



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

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3. **What is the billing model that works for my business?** Whilst a commission based model has the obvious attraction of not involving any up-front payment, it does have its drawbacks. You will usually end up paying more, particularly if the debt is recovered quickly. This is because most commission models operate on a percentage of money recovered. The right debt collection service will be transparent about its costings, and offer flexibility in its billing that responds to your businesses cashflow and financial management.

4. **Mercantile agents or law firms?** Mercantile agents are typically geared to handle high volumes of debts, and whilst this will undoubtedly make their processes more cost effective for them, it is not suitable for all debts or all businesses. If a collection matter has to proceed to the Courts, mercantile agents will refer the file on a lawyer who you will not have met, and who you will not directly instruct. The right debt collection service will tailor solutions for each debt, and will involve lawyers early in the process to ensure all options are considered, without letting that drive up the cost to you. The person who you call for help at the start of a matter will stay involved and in control of all aspects of the matter from start to finish.

At Matthews Folbigg Lawyers, we are proud of the fact that if a business is looking for the right debt collection service for them, our Debt Recovery Group ticks all the boxes.

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.