NOTHING IS MORE UNSETTLING THAN WHEN A DEBT COLLECTOR TRACKS YOU DOWN AND ASKS WHEN YOU ARE GOING TO MAKE REPAYMENT. VISIONS OF REPOSSESSION IMMEDIATELY SPRING TO MIND, BUT THERE IS ONE WOMAN IN THIS TOUGH INDUSTRY WITH THE SKILL, PATIENCE AND UNDERSTANDING TO ACHIEVE SUCCESSFUL RESULTS.

Saskia Hill is the owner of MCS Debt Recovery. Her genuine empathy and will to help debtors settle their bills is what makes her so passionate about her work. “Obviously my main goal is to assist our clients increase their collections and reduce bad debt,” she says.

Marina Short, Consumer Profile Bureau CEO, supports this approach. “We believe that innovation and good inter-personal skills within the call centres and focusing on accurate profiling, will assist our clients increase their collections and reduce bad debt,” she said.

Another shocking consumer statistic is that 36.2% are in arrears by between one to three months and a further 10.4% are adverse listed (blacklisted). According to University of Cape Town professors Haroon Bhorat and Alan Hirsch, the latest research paper released by the University of Cape Town indicates that:

• The Reserve Bank (SARB) keeps the economy within its mandated inflation target of 3.6%, but South Africa still has one of the highest unemployment rates.
• The SARB responded to the Global Financial Crisis (GFC) by dropping interest rates with the intention of stimulating growth. Instead of buying homes, starting businesses or studying further, South Africans saw cheaper debt as an opportunity to buy cars, clothing and gadgets.
• Inflation is higher than interest rates. So “real” interest rates are negative which discourages consumer saving.
• Debt to GDP levels are the same as they were during the GFC. The difference is that South Africa was financing debt at 15% in 2008 compared with 8% in 2015.

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South Africa’s wage bill is nearly 11% of the GDP compared with other countries at 5%.

Given the circumstances, Hill’s main objective for the next two years is to grow her local business and to acquire offshore clients. “With the exchange rate and expertise we have acquire offshore clients. “With the exchange rate and expertise we have to offer, we are well placed to assist overseas companies,” she says.

MCS Debt Recovery is soon to move into their new 550m² building in Combra’s light industrial area, accommodating 250 staff, a training centre, a generator room, staff canteen and a training centre.

Mr Price Group, Tracer Connect, African Bank, Galaxy & Co, Old Mutual Finance, Educor Holdings and Geochem.

At the company’s recent 20th anniversary breakfast, Marina put the South African consumer debt scenario into perspective. “The latest statistics show that in the Total Credit Granted versus the Gross Debtors Book – as per the Credit Bureau Monitor issued by the National Credit Regulator – the debt reported is around R1.59-trillion – a situation that just keeps on growing month by month,” she said.

The latest statistics show that in 2008, 86% of the debt reported was in terms of housing, 9% was credit card and 5% was personal loans. At the end of last year the debt reported was 95% credit card and only 5% was for housing.

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Finding the right staff is always the biggest challenge. “It is difficult to phone people all day who owe money. Our agents take constant abuse and hear all the lies and excuses ever invented! It takes a special person to do this job, day in and day out. I admire everyone who works in this industry”, says Hill.

To avoid getting “that” call, consider Saskia Hill’s final words of advice:

• Don’t job-hop – earn a stable income and live within your means.
• Budget income versus expenses at the start of each month. Limit unnecessary expenditure – any excess should go into a savings account. The government recently introduced a tax-free savings scheme.

• If you do find yourself owing on too many accounts, contact the debt collectors and ask to make arrangements to pay off the amounts. Don’t ignore their calls or make no arrangements to pay off the amounts.

Thecollectionsindustryisadversely affected by the economic climate. Hill says. “We are not going to get bigger by taking on new clients. We are going to grow our portfolio through retention of the existing clients.”

She says that she and her team are “constantly working towards the objective of resilience and sustainability in the collections industry.”

“Resilience has allowed us to take on more staff, expand our call centre, and move into our new building in Cornubia’s light industrial area, accommodating 250 staff, a generator room, staff canteen and a training centre.

Saskia Hill holds a B.Compt (hons) degree in Accounting and Business Economics from the University of Stellenbosch. She also holds a B. Compt (hons) degree in Taxation from the Stellenbosch University. She is registered with the South African Institute of Tax Practitioners (SAITP) and she is also registered with the Tax Practitioner Board (TPB). She is a Tax Practitioner.

FOOTNOTES AND BACKGROUND
• Saskia Hill was recently elected to the Board for the Association of Debt Recovery Agents (ADRA) and she is also registered with The South African Institute of Chartered Accountants (SAICA) and SARS as a Tax Practitioner.
• MCS Debt Recovery employs 85 staff comprising managers, trained leaders, administration staff, collectors and nightshift staff. They are mostly drawn from the local community of Verulam and surrounds. Johny, the management trainee has 100 years of experience in the collections industry.
• MCS Debt Recovery is registered with the following regulatory bodies: Companies and Intellectual Property Commission (CIPC), Council for Debt Collectors, Association for Debt Recovery Agents (ADRA), South African Revenue Services (SARS), Compensation Commissioner: Department of Labour: Employment Equity. Level 3 contributor for BBBEE, FASSET, SEIA for skills development.

BRIGHT FUTURE
Saskia Hill’s main objective for the next two years is to grow her local business and to acquire offshore clients. Picture: Terry Haywood/Photography

SOUTH AFRICANS OWE MORE THAN R1.59-TRILLION IN CONSUMER DEBT, AND KWAZULU-NATAL CONTRIBUTES R14.39-BILLION, OR 12.25%, TO THAT SIZABLE FIGURE

FIGHTING BAD DEBT