



Utility Services

Debt collection and field services for the utility industry

Advanced Collection Systems (ACS) provides specialist debt recovery services to the UK's water, electricity, and gas utility providers. These include live and final-billed debt recovery as well as meter disconnections and other site-based services.

Our operations are optimised for the unique nature of utility sector debt.

Collector-negotiators can combine Ofgem (or future Ofwat) compliant meter disconnection activities with their debt recovery negotiations. This is possible by close working with our sister company ACS Utility Services which carries out the pre-disconnection visits (PDV's) and disconnections.

Our aim is to get more cash into your bank account, improve your cash flow and capital position, and reduce your bad debt exposure whilst enhancing your customer retention.

We stand apart from other agencies by offering a service that is dedicated to the utility sector. With almost two decades of partnership with UK utility companies we have an unrivaled knowledge of the sector.



Meter-to-cash services

Our meter-to-cash services aim to get more cash into your bank account, improve your cash flow and capital position, and reduce your bad debt exposure whilst enhancing your customer retention. We offer three service options.

Final billed debt recovery

A proprietary software based collection platform is the key to delivering our utility specific services. Although technology is the enabling factor in delivering the solution it does not dictate it.

Each debt is personally handled by a dedicated account manager ensuring continuity and maximum results for our clients.

We believe that the personal touch is a major factor in helping us outperform other agencies and is also the key to achieving many of the FCA and Ofgem requirements.

We do not automate processes for the sake of it and can therefore ensure personal attention to detail on every account we manage. A diary function within our software ensures that accounts are dealt with according to predefined timeframes and SLAs. This ensures that we maintain your compliance requirements.

Over the years, we have refined a number of different collection strategies as we know that 'one size does not fit all.' Each client has a unique collection cycle that is tailored to their requirements and designed to maximise returns.

Outsourced credit control

By acting as your credit control department, through a separate address and telephone number, we can use all our resources and expertise to ensure prompt payment of your invoices. This leaves your staff free to

concentrate on their primary business functions. Our outsourced credit control service improves your productivity and cash flow and provides,

- Regular accounting reports
- Potential problems identified at an early stage
- Reduced staffing and overhead costs
- Full banking and invoicing services

Seamless escalation: If an invoice does exceed your credit terms the debt can automatically be escalated to our collection department together with a history of the account and immediate disconnection/de-energisation procedures implemented if necessary.

Training and Consultancy

We work with your in house team to develop your collection strategy, letter suite and escalation path to increase collections internally. We also offer training in telephone techniques to maximise results from your call centre.



Live account services

For just under two decades we have managed “live” account recovery and specialist services for our utility clients. We provide collection and disconnection services for residential, SME and group accounts and use the resources of our sister company ACS Utility Services to carry out disconnections and other site services.

Because we specialise in this industry, our account managers have an unrivalled experience and a strong track record of dispute resolution in utility debt recovery enabling us to resolve the majority of issues without impact on your own resources.

De-energisation

We have a office based team dedicated to disconnections work and a UK wide network of field based agents that manages the field disconnections process.

We accept disconnection instruction for:-

- Isolation due to debt
- Vacant premises
- Health and safety issues

The process: A pre-disconnection visit (PDV) is carried out by our national network of field agents. Agent reports are called in to ACS from site, in real time. We do not wait for a report to be emailed or posted. This ensures your accounts are dealt with in the shortest timeframe possible.

Depending on the outcome of the PDV, our staff will instruct the most appropriate course of action to protect your interests and recover your cash. Typical on-site actions might include,

- Collection of the full balance or part payment and payment arrangement set up
- New occupier or change of tenancy identified and proof obtained
- Attempt to establish that the property is still occupied if no response
- Dispute identified and resolved if possible
- Property identified as vacant – meter removal or disconnection instructed if required by client.

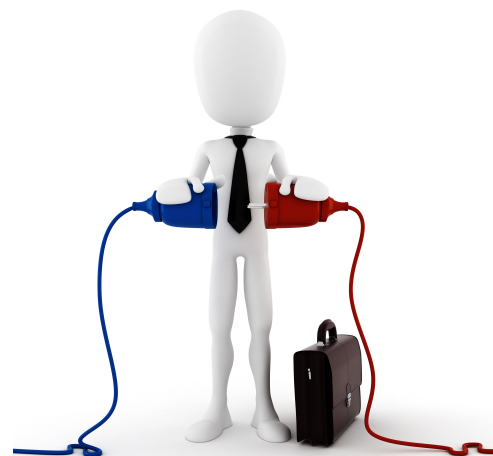
In all cases a Human Rights letter will be left with the customer or at the premises to ensure further action can be taken if necessary.

Service options

We offer 3 disconnection services;

Disconnect-only: We work in tandem with your collections department to ensure the best results are achieved. We use our resources and industry knowledge to provide a managed field service, ensuring the process runs as smoothly and quickly as possible, leaving your staff free to recover your funds. Costs are agreed in advance and are related to the volume of accounts passed.

Live-collect: Working in tandem with your in house or outsourced disconnections department, we contact your debtors to



recover your money before completion of the disconnection process. This improves your balance sheet and helps retain customers. As with our other debt recovery services, this is offered on a no collection, no fee basis.

Collect+disconnect: This is the most popular service. We manage the whole process, escalating accounts into disconnection if recovery of your debt initially proves unsuccessful. Our collectors continue to pursue recovery during the isolation process – only payment in full or a payment plan that meets your requirements will halt disconnection.

