

# Tracing – carving the right path ahead

By Jamie McGrath, Head of Trace, for Apex Discovery Solutions, which is now part of the Cabot Credit Management Group, gives an insight into the world of tracing and the challenges ahead.

**W**ITH over 23 years experience in tracing under my belt, I joined Apex Discovery Solutions (ADS) in 2009 to set up its tracing operation. After years of working in a variety of positions for debt purchasers, contingency agencies and various consultancy roles, I felt ready for a new focus. One of the main attractions to working for ADS was (and is) its underlying ethics. That is its belief in doing the right thing, the right way. This particularly appealed to me having worked closely with the CSA for many years, predominantly with their tracing training programme, but also working with numerous working parties on topics such as compliance, mis-trace, and data quality. So doing things the right way was key to the way I felt I wanted to work.

In 2011, just two years after I set up ADS, Cabot Financial and Apex Credit Management merged to form Cabot Credit Management and since then we have been responsible for tracing across the Group. We also continue to operate as a standalone business offering trace to a variety of clients. In our UK office we set up City and Guilds accredited training, the first of its kind for trace only, which has enabled our staff, now

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50-strong, to be highly skilled, trained and motivated. This year saw the set up of a trace operation for our Republic of Ireland business. The challenge we face in that operation are the limited data sets available to us, but with our years of experience we are able to guide and assist them to ensure it has successful output.

So with our foolproof trace operations in place, we feel we are all set for the changes afoot in the industry over the next few years. There are certainly a number of key developments heading our way.

The most significant changes for us will be the upcoming legislation from the new EU directives with regard to data privacy, raising questions over data storing and sharing and profiling of consumers. This will closely be followed by the transition from the OFT to the FSA. It is too early for us to see the real impact of this on our business, but all our processes will have to be scrutinised to make sure we are fully compliant with the new regulations.

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Additionally, there is the ongoing challenge to continually improve trace processes to help eradicate any mis-traces. There are ways the Government can help with this by enabling further access to data sets such as the full electoral role. Currently we have access to the edited electoral role which 40-45 percent of people opt out of. The CSA is lobbying to get full

access, and this can only be a positive step forward for the industry as a whole.

So with all these developments taking place we are going to see some changes in the industry as a whole. As mentioned, many debt purchasers and contingent agents have some sort of trace function within their business



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and they make look at the cost effectiveness of this versus outsourcing their tracing requirements. However, there has been a decline in the number of trace only businesses across the sector, as the margins in trace continue to become increasingly tighter. Today the ‘trace’ fee as such is exactly the same as it was when I started 23 years ago, except now you have the additional overheads to take into account, such as pre-employment screening, training and development, purchasing of databases, credit reference costs, automation and data security.

So to summarise, there are many companies that would like to do tracing in-house, but they may not have the financial resource, technical knowledge, understanding or time to set up an effective trace operation. With all the current and forthcoming legislation they may be forced to outsource to maximise the results.

Tracing continues to evolve, the days of tracing agents only offering a “trace” have long gone, many now offer a range of services that can be integrated into the clients own internal strategies. 