OppLoans

This fintech saw a 134-percent return on investment when it collected an additional $25,000 from its delinquent loan portfolios.

OppLoans is a Chicago-based online consumer-finance platform and service provider founded in 2012. The company offers non-prime borrowers a reliable source of short-term funding and currently serves more than 100,000 customers.

Overview
January, February and March are critical months for customer engagement, particularly for those likely to receive a tax refund. Having the insight to target this segment helps both the financial institutions’ collection efforts and the 35 percent of customers expecting refunds, who plan to use the extra money to pay down debt.

Challenge/Objective
Between staffing and dialer/prioritization strategies, collections can be a multifaceted challenge. While trying to negate the instances of charge-offs and properly track and reconcile accounts, streamlining whom to contact — and when — is key to developing an effective program.

OppLoans wanted to prioritize their delinquent loan portfolio for outbound calling. It didn’t have the agent capacity to call all its delinquent loan customers, so the strategy focused on prioritizing the customers most likely to make a payment toward their past-due accounts.

Resolution
As first-quarter collection growth is largely due to tax refunds, OppLoans implemented Experian’s Tax Season Payment Indicator™ to help target those customers most likely to make a lump-sum payment during tax season.

Approach
Using Experian’s trended data attributes, the Tax Season Payment Indicator identified past-due customers who paid down balances by at least 10 percent during tax season or made a payment of $500 or more. We analyzed the past two tax seasons to provide a complete picture of its customers’ behavior during the critical collections time.
Benefits of implementing
Tax Season Payment Indicator
In today’s era of overabundance and changing expectations, the push to create a frictionless experience for members is more important than ever before. There are several benefits to implementing an intuitive, digital prequalification process, including:

- Leverages historical trended data to identify the population
- Optimizes consumer touchpoints
- Informs prioritization strategy
- Improves dialer strategy and relevant call script
- Facilitates staff planning

Return on investment was calculated by totaling recovery payments from customers who met the following criteria:

- Were successfully reached by an agent as part of this campaign
- Subsequently made a payment within 10 days of speaking to an agent
- Had not made an inbound call two weeks prior to campaign launch

About Tax Season Payment Indicator
Tax Season Payment Indicator allows clients to target a desirable population during the critical collection months of January through April. Experian’s innovative solution uses analytics to identify consumers who might get a tax refund and use it to pay down delinquent debt. Clients can refine collection campaigns via phone and direct mail to craft settlement offers geared to this population.

Using Experian’s trended data attributes, we’ve identified past-due customers who paid down a delinquent tradeline base by at least 10 percent and made a large payment during tax season.

Results
During the three-week campaign, OppLoans collected an additional $25,000. The company saw a 134-percent return on investment, and the average dollars collected far exceeded the segment of delinquent customers who weren’t called.

“Tax Season Payment Indicator proved to be a valuable tool for spearheading collections during the crucial tax-season window. It increased efficiency and maximized opportunity to help us drive revenue. It was also pivotal for our prioritization strategy, which allowed us to prioritize key accounts at the optimal time.”

— Austin Yates
Manager, Service Technology
OppLoans