The cost of the field services is lower than our Disconnect-only model and any debt that is recovered during the process is charged on our “no collection, no fee” basis.

Special projects and other services

Sometimes a “straightforward” disconnection is not possible due to site issues such as asbestos on site, meter access or location issues. In these cases ACS with its sister company, ACS Utility Services, can provide the trades and resources necessary to overcome these issues and prevent debt building up indefinitely.

Fast track disconnections

In some circumstances a faster disconnection process is required. This may be due to a large outstanding debt or health and safety issues. In these instances we can provide a priority service that reduces the time frame for disconnection by at least 2 weeks.

Smart meter disconnections

With the roll out of smart meters, remote disconnections are becoming an attractive and viable option for suppliers. However, Ofgen has stated in an open letter that in “circumstances both where there is a meter

Warrants

When warrants are required we make an application for a “Rights of Entry” warrant. Our agent will attend the debtor’s local Magistrates Court with the necessary documentation and the information required for the grant of the warrant.

Execution of warrant: We arrange the attendance of a network engineer, locksmith, Warrant Officer and if necessary police or other specialist trades.

Reconnection

ACS can facilitate the reconnection of supply if necessary.

with non-smart, or smart, functionality, face to face contact is required”

This means that if suppliers are to avoid



breaching Ofgem guidelines and potentially their licence conditions, there is a requirement for an agent to be present at the supply site when the remote disconnection takes place.

Our smart meter disconnection service ensures that all requirements are met and protects you from possibly serious action by the regulator.

Information visits/special reads

In those situations where a supplier does not have the resources available to undertake visits to gain meter information or obtain special reads our national network of agents can make these visits on their behalf. All agents are utility trained and can assist with meter queries.

Revenue protection

It is a licence condition that suppliers have procedures in place to detect, prevent and investigate theft of gas and electricity. This means site visits are required to check status of the site, ensure no tampering has taken place, and following disconnection, to check illegal reconnections have not taken place.

Our network of trained agents is able to conduct pro-active or reactive investigations into energy abstraction (theft).

Other services

Our office teams working with our sister company ACS Utility Services can assist clients to resolve many other utility related issues including,

Demolished site investigation & evidence

- Fictitious debt deduction

Complaint management

Special projects

- Asbestos removal

- Meter access and location issues
- Meter fault investigation
- Meter storage after removal
- Smart meter installations
- Pre-meter installation signal checks
- Special trades etc

Debt purchase

- Long Term, Low Value Installments
- Lost Supply Final Debt



Case studies

ACS's library contains case studies and white papers that help to understand the issues and processes of debt recovery, solve a problem, or make a decision. Two pertinent case studies are described below. Others and a collection of white papers are available on our web site.

Case 1: Supporting rapid growth

Background: The client supplies electricity to commercial SME premises. Its business model was to install Smart Meters to all sites and have customers set up on direct debit. This it believed would ensure customers would have accurate reads, pay promptly and if necessary the supply could be remotely disconnected.

When it contacted ACS, it did not envisage a need for disconnection services. It engaged ACS to provide a Trace+Collect service to recover debt on final billed accounts where there had been a change of tenancy and the customer had vacated leaving no forwarding address.

The problem: Rapid growth of the company highlighted some unforeseen circumstances;

- Inability to arrange for installation of a smart meter
- Lack of signal from smart meter
- No team, process or resources in place to deal with Live debt

This led to an increasing debt burden for the company, which, along with the usual cash flow pressures experienced by high growth businesses, meant a solution needed to be found quickly.

Resource limited: The client could have created an in house disconnections department but they did not have the time to recruit and train the staff required and a spiralling head count wasn't the sort of growth they wanted.

ACS solution: ACS took over the management of live debt under its Collect+Disconnect service. The advantages to the client over contracting directly with a field services only company were real time management of their accounts without any additional staffing or resource burden and continuous cash collection activity from those accounts while the disconnection process was underway.

Outcome: In the following 12 months ACS we managed over 4400 accounts for them and collected almost £2.0m cash while the disconnection process was underway, providing a much needed boost to their cash flow and giving them the time they needed to manage their growth.



Case 2: Securing revenue with reduced costs and complaints

Background: The client was a mid sized, well established electricity supplier with a commercial only business model. They have a large portfolio of group and multi site accounts, many of which are in the retail sector.

The problem: Recession caused several high profile retailers to enter administration. This meant our client was left with a significant number of sites across the UK where responsibility for utilities was unknown or in doubt.

Traditional solution: Exposed to the risk of losses due to ongoing consumption and no knowledge of who was responsible for payment, it is usual to arrange disconnection as fast as possible.

Complaints: This approach protects the suppliers interests but is costly and may result in a high number of complaints from landlords and prospective new tenants who may not have received notification of the action since most letters would have been addressed to an empty building.

Alternative solution: ACS proposed an alternative approach which was less confrontational and less costly.

ACS identified and contacted the landlords, liaised with them, the administrators and potential new tenants in order to establish who would be liable for utilities going forwards.

Outcome: The goal was to obtain all the necessary documentation to enable our client to set up an account for the new customer without resorting to disconnection. We were able to reduce costs for our client, reduce complaints and most importantly help our client retain the supply on a significant number of sites.



Advanced Collection Systems

Established in 2000, ACS provides credit management and debt collection services to the utility and other sectors. with a specialist, in house disconnection department. Further information and resources including copies of this guide are available on its website.

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