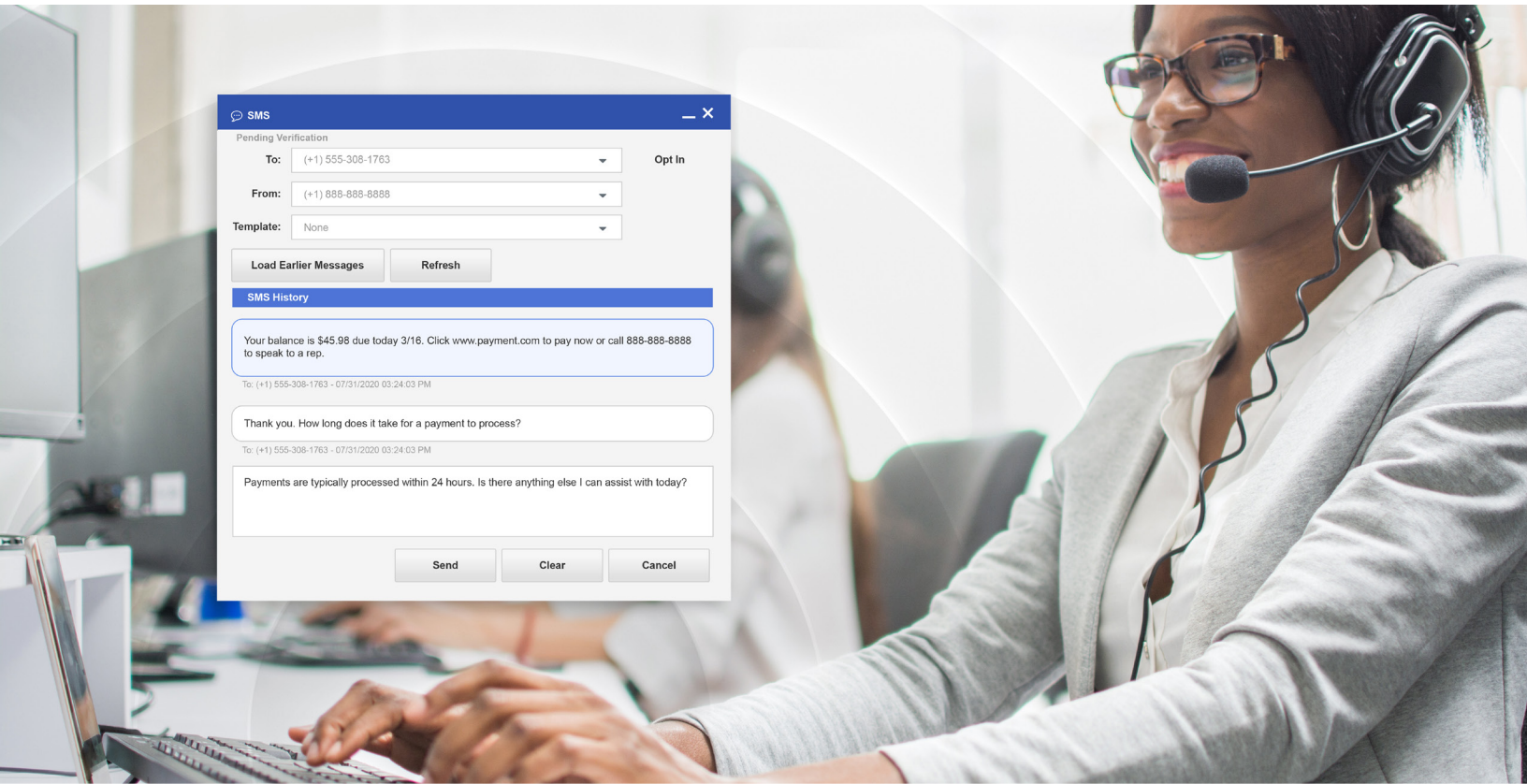


SMS Best Practices for Collections: Drive Performance and Mitigate Risk



If you're not already using SMS, it's time to start. ●

The new CFPB rules impose frequency restrictions on debt collectors—**limiting the number of calls that can be made to a consumer about a particular debt to seven attempts in seven days** unless specific consent is provided (and even then there are limitations). This poses a challenge because any limitation on contact attempts is going to affect your chances of reaching customers, and ultimately your bottom line.

Despite this challenge, there's also a new opportunity. This is the first time the CFPB has formulated rules regarding emails and text messages for use in debt collection.

