
Finding a debt collection service that is right for your business (Part One)

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According to the Australian Competition and Consumer Commission, over 500 businesses offer debt collection services in Australia. How on earth can you find the right one to collect your businesses debts? It's worth asking yourself a few questions before you make a choice:

1. What am I looking for a debt collection service to do that I can't do myself?

Businesses outsource the collection of debts for all sorts of reasons. Very commonly, businesses have already made attempts to collect from a customer and have reached a dead end. Chasing debts is time consuming and often frustrating. In house staff can't be expected to know the full extent of your legal rights and responsibilities when seeking recovery of debts. The right debt collection service will seamlessly take those headaches away from you.

2. Do my businesses debtors all fit the same mould? Customers with a relatively small, one-off debt should be approached very differently to a long term valued customer who you hope will continue doing business with you after the debt is paid. Similarly, collecting a debt owed by a small business presents different challenges to a debt owed by a large company. The right debt collection service should offer a range of solutions and tailor their approach to each situation.

To be continued...

If you would like more information or advice in relation to debt recovery law, contact Jeff Brown of the Matthews Folbigg Insolvency, Restructuring & Debt Recovery Group on (02) 9806 7446 or jeffreyb@matthewsfolbigg.com.au.