

ReachOut: Creating the next conversation

Engaging and supporting disengaged residents in debt

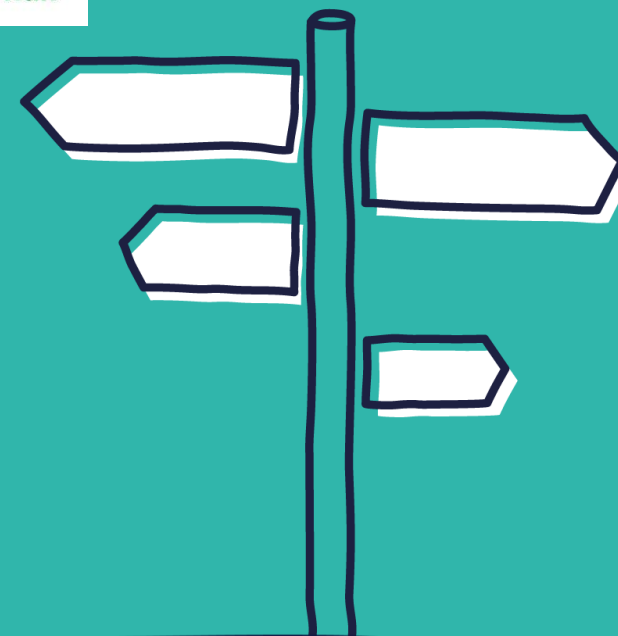
reachout

BY SIGMA CONNECTED



www.reachout.co.uk

www.sigmacoconnected.com



"I feel like I'm drowning.

I do a small care job, about 1.5 hours a day Monday to Friday, and I'm also self-employed doing a bit of cleaning. But my health has really gotten worse, so I've had to drop the cleaning.

My mental health has got horrendous in the last few weeks, but I don't think the stress has helped it to be honest.

My son, he's seventeen, he's on antidepressants, and my daughter, she's recently started home schooling because her mental health is terrible and she self-harms as well.

I'm terrible at explaining stuff, my head doesn't work properly and I can't think! That's what I feel like. I expect the worse, like with the (PIP) assessment I did, I'm thinking 'I've buggered that one up haven't I' I never know what to say I can't think what to say."

'Ms H', single mum to two teenagers, working part time and struggling with her own mental and physical health. Ms H was contacted by the team at ReachOut, supported with referrals to third party support, and warm-transferred to Walsall Council for immediate support with her debt

Service Overview

Our USP is connecting with people in debt...

We can engage with a significant proportion of people that haven't previously engaged with your internal recoveries. Key is our offer of help, impartiality and confidentiality; and being clear we're not collecting debt.

helping them get support to improve financial, mental and physical wellbeing...

We take time to understand individual circumstances and challenges. We then help people understand what free grants, support and advice is out there to improve financial, emotional, mental and physical wellbeing or support through crisis – and help them access this support, including through our partnership with a leading debt charity.

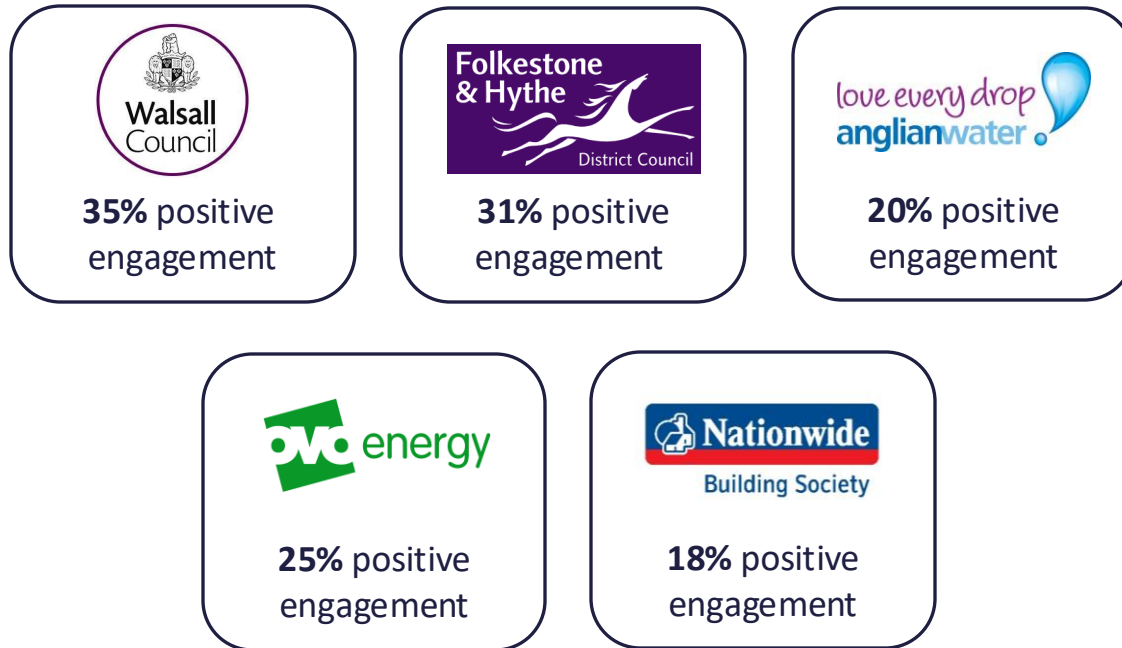
and reconnect them back to your teams to resolve their debt...

