

AI-Powered Collections Strategy

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

| How the System Works



1. Inputs

Aggregates real-time data: repayment history, credit utilization, interaction logs, and current risk scores.



2. Decision Logic

Agentic AI analyzes context to determine the optimal next step —not just "if/then" rules, but reasoning based on probability.



3. Actions

Triggers personalized outreach: SMS reminders, email offers, or flagging for human escalation.



4. Learning

Self-improving loop: Updates strategies based on success rates, customer feedback, and cure rates.

| Role of Agentic AI vs. Human Oversight

| System Function | Autonomous AI Responsibility | Human-in-the-Loop Oversight |
|----------------------|---|---|
| Early Stage Outreach | Send personalized reminders; optimize send times; handle FAQ responses. | Review template tone; monitor aggregate customer sentiment. |
| Risk Assessment | Real-time recalculation of risk scores based on new transactional data. | Audit validity of new risk factors; investigate anomalies. |
| Hardship Management | Identify eligible customers; propose pre-approved payment plans. | Approve complex/non-standard plans; handle sensitive financial discussions. |
| Escalation | Flag high-risk or unresponsive accounts for priority handling. | Execute legal/recovery actions; manage high-touch negotiations. |

| Responsible AI Guardrails



Fairness Auditors

Automated checks to monitor disparate impact across demographics, ensuring no group is unfairly targeted for aggressive collections.



Explainability Logs

Every AI decision is logged with a "Reason Code" (e.g., "Flagged due to recent missed payment"), ensuring transparency for regulators and staff.



Regulatory Compliance

Hard-coded constraints to adhere to laws (e.g., frequency caps, Do Not Call hours) that the AI cannot override.



The "Human Kill-Switch"

Ability for agents to immediately pause automated actions on any account if sensitive circumstances are detected.

| Expected Business Impact



Quantitative Outcomes

- **Reduced Delinquency:** Targeting "fresh" delinquency (Month 6) is projected to improve cure rates by 15%.
- **Operational Efficiency:** Automating low-risk outreach frees up 30% of agent capacity for high-value cases.
- **Cost Savings:** Lower cost-to-collect through digital-first communication strategies.



Qualitative Outcomes

- **Improved CX:** Customers receive help *before* they spiral, fostering loyalty rather than resentment.
- **Enhanced Fairness:** Data-driven decisions reduce individual human bias in collection intensity.
- **Scalability:** System automatically adapts to volume spikes without needing immediate headcount increases.

Questions?

Thank you for your time.

| Image Sources



<https://static.vecteezy.com/system/resources/thumbnails/067/416/611/small/ai-neural-circuit-board-center-glow-data-flow-tech-background-abstract-futuristic-digital-grid-with-glowing-core-and-complex-lines-on-dark-interface-cybernetic-map-bg-illustration-vector.jpg>

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