Digital messaging is a huge opportunity for you to maximize contact rates by looking beyond the “seven-in-seven” requirement, and to satisfy the CFPB’s directives around disclosures to customers regarding their debt.

We have worked closely with operational leaders to develop and test best practices specifically for collections that span consent capture, consent management, and SMS deliverability that are outlined in this document.

73%

of customers make a payment when using digital channels vs. 12% with traditional channels.

58%

of debtors contacted via SMS resulted in partial payment of their delinquent account.

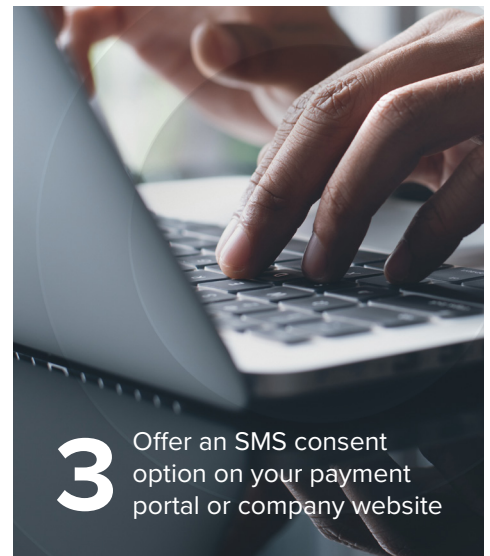
19%

resulted in full payment¹

Consent is at the crux of risk mitigation. Follow these best practices to capture and manage SMS consent.

3 Ways to Capture Consent

The best way to capture consent is to meet your customers where they are. Make it easier for your customer to provide consent by following these tips:



Pro Tip: Many of the same regulatory protections that apply to cell phone calls also apply to texting, including the need to clearly document 'Explicit Consent'. For example, customers can give consent by entering their phone number or by texting you a keyword.

5 Ways to Keep Your Consent Records Up to Date

Consent revocation can happen at any time – be prepared at all points of the customer journey by following these guidelines:



Include clear SMS Opt-outs in your welcome message (e.g. "Reply STOP to unsubscribe")



Confirm consent while on the phone with an agent



Embed consent management on the agent's desktop



Leverage real-time unsubscribe account-level consent updates



Ensure outreach engagement adheres to customer consent flags



Pro Tip: SMS consent does not affect voice consent, and vice versa, so track consent carefully across all channels and engage with your customers on their channel of choice.

Once you have SMS consent, ensure your messages reach customers by following these best practices.

5 Ways to Optimize Carrier Deliverability

Texting on a Toll-Free Number (TFN) is a cost-effective, quick, and easy way to dip your toe into SMS. Keep these tips in mind to successfully promote delivery:



Ensure your call back number matches your TFN number



Do not include sensitive information such as PHI, PCI or PII



Monitor and minimize your cadence – start slow, ramping volume over a 30-day period



Keep messages at or under 160 characters. Going beyond 160 characters will result in multiple texts being delivered for a single message



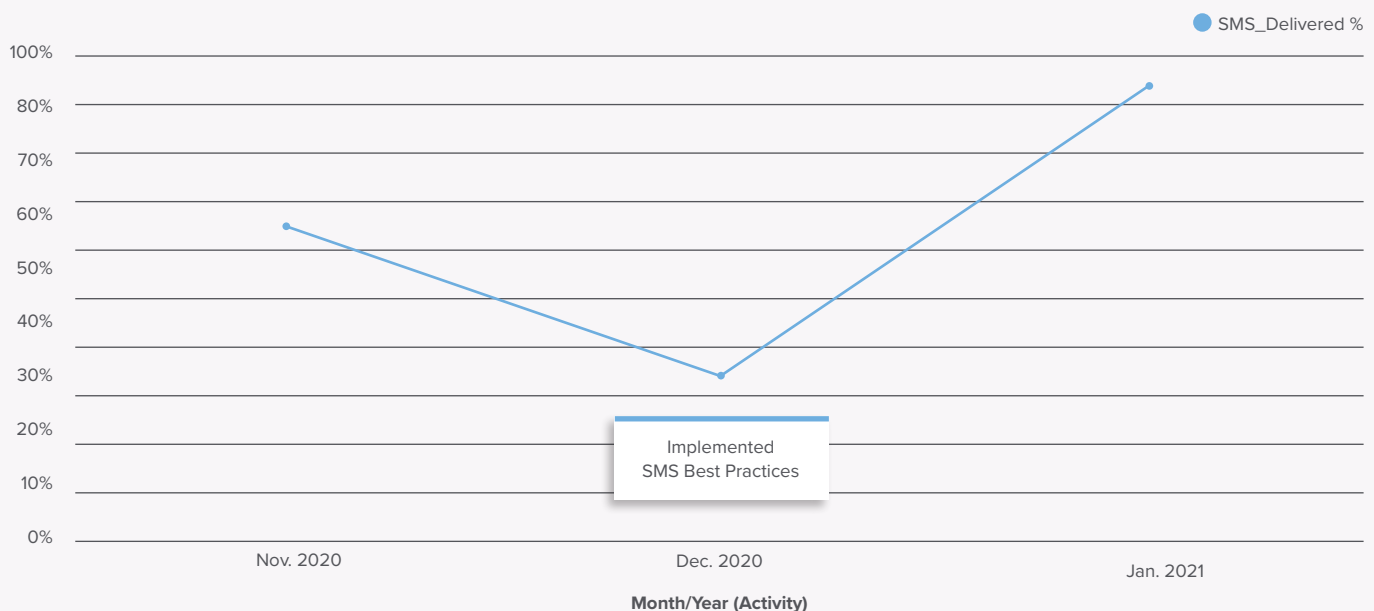
Avoid controversial or abusive language including explicit debt collection verbiage