We then also raise awareness of the amazing initiatives and support you offer your residents in problem debt or vulnerable circumstances – and warm transfer them to your internal teams so you can work with your residents to resolve the debt.

resulting in better and more sustainable outcomes for residents and our clients.



Partnerships with leading organisations



- **26% average engagement rate** (just prior to DCA/enforcement)
- **2 in 3 reconnected with our client** and work together to agree a positive way to resolve their debt
- **Water:** >15:1 (typical) ROI based on bad debt repaid / secured against a plan
- **Energy:** >20:1 (typical) ROI based on bad debt repaid / secured against a plan
- **Financial Services:** >25:1 (typical) ROI based on bad debt provision savings (preventing roll into Stage 3 of IFRS 9)
- **Local Authority: >10:1 (typical) ROI based on bad debt repaid / secured against a plan. Walsall saw a 13:1 return within the first month alone**
- All in a **14-day contact strategy**

Piloting with ReachOut

The problem

1. Limited council resource to proactively engage with indebted residents

- Growing volumes of vulnerable residents cannot afford their monthly council tax (CT) and wider debts
- Residents disengage for fear of the consequences of non-payment
- The council has little time/resource to proactively engage before the debt escalates
- Without engagement, these residents progress through the recovery process, incurring additional fees
- Often leading to enforcement or attachment of benefits/earnings

2. Recurring year-on-year debt for residents/councils

- A new CT bill issued each year
- Without the means to pay, multiple years' worth of CT arrears build
- Leading to further disengagement and low awareness of council support
- Enforcement isn't always appropriate given vulnerability, financial or otherwise

The solution: Lichfield pilot ReachOut

- A new engagement approach with residents who aren't engaging with the standard recoveries process, one that factors in the high probability of vulnerability
- The use of ReachOut, a trusted third party, not to directly collect debt, but to re-engage with residents and help them to access the help they need and to resolve their debt with the TMBC directly
- Customer Charter - ReachOut Support and Assistance

Pilot objectives

- Increase engagement with residents earlier in the CT recovery process (or other debts types owed to the council)
- Understand individual circumstances/identify where extra help is needed
- Share tailored information, helping residents to access grants, advice and support from specialist charity partners
- **Raise awareness of support, guiding residents back to TMBC teams to access support/to resolve their debt**
- Avoid further recovery action

Possible applications for ReachOut

Council Tax arrears

- Pre or post a liability order (our strategy only takes 14 days)
- Can be used for any resident in arrears, not solely those in receipt of CTR
- Could be used following the use of data analytics to segment those residents most in need

Rent arrears

- Use ReachOut as part of the pre-action protocol, or for older debts

Other debt types

- HBOP, ASC, wider sundry debts

Pension Credit awareness campaigns

- Target residents who could be entitled to PC and the wider support that accompanies it
- Our calling doesn't need to be prompted by an outstanding debt, just anyone eligible for PC but not claiming it

Wider services also available through Sigma Connected

- White label Collections, Customer Service, Complaints, McClaren Credit Services (DCA)

Engagement with Walsall residents

29% positive engagement with residents who had a liability order in place (pre-enforcement)

41% positive engagement with residents without a liability order in place

35% overall positive engagement with residents across the pilot

£97k reduction in bad debt in the first month alone, outperforming the Council's control group by 43%

21% of all residents warm-transferred to Walsall's team

180 residents referred to debt advice and other charities (32 charities in total)

Engagement with FHDC residents

28.5% positive engagement across all cohorts

9% of residents warm-transferred (demand for warm transfer as high as 15%)

Enabled FHDC to go above and beyond with the most severe cases

One-off payments made within the first two weeks alone would have paid for the full three-month pilot

92% of residents warm-transferred made a payment or setup a plan

c. £30,000 in one off payments/bad debt reduced, with further funds received/forecast in payment plans

Increased, but manageable, take-up of Council support (50 successful applications for welfare etc.)

