AI-Powered Collections Strategy

Leveraging Agentic AI for Scalable, Fair, and Effective Debt Management at Geldium

How the System Works
(Data Input)

- **Title:** How the AI-Powered Collections System Works: Data Inputs

- **Purpose of this slide:**
  Explain what information the system uses to assess risk and guide actions.

- **Customer Profile Data:** Age, employment status, location, account tenure
- **Financial Data:** Income, loan balance, debt-to-income ratio
- **Credit Behavior:** Credit score, credit utilization
- **Repayment History:** Missed payments, last 6 months payment behavior (Month 1–Month 6)
- **Derived Risk Features:** Payment trends, risk scores, early warning indicators

- **Key Message:**
  The system combines behavioral, financial, and credit data to produce a real-time risk view of each customer.

How the System Works

(Decision Logic, Actions & Learning Loop)

- **Title:** From Risk Detection to Action and Learning

- **Decision Logic:**
- AI model predicts a **delinquency risk score** for each customer
- Business rules set **risk thresholds** (Low, Medium, High)
- Scores determine **type and urgency of intervention**

- **Actions Triggered:**
- Low Risk → No action
- Medium Risk → Automated SMS/email reminders
- High Risk → Agent outreach, hardship repayment plans, payment restructuring

How the System Works (Contd.)
(Decision Logic, Actions & Learning Loop)

- **Learning Loop:**
- System tracks:
  - Payment response after outreach
  - Recovery success or failure
- Model is **retrained periodically** using new outcomes
- Business rules are refined based on performance

- **Key Message:**
  The system is not static — it continuously learns from customer responses to improve future decisions.

Role of Agentic AI

(Autonomy vs. Human-in-the-Loop)

- **Title:** Where AI Acts Independently and Where Humans Lead

- **Fully Automated (Agentic AI):**
- Risk scoring and customer ranking
- Sending payment reminders and nudges
- Monitoring daily delinquency risk changes
- Logging outcomes and updating customer status

- **Human-in-the-Loop (Oversight Required):**
- Approval of hardship or repayment restructuring offers
- High-risk case escalation
- Dispute resolution
- Final write-off or legal action decisions

- **Key Message:**
  AI handles scale and speed, while humans retain control over sensitive and life-impacting decisions.

Responsible AI Guardrails

- **Title:** Ethical, Fair, and Compliant AI by Design

- **Fairness & Bias Controls:**
- Regular bias testing by location, income group, employment status
- No decisions based solely on demographic attributes
- Behavioral data prioritized over personal traits

- **Explainability & Transparency:**
- Every risk score has a clear explanation (e.g., missed payments, high debt burden)
- Agents can explain to customers *why* they were contacted

Responsible AI Guardrails (Contd.)

- **Regulatory & Compliance Safeguards:**
- Data privacy controls aligned with GDPR and local data laws
- Secure customer data storage and access control
- Audit trails for all AI-driven decisions

- **Human Oversight:**
- Mandatory review for high-impact decisions
- Escalation paths when customers contest AI decisions

- **Key Message:**
  The system is built to be not just powerful — but fair, explainable, and legally safe.

Expected Business Impact

- **Title:** How This System Improves Collections Performance

- **Quantitative Outcomes (Measurable Results):**
- 15–25% reduction in new delinquency cases
- 20–30% improvement in early-stage recovery rates
- Lower cost per recovered account
- Faster detection of high-risk customers

- **Qualitative Outcomes (Strategic Benefits):**
- More consistent and fair treatment of customers
- Improved customer trust through timely, supportive interventions
- Better prioritization of agent workloads
- Scalable collections operations as the customer base grows

- **Key Message:**
  The AI-powered system improves both **financial performance and customer experience** at the same time.

[Feel free to add more slides throughout]