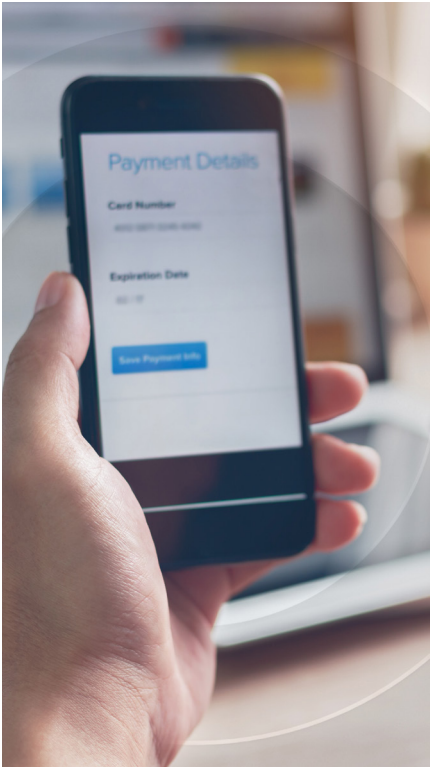
Pro Tip: Using formalities in SMS is a nice way to communicate but can impact the deliverability performance by adding unnecessary characters. LiveVox's Business Consulting team can help you craft your messages to be clear, concise, include a call to action, and be within the 160-character best practice.

Potential Impacts

These best practices can have a direct impact on the success of your SMS program. By following the tips mentioned in this document, contact centers can see a significant improvement in their SMS delivery rate as shown in the figure below.*



*Illustrative Data



5 SMS Use Cases To Implement Now

With the best practices above in hand, here are five ways to start or expand your SMS engagement in collections.



Payment reminders – Prompt your customers to pay on-time with a proactive SMS reminder prior to the due date.



Payment links – Make payment as easy as possible by providing a link or callback number to a payment IVR to encourage on-time payments.



Payment arrangement offers – Send your customers confirmation of a payment arrangement.



Balance check – Allow customers to text you and inquire about their balance and due date, automatically return the information with a payment link or callback number to encourage on-time payment.



Two-Way SMS – Expand communication options for your customers by offering a two-way SMS conversation between customers and agents. You can begin with an automated SMS, and if necessary, then transfer to a live agent.

We are here to help.

Right now, the current environment is ripe for expanding into digital. Why? Customer preference is increasingly moving to digital channels. Nowadays, it seems customers would rather text or email you than talk to you. In a world where the average open rate for SMS is around 98%², collectors looking to maximize contact rates in the wake of the new CFPB rules must consider digital messaging channels.

LiveVox's comprehensive risk mitigation tools combined with our operational expertise and digital channels can help you capitalize on this opportunity.

If you are interested in adopting SMS or learning more about these best practices, contact your Account Manager today.²

Other clients using LiveVox's SMS offerings.

Click on the logos below to see how other contact centers leverage SMS to increase engagement while addressing compliance requirements with LiveVox.



Sources

- <https://www.mckinsey.com/business-functions/risk/our-insights/the-customer-mandate-to-digitize-collections-strategies>
- <https://99firms.com/blog/sms-marketing-stats>