Avoided further collections efforts/enforcement

271 residents referred to debt advice and other charities (41 charities in total)

What our partners say



"ReachOut have enabled us to start conversations with residents that we had previously been unable to liaise with. This has enabled us to offer further support to more low-income households using the support and advice available to us."

**Andrew Hatcher, Council Tax, Benefits & Welfare Manager
Folkestone & Hythe District Council**



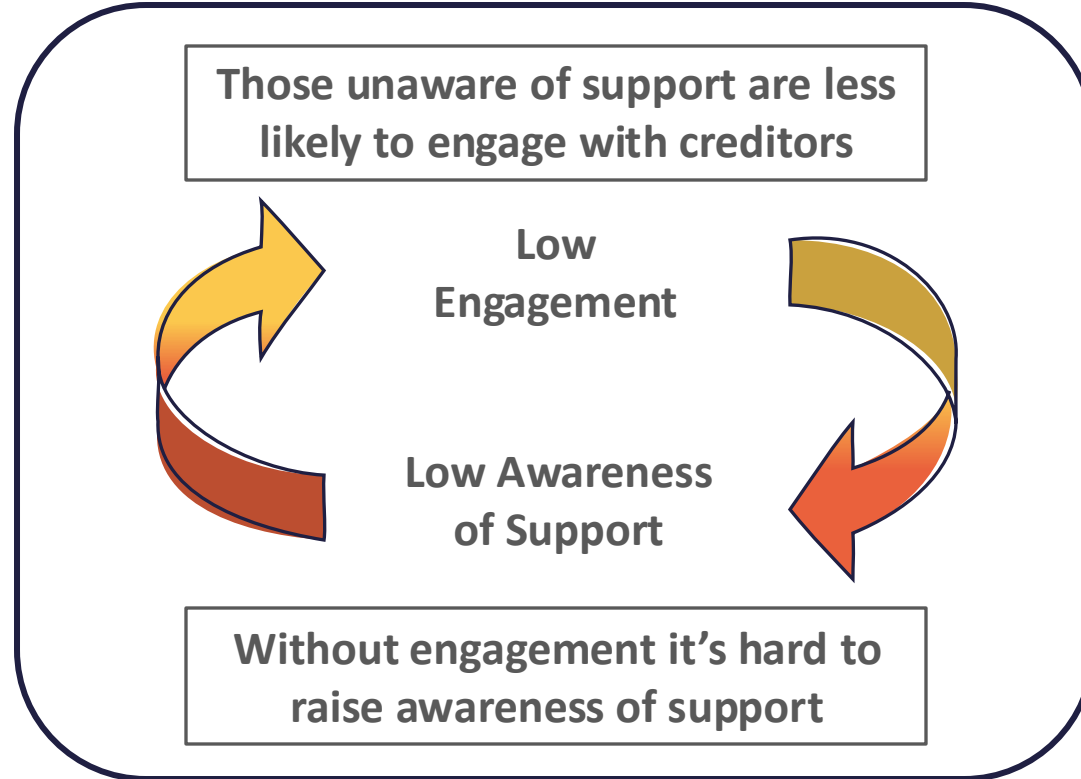
"For whatever reason we know a lot of our residents don't have the confidence to speak with us directly. ReachOut have had those essential conversations with some of our most vulnerable residents. Through ReachOut we've been able to intervene and support more households, people who otherwise would have gone without."

