector, regular file updates that go beyond standard due diligence requirements are a welcome benefit. In this strategic shift from linear to cyclical, due diligence and identity resolution are no longer considered singular functions in a linear step-by-step process, but rather an ongoing standard operating procedure that greatly increases the likelihood that collectors are contacting the right debtors.

The paradigm shift: From data to identities

A data approach to debt recovery begins with a particular static debtor file and perceives it moving from left to right, or start to finish, as if on a timeline. If that debt is not collected before the identity record changes, or if the identity record was incorrect at the point of origination, then there is a high probability the record will be flagged as uncollectable. The debt record will probably remain in the system, but because the evolving identity no longer matches the static debtor record, for all practical purposes, that record has reached the “finish line” and that debt will never be paid.

With powerful data linking and ID verification tools like Accurint for Government and Identity Contact Resolution, the LexisNexis Revenue Recovery Solution supports a highly-effective, identity-focused, cyclical approach to debt recovery. Recommended best practices include scrubbing and updating your debtor files at the very beginning of their cycle to ensure your initial efforts are focused on the correct debtors. After the initial updates, files will enter the dynamic monitoring cycle where they will be updated and refreshed once per quarter and at key transition points in the cycle, like:

- Once the debt is initially received
- Before turning them over to a third party collector
- After getting them back from a third party collector
- Before sending offset and intercept notifications
- Just prior to writing off the debt

LexisNexis can help to implement debt recovery best practices including refreshing data quarterly and at key points in the cycle.
The Revenue Recovery Solution, Identity Contact Resolution and Accurint services are not provided by “consumer reporting agencies,” as that term is defined in the Fair Credit Reporting Act (15 U.S.C. § 1681, et seq.) (“FCRA”) and do not constitute “consumer reports,” as that term is defined in the FCRA. Accordingly, the Revenue Recovery Solution, Identity Contact Resolution and Accurint service may not be used in whole or in part as a factor in determining eligibility for credit, insurance, employment or another purpose in connection with which a consumer report may be used under the FCRA. Due to the nature of the origin of public record information, the public records and commercially available data sources used in reports may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. This product or service aggregates and reports data, as provided by the public records and commercially available data sources, and is not the source of the data, nor is it a comprehensive compilation of the data. Before relying on any data, it should be independently verified.

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