



Financial Services

**A leading private bank leverages behavioral sciences to improve delinquency resolution**

**fractal**   
INTELLIGENCE FOR IMAGINATION

## The Big Picture

Delinquency is not only an unfamiliar situation for credit consumers but also one which is most often accompanied by temporary/permanent financial difficulty. Therefore, consumers display very little ability to cope with it. In this context, consumers display an 'avoidance' tendency – making themselves difficult to reach and making promises that they can't keep. This leads to significant operations costs, write-offs, and frustration amongst service agents.

## Transformative Solution

1. Behavioral Sciences principle of 'Commitment' was deployed in the agent-customer conversation script to strengthen consumers intent to pay the dues one he has made a 'promise to pay'.
2. Behavioral Sciences principle of 'Loss Aversion' and 'Reciprocity' was brought into play to ensure that consumers prioritize delinquency resolution over other financial commitments.
3. The scripts were customized to different delinquent customer segments – fresh tickets, 90days and 180 days delinquent customers.

The solution was deployed across the bank's multiple call centers throughout the country with minimal training requirement.

## The Change

The scripting changes were intuitively appealing to the agents as they received a favorable response from customers. The subtleness of the solutions ensured that the company was able to scale the solution across multiple centers in the country. The key results of this deployment were:

1. A 40% reduction in the number of connects with delinquent consumers before a resolution is achieved
2. A 20% reduction in unresolved delinquencies