Sevora

PEOPLE. PROCESSES. PROGRESS.

The Debt Collection Process

From claim handover to case closure –
this is how a modern collection process works.

Efficient operations.
Better outcomes.

We support collection companies with experienced, German-speaking operations teams – so you can focus on what matters most.

1. Intake and Case Setup

The foundation for efficient processing.

1 Claim received from creditor / merchant
Transfer of outstanding claims including relevant data (e.g. debtor details, amount, invoice number, service period).

→ The transfer usually happens digitally via an interface or secure data import.

2 Data validation and case creation
Checking data for completeness and accuracy, creation of the case in the collection system.

→ Complete and correct data is essential for efficient processing.

2. Automated Initial Communication

Standardised steps to bring the process forward.

3 First payment request
Sending of dunning letters, emails or other payment reminders.

→ This communication is usually automated and follows predefined timelines and rules.

4 Debtor response?
Does the debtor get in touch?

No

3. Automated Dunning Process

If there is no response, the process continues automatically.

Automated reminder levels
Further reminders via email, letter or other channels.

No response
After defined periods, the case moves to the next escalation level.

Transfer to judicial proceedings
If there is still no response, the case is transferred to the legal department and – in most cases automatically – submitted to the court.

Yes

4. Individual Case Handling

This is where the operational work begins: communication, clarification and finding solutions.

Debtor inquiry or objection
The debtor may have questions, objections or request additional information.

Case review
Checking the available information in the system. Is additional information needed?

Yes

Request for additional documents from merchant
e.g. invoice, order confirmation, delivery proof, contract documents or payment records.

Review and record documents
The received information is checked and stored in the system.

Recontact the debtor with the evidence
We reach out to the debtor again, provide the received information and explain the claim with the proof from the merchant.

Continue the dialogue
Answer remaining questions, discuss payment options if applicable, and agree on next steps.

No

Response to the debtor
Providing the requested information and addressing open questions.

Renewed contact with debtor
Follow-up based on the new information. Discuss payment options if applicable.

5. Outcome

The goal is a sustainable resolution – ideally without court involvement.

5 Case closure
Depending on the case, different outcomes are possible:

- **Payment received** – The claim is paid and the case is closed.
- **Payment arrangement** – A instalment plan is agreed and monitored.
- **Further processing** – In case of ongoing objections, additional review or escalation may be required.
- **Judicial proceedings** – The case is transferred to the court or another authorised entity.

Proactive support leads to faster resolutions

Experienced support specialists can clearly explain the reason for the debt, provide the right information at the right time and discuss payment options. This helps to resolve cases earlier, reduce the number of court proceedings and lower overall costs – for both the debtor and the collection company.

Fewer escalations.
Lower costs.
Higher recovery rates.

Key takeaways

- Many steps are automated – especially standard communication.
- The main operational workload comes from debtor inquiries, objections and merchant document requests.
- Clear processes and the right communication can prevent escalation to court.
- Efficient operations lead to better results, lower costs and higher customer satisfaction.