Mark Fearn, Customer Engagement Lead, Walsall Council

Residents are missing vital support

Citizens Advice are helping 9k people/pm with CT arrears, the highest since Feb 2020

Only 1 in 20 are aware of support available



40% of Citizens Advice CT clients are also struggling with rent arrears

46% in problem debt also have a mental health problem

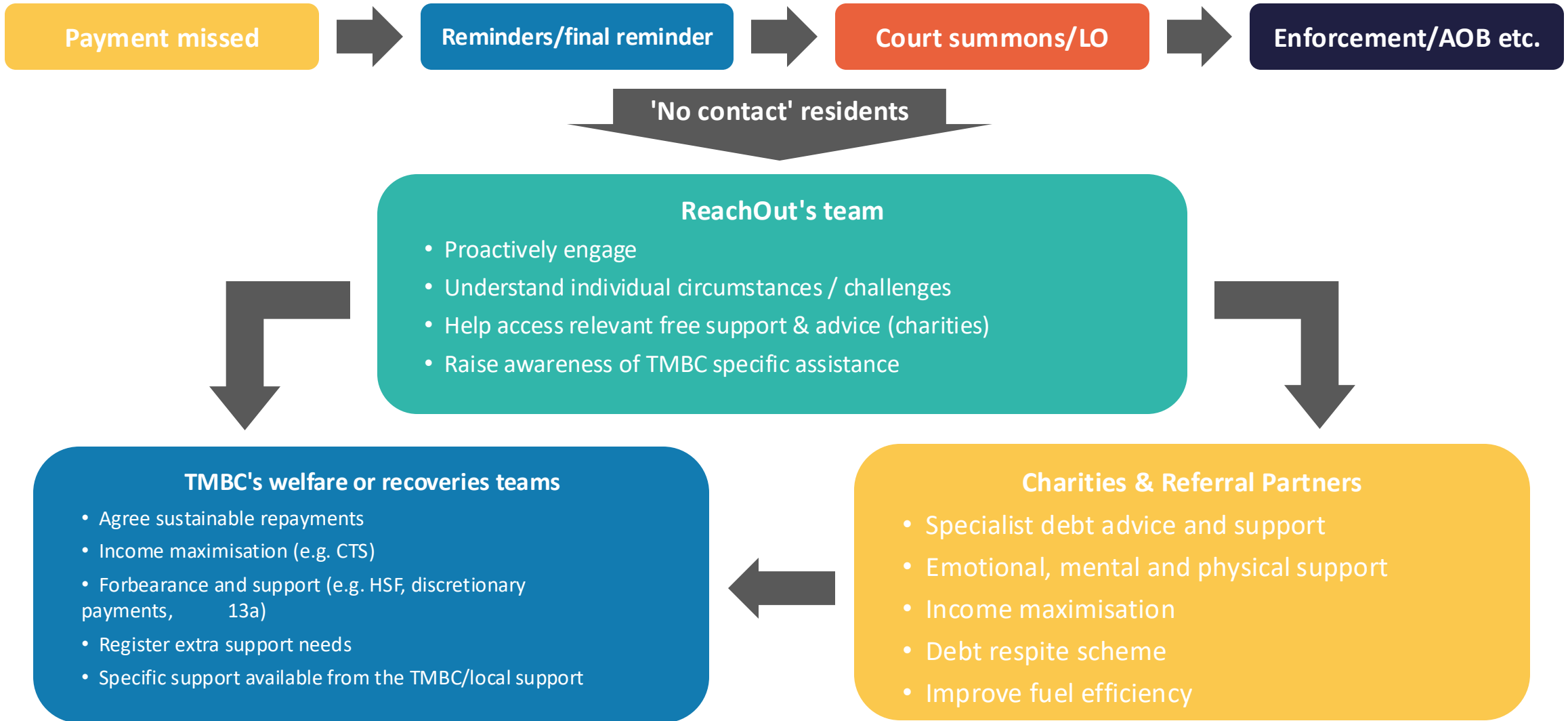
So we invented an entirely new step

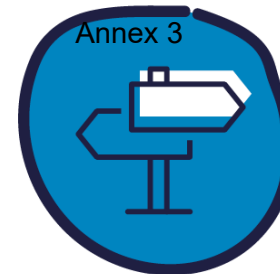
- We believe more can be done to engage with and support those genuinely struggling to pay
- Our mission is to raise awareness of all relevant support out there
- Earlier intervention and support improves outcomes
- Engagement and trust are key to success



“By helping people understand and access support from charities – as well as guiding them back to the support their creditor (our client) offers – we help address underlying challenges and promote better outcomes, which also improves ability to manage bills.”

