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## **Debt Collection Procedure: Collection Sense**

Collection Sense makes the process of recovering payment from our Clients' debtors fast, efficient and hassle free.

We supply our Clients with an excel spreadsheet which specifies the information which we require in order to proceed with the collection of our Client's outstanding debt. Clients are able to insert the debtors' details directly into the spreadsheet and are then requested to attach all supporting documentation to their claim. The supporting documentation includes invoices, statements, contracts, credit applications and/or correspondence between the parties.

Once we have the necessary information and supporting documentation, the debt collection process starts:

### **1. First SMS and Email**

Our debt collectors initiate the debt collection process by sending an SMS and email to the Debtor confirming that we act on the Client's behalf and confirming that the debt is due and payable.

### **2. Second SMS and Email**

Should the Debtor fail to respond to our first SMS and email, the matter will move into our queue for a second SMS and email. This SMS and email will be sent to the Debtor a further 48 hours after he/she received the initial SMS and email. We will make it clear to the Debtor that if he/she fails to respond by making payment or by making a payment arrangement, we will be proceeding with a formal letter of demand.

### **3. Telephone Calls**

Should the Debtor fail to respond to the above or should our attempts to SMS or email the Debtor be unsuccessful, our debt collectors will make use of all the details we have available for the Debtor to contact him/her telephonically and demand payment.

### **4. Letter of Demand**

Should the above steps fail to resolve the matter, we will proceed to address a formal letter of demand complying with the provisions of the National Credit Act to the Debtor. The letter of demand will be sent by email / fax, by ordinary mail and by registered mail. The Debtor will be given 20 business days within which to conclude a repayment arrangement with us or dispute the claim, failing which we will proceed to list the Debtor as a defaulter with South Africa's largest credit bureau, Transunion.

### **5. Blacklist Debtor**

Should the Debtor fail to act on our letter of demand, we will proceed to list the Debtor as a defaulter. Should the Debtor dispute the amount owing or refer the matter to a debt counsellor, consumer court, alternate dispute resolution agent or ombudsman, we will negotiate repayment and/or resolution of the dispute with the Debtor or the relevant third party, but we will not be entitled to list the Debtor with the credit bureaus.

In the event that we have listed the Debtor as a defaulter with the credit bureau, we will contact the Client to confirm the listing. In addition, we will continue to contact the Debtor periodically via SMS, email, fax and/or through telephone calls confirming the listing and demanding payment.

### **6. Further Contact**

Please note that in addition to the above steps, the Debtor will periodically be contacted by telephone, email, SMS, fax

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and/or any other means that Collection Sense sees fit in the circumstances.

### **7. Hand Over for Issue of Summons**

Once the above steps have been followed and in the event that the debt is fully covered by the Client's policy with Legal Sense, the Client will be given the option of having summons issued on their behalf against the Debtor (subject to the payment of any excess which may be payable).

In the event that the debt is not covered for the issue of summons by the Client's policy with Legal Sense, the Client will be given the option of having Collection Sense monitor the matter and make periodic contact with the Debtor to try and arrange repayment (please note we cannot enforce payment using this method, but it is often successful in recovering the debt), alternatively we can instruct an attorney on the Client's behalf (the attorney's fees will be for the Client's account) or the Client can instruct their own attorney.

### **Contact**

At each point during the collection process where a significant event has occurred, our debt collectors will be sure to provide our Clients with an update. We encourage Clients to contact us by email or telephonically should they require additional feedback on their matters.

Should you have any further queries regarding the procedure which Collection Sense follows, please feel free to contact us on 0861 573 673 or [info@legalsense.co.za](mailto:info@legalsense.co.za).