



Calculable risk with guaranteed debt purchasing at an agreed purchase price

Our solution: a combination of scoring-based risk management and a guaranteed purchase price for the purchase of payment-impaired receivables

Your challenge

In Germany, Austria and Switzerland, purchase on account is still the most popular payment method of consumers by far at over 41 percent. Not all customers pay their invoice on time - some not at all. Simply derecognizing outstanding receivables negatively impacts profitability and also sends a false signal to the market. Retaining them, however, uses up staff capacities and capital, which could be put to better use for growth, investment or innovations. Selling receivables as soon as they arise often impacts the customer relationship and can be very expensive. And you also give up the right to decide which customers can order on account or with the direct debit system.

Our solution

A combination of individual risk management and the purchase of your payment-impaired receivables on the basis of a binding purchase price agreed beforehand.

With our industry solution, we offer protection from fraud and payment default. Using a variety of checks, data and rules in real time, i.e. during the online purchase process, the system assesses the default risk of your customer and identifies fraudulent behavior. In consideration of the individually determined risk profile, we recommend appropriate payment types for each order case and as such can significantly reduce your risk of a payment default.

Depending on your risk tolerance, you can use our industry solution to control which order qualifies for purchasing on account or direct debit and which you should steer towards payment types that are more secure from the retailer's perspective (e.g.: PayPal, cash in advance,...) on the basis of the full evaluation.

Your advantages



Increase sales with optimized modulation of all payment types



High flexibility with regard to risk management and time of sale



Planning security with binding purchase price, even before the receivable arises



Immediate liquidity at agreed time of sale



Optimization of balance sheets and P&L statements



Less outlay in accounts receivable management



We know that the default risk can never be 100% foreseen in practice and even with the most intelligent risk management, outstanding receivables may still arise. Unlike conventional solutions, our combined solution shows the risk of a payment default (in the form of a score) and serves as a basis for a binding purchase price.

Exemplary illustration of the combined solution:

Seq. order no.	Individual risk management on the basis of the score	Receivable amount	Receivable quality	Payment amount according to agreed quality/purchase price matrix	in €
1.	All payment types	€ 120	very good	70 %	€ 84
2.	All payment types	€ 80	good	40 %	€ 32
3.	All payment types	€ 100	medium	20 %	€ 20
4.	All payment types	€ 60	satisfactory	10 %	€ 6
5.	Targeting of secure payment *	€ 100	bad	No default possible	No default possible
Sum of all bad debt		€ 360			
Payment amount directly upon transfer of receivables to Arvato Financial Solutions:					€ 142

After the sale of payment-impaired receivables, no more expenses for accounts receivable management and the retailer profits from an immediate influx of liquidity.

* e.g.: PayPal, payment in advance, etc.

Unlike in factoring, which is the sale of the receivable directly after it arises, with the targeted sale of accounts receivable you still have full control over your acquisition policy and the modulation of payment types. You also determine from what point in time you generally sell all payment-impaired receivables to us on an ongoing basis. You know the receivables purchase price at the time the receivable arises based on the quality/purchase price matrix agreed with you. From the time of the sale, our experts begin with reliable collection on your behalf in customer communication.

Our services

- Protection from fraud and payment default
- Scoring your customers in real time
- Binding purchase price offer right from when the bad debt arises
- Assumption of your default risk
- Professional collection in accordance with the corporate philosophy
- Support for customer recovery

Any further questions? Contact us.

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