ReachOut connects residents to support





Guiding to free support & advice



MI examples

The following four slides demonstrate just some of the MI we provide, including:

- Customer profile
- Strategy and productivity
- Account insight
- Charity referrals



Customer Profile
Customer Demographics & Overview

Latest SF Data
27/03/2024

Product

All

Client

Energy (Client Type) + Clie...

Batch Short

All



Age Profile

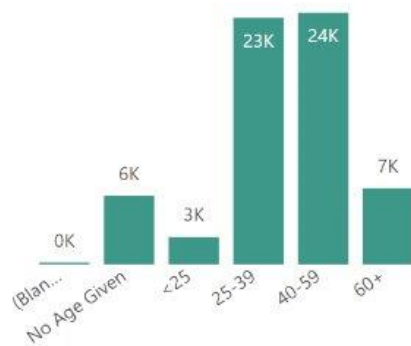
38
Average

104
Max

-1
Min

6459
No D.O.B. Given

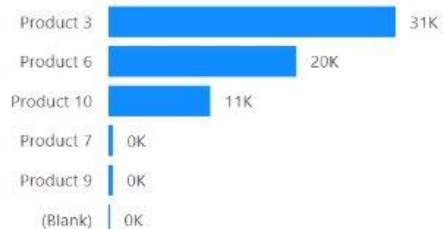
Customer Age Profile



Category	%
No Age Given	0.0%
<25	10.2%
25-39	4.0%
40-59	36.8%
60+	37.6%
60+	11.3%

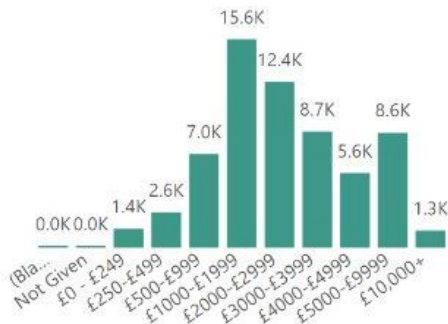


Product Type
Product Distribution



Product	%
Product 3	49.0%
Product 6	32.0%
Product 10	17.4%
Product 7	0.8%
Product 9	0.8%
(Blank)	0.1%

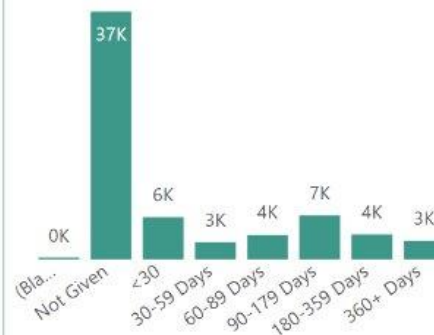
Debt Value Profile



Debt Age (Days)

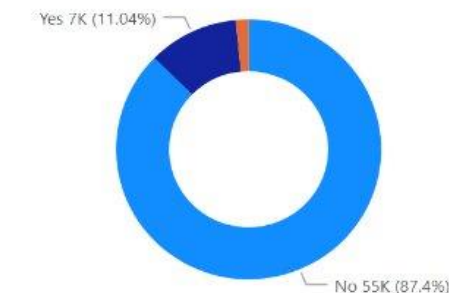
165.61
Average

Debt Age Profile



Debt Age Groups	%
Not Given	59.2%
<30	10.0%
30-59 Days	4.1%
60-89 Days	5.8%
90-179 Days	10.5%
180-359 Days	5.9%
360+ Days	4.4%

Priority Services Register Customer?



Data Quality

63,181

Accounts - Count Card

3756

Accounts - Data Quality - No Cont...

6459

No D.O.B. given



Telephony

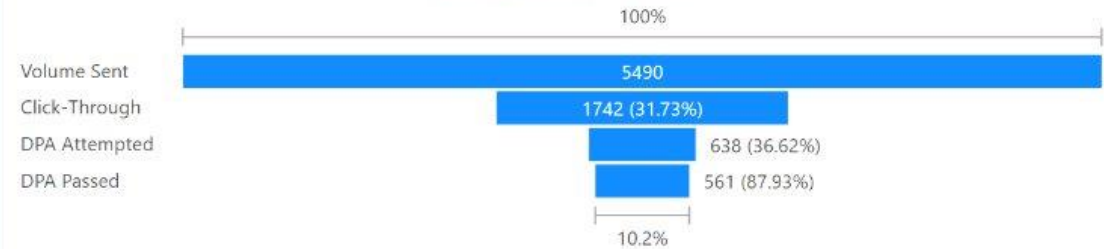
29384 Total Calls | 334 Inbound Calls | 28210 Outbound Calls | 819 CallBacks

