

The Collector Chronicle

NORTH AMERICAN RECOVERY

SEPTEMBER 2016

Utah, Colorado, Idaho, & Ohio's
Collection Authority

LAST MONTH'S LUCKY WINNER

The lucky winner of our client prize for August is Millwood Mgt – Timbergate Apts. They have been using our agency since 2014!

We will be sending Oitai a gift card to The Home Depot. Enjoy!

**THE
HOME
DEPOT**

THIS MONTH'S PRIZE

This month we will be giving away a gift card to Best Buy!

Each client who sends new accounts during the month of September will have their name entered into a drawing. At the end of the month, we will draw a name. If it's yours, you'll win the prize.

**Don't miss out on your chance to win.
Send new accounts in September!
Good Luck!!**

**BEST
BUY**

WHY WON'T THEY PAY?

REAL REASONS AND SOME FUNNY STORIES

By DAVID J. SAXTON

President, NORTH AMERICAN RECOVERY

Bear with me this month, it will be worth it.

First I'm going to talk about why some consumers just don't pay. Then I'm going to share some interesting stories. Keep reading, you'll be glad you did. ☺

Why don't they just pay their bill? I know, that's a brutally obvious question coming from a bill collector. But it remains: "Why don't some consumers who have the ability to pay just pay their bill?" This is arguably the most intriguing question in the collection industry. When I started collecting nearly thirty years ago, I was astounded at the number of people who didn't pay. Maybe it was due to my naiveté (being only 19), or maybe it was because of my upbringing. Whatever the reason, I was very surprised to be dealing with so many people who just didn't pay their bills.

In my early years, I remember asking myself, "Why won't they just pay?" Alas, a simple answer was never found. Then when I started my own collection agency, my clients started asking me why people didn't pay, and I would tell them that I'd given up trying to figure it out; it's just the way it is.

However, consumers do have a litany of responses as to why their bill hasn't been paid. And while these statements may not be the underlying reason for non-payment, I thought I'd share some of them with you in this month's article.

I'll start with the most common response we hear: "I have insurance, so I don't have to pay that bill." When consumers have health or dental insurance, they assume they are absolved of any responsibility for ensuring payment. After all,

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they're "covered," and that means they don't have to pay. When we hear this we explain how, even though they have insurance, if the bill isn't paid, the responsibility falls to them. When they hear this, they either contact their insurance company and do whatever is necessary so the insurance pays, or they pay the bill themselves. Educating a consumer is how we deal with this response.

The next most common reason a consumer doesn't pay is because he or she has not learned personal financial management skills. These consumers have jobs and a steady source of income, but they haven't learned how to budget or live within their means. They will pay whoever makes the most noise—the squeaky-wheel scenario.

There are, of course, consumers who are unemployed, and there's not much we can do to collect from them. We have to wait until they return to work.

Okay, so those are examples of why people don't pay. There are other legitimate reasons, but these are the main ones.

The other category—excuses—is what we hear when the consumer knows that he or she has to pay but, for whatever reason, hasn't. Some examples are:

- "My car broke down, and I had to pay for repairs."
- "I never got a bill."
- "The quality of the product/service wasn't acceptable."
- "I just don't have the money to pay you right now."

And of course, in December we're told, "I can't pay because it's Christmas." The Christmas excuse makes some sense, but one October, a consumer told a collector that she couldn't pay because of Halloween. (Maybe she has a lot of trick-or-treaters at her house and needs to buy a LOT of candy... I don't know.)

Every once in a while, we hear an excuse that's really out there. Like the lady who came into our office to pay her apartment bill—we'll call her Ann. When Ann moved out of her apartment, she still owed for rent and cleaning charges. The apartment complex billed Ann, and when she didn't pay, they sent the account to us. But when Ann came into our office to pay, she had a different story. With a straight face, she claimed the reason her account was sent to collections was because the ladies in the management office were jealous because she was so "young and pretty and they were old and ugly." After making this outrageous statement, Ann went ahead and paid her bill. I guess she just wanted us to know the "real" reason she was sent to collections. (Whatever!!!)

Other consumers have interesting ways of making a statement when paying. One example was the "penny consumer." We'll call her Jan. I was lucky enough to talk to Jan when she called our office. And when she came in to make her \$100 payment, she was going to show me! When Jan arrived at the front desk, she dropped a bag containing 200 rolls of pennies on the counter and told our receptionist that she wanted to pay me personally. (There are 50 pennies in a roll. Hence, it takes 200 rolls to equal \$100. 200 rolls times 50 coins equals 10,000 pennies!)

She said that I would have to open each roll of pennies and count them! Fortunately, I was out of the office at the time visiting a client, so our receptionist told the consumer that we weren't going to open each roll. Jan then produced a slip from the bank, proving that she did in fact have \$100 worth of pennies. It turns out that she had taken time to stop by the bank and exchange her \$100 cash for rolled pennies before coming to our office.

Jan's behavior was a bit extreme, but the most dramatic example of odd behavior came from a mother-daughter duo. Our attorney's office is in the same building as ours, and one Friday just before 5:00 p.m., I received a call asking if I could

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please talk to a consumer who was in their office and was being very difficult.

On this particular Friday, I happened to be wearing a black polo shirt that had NORTH AMERICAN RECOVERY printed in gold lettering just above the left breast pocket. This style of shirt looked a lot like a police officer's shirt. (I'm telling you this because we found out later the consumer and her mother thought I was a security guard.) I took the stairs to their floor where I found a mother and daughter in the common area waiting for the elevator. I asked them if they had been in our attorney's office and if they would like to speak with me. The mother seemed VERY upset and said, "NO! We are LEAVING!!!" The daughter said she would like to talk, but the mother was not going to have it. She said to the daughter, "Let's just go!" But the daughter, who was trying to tell me what her concern was, and even showed me several \$100 bills, wanted to stay and talk.

The mother, however, was determined to leave, and as the elevator doors opened, she told the daughter to get in the elevator. The daughter ignored her and continued talking to me, but the mother had decided enough was enough! She began pushing the daughter into the elevator, and as the daughter resisted, the mother used more and more force. As the struggle escalated, the mother decided to pick the daughter up and carry her into the elevator! (The daughter was about four inches taller and had about twenty pounds on the mother.)

What happened next was almost surreal. As the daughter resisted the mother's attempt to pick her up, she tripped and fell. When she hit the ground, two \$100 bills were knocked out of her hand. The bills slipped into the opening between the elevator car and the floor. The daughter was in

shock. She fell to her knees, peered down the elevator shaft, and cried out, "Oh no, Mom! Look at what you've done!" The mother glared at me, and with an accusing tone asked, "What are you going to do now?" (As if I was to blame for the whole incident!)

I was still trying to process the images I'd just witnessed while imagining two \$100 bills floating down the elevator shaft. When I finally gathered myself, I directed her to the building management office on the fifth floor, and told her to ask the receptionist to contact the building engineer to see if he could assist them in recovering the cash.

As I left the building thirty minutes later, the mother and daughter were in the lobby with the engineer still trying to recover their money. They eventually retrieved the bills, and the daughter paid without further incident. That experience ranks as the most interesting exchange I've ever had with a consumer.

So there you have it, a few reasons why consumers don't pay and some examples of strange behavior when they do.



The Collector Chronicle is published by NORTH AMERICAN RECOVERY for prospective and current clients. The owner, David Saxton, welcomes questions or comments.

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