In Strategy Grouping	Accounts - last outcomes	%GT Accounts - last outcomes
[-] Negative	1547	29.88%
Closed End of workflow	1299	25.09%
RPC - Refused to Engage	232	4.48%
Third Party Contact - Advised Gone-Away	16	0.31%
[-] Positive RPC	1605	31.00%
Closed as per Client	463	8.94%
Deceased Notice	4	0.08%
RPC - Claims Paid	39	0.75%
RPC - Client Call-Back discuss Account	3	0.06%
RPC - Client Call-Back Pay	1	0.02%
RPC - Client Call-Back Plan setup	2	0.04%
RPC - Customer Call Client Directly Claims Paid	1	0.02%
RPC - Customer Call Client Directly discuss Account	220	4.25%
RPC - Customer Call Client Directly Pay	20	0.39%
RPC - Customer Call Client Directly Plan setup	58	1.12%
RPC - Customer Call Client Directly PSR	1	0.02%
RPC - Customer seeking Free Money Advice	374	7.22%
RPC - Hold Contact	22	0.42%
RPC - Warm Transferred discuss Account	310	5.99%
RPC - Warm Transferred Pay	4	0.08%
RPC - Warm Transferred Plan setup	54	1.04%
RPC - Warm Transferred PSR	29	0.56%
[-] Still In Workflow	1863	35.99%
RPC - Agreed Time To Speak	4	0.08%
RPC - Call Disconnected	133	2.57%
RPC - Terminated Call	2	0.04%
Third Party Contact - No Authority	16	0.31%
Voicemail / No answer	1708	32.99%
[-] Wrong Number	155	2.99%
Total	5177	100.00%

Follow Up SMS and White Mail

3987 SMS 1 | 3538 SMS 2 | 3007 SMS 3 | 6179 White Mail

Cloud Letter Funnel



Attempted Calls Per Week





Account Outcomes per Product Type

Grouping	Dual Fuel	Elec	Gas	Total
Negative	2166	915	332	3413
Positive RPC	1029	436	140	1605
Scheduled Callback	4			4
Wrong Number	104	39	12	155

Grouping	Dual Fuel	Elec	Gas	Total
Negative	65.58%	65.83%	68.60%	65.93%
Positive RPC	31.15%	31.37%	28.93%	31.00%
Scheduled Callback	0.12%			0.08%
Wrong Number	3.15%	2.81%	2.48%	2.99%

Debt Value by Account Outcome

Positive RPC Negative Wrong Number



Debt Value by Account Outcome

Positive RPC Negative Wrong Number



Account Outcomes per Age Group

Grouping	No Age Given	<25	25-39	40-59	60+	Total
Negative	381	112	1255	1318	347	3413
Positive RPC	75	38	542	729	221	1605
Scheduled Callback			2	2		4
Wrong Number	20	4	54	60	17	155
Total	476	154	1853	2109	585	5177

Grouping	No Age Given	<25	25-39	40-59	60+	Total
Negative	80.0%	72.7%	67.7%	62.5%	59.3%	65.9
Positive RPC	15.8%	24.7%	29.2%	34.6%	37.8%	31.0
Scheduled Callback			0.1%	0.1%		0.1
Wrong Number	4.2%	2.6%	2.9%	2.8%	2.9%	3.0

Account Outcomes by 'Mobile Number Provided?'

Grouping	No Contact Numbers	Number Given	Total
Negative		280	3133 3413
Positive RPC		32	1573 1605
Scheduled Callback			4 4
Wrong Number		3	152 155

Grouping	No Contact Numbers	Number Given	Total
Negative	5.41%	60.52%	65.93%
Positive RPC	0.62%	30.38%	31.00%
Scheduled Callback		0.08%	0.08%
Wrong Number	0.06%	2.94%	2.99%

Account Outcomes per Debt Age Group

Grouping	Not Given	<30	30-59 Days	60-89 Days	90-179 Days	180-359 Days	360+ Days	Total	
Negative		925	604	147	403	325	572	437	3413
Positive RPC	1	336	480	149	213	137	184	105	1605
Scheduled Callback		1	1			1	1		4
Wrong Number		58	14	3	13	10	32	25	155
Total	1	1320	1099	299	629	473	789	567	5177

Grouping	Not Given	<30	30-59 Days	60-89 Days	90-179 Days	180-359 Days	360+ Days	Total	
Negative		70.08%	54.96%	49.16%	64.07%	68.71%	72.50%	77.07%	65.93%
Positive RPC	100.00%	25.45%	43.68%	49.83%	33.86%	28.96%	23.32%	18.52%	31.00%
Scheduled Callback		0.08%	0.09%			0.21%	0.13%		0.08%
Wrong Number		4.39%	1.27%	1.00%	2.07%	2.11%	4.06%	4.41%	2.99%



Client: Energy (client_type) + Clie...
 Batch: All
 Period: Current Calendar Month

Accounts Referred

954

Charities Referred To

45

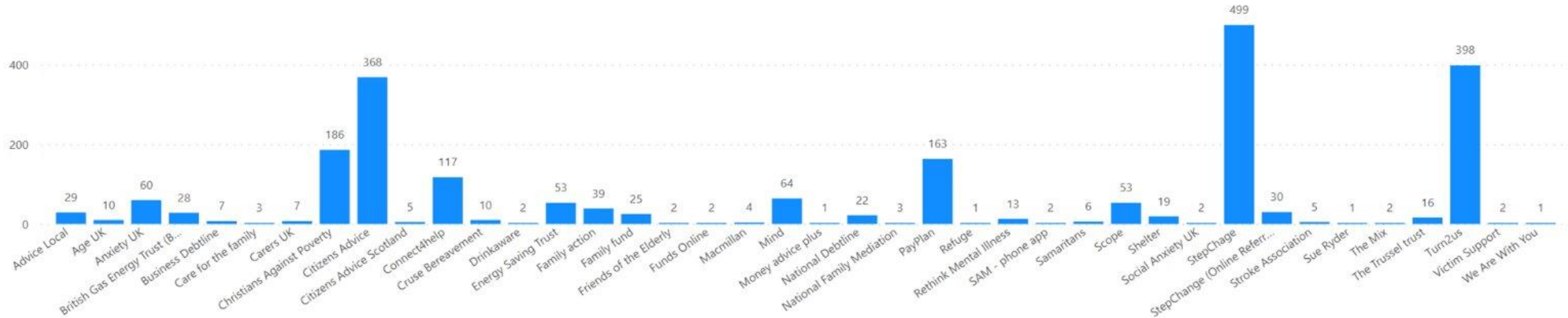
Total Referrals

2356

Average Referrals per Account

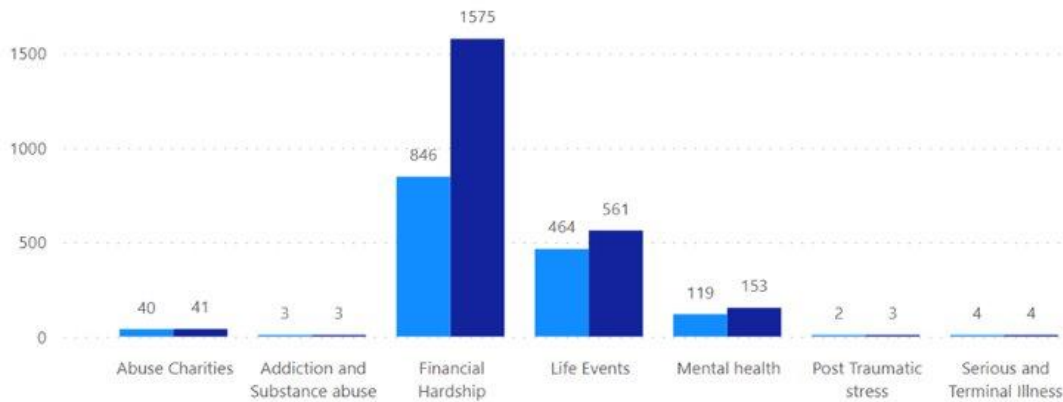
2.47

Accounts Referred by Charity



Account and Total Referrals by Charity Group

● Charities - Accounts Referred ● Charities - Total Referrals



Account and Total Referrals by Charity

● Charities - Accounts Referred ● Charities - Total Referrals



Questions



Jonathan Shaw
ReachOut Partnerships Manager
0777 360 7940
jonathan.shaw@sigmaconnected.com

[Sigma Website](#)
[ReachOut Website](#)

reachout

BY SIGMA CONNECTED

