

 Tracing of Debtors Locally and Overseas

Inadequate tracing of debtors substantially hinders recovery of debts. However, modern technology and skip tracing resources in over one hundred countries, supported by a network of accredited agency offices, are able to carry out this vital task.

Each year, tens of thousands of individuals abscond from their private residences, leaving unpaid creditors and no forwarding information. However, experience has shown that very few people are successful in “disappearing” completely.

In many cases timing is crucial as the debts to recover may be irretrievable if the debtor is not traced in time. It is for this reason that the ever-increasing number of Debt Recovery Companies have responded to the pressure of competition by providing creditors worldwide with a swift and effective response.

Tracing companies are instructed to trace individuals by a wide range of clients including major institutions in the financial services and corporate banking fields together with specialist agencies and the legal profession. Many clients have specific requirements and widely differing volumes of instructions. In each case, these differences are recognised by the tracing team and covered by individual arrangements reflecting the client's particular needs.

In many instances, instructions are received as a result of individuals absconding prior to the repayment of debts or borrowings. In these circumstances, companies in the field will offer to put you back in touch with the debtor, quickly and discretely, whilst maintaining a fully compliant approach to trace investigations.

State of the art call centre telephony equipment, sophisticated computer systems and highly trained staff are able to accommodate bulk trace instructions. Often, debt recovery companies also enter into service level agreements with their clients, ensuring strict turnaround times and quality reporting.

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Full trace services of debtors both local and overseas would normally include the current address for the debtor with two independent verifications, a report detailing all such information and the methods of its attainment and a guarantee that the information is accurate for an agreed period. Debtor Tracing may also go further than that and provide extensive information relating to the debtor (whether a physical or juridical person), that will aid debt recovery. Therefore, provided a validated address and telephone number is given, the address will be validated by three or more sources and telephone numbers confirmed by verbal confirmation. If telephone numbers are not obtained, other relevant information may be used including: deceased information, directorship details, employment information, contact telephone numbers, bankruptcy information and dates, alias information, family members' names and email addresses.

If the investigation fails to positively locate the individual being traced, a no trace report is sent and in many instances, client will be provided with details directly relating to the investigation carried out which will assist him with any further trace attempts or help him decide which course of action to take next.

Some of the different kinds of debtors one may trace are:

- Sole Traders:

Specialised companies locate absconding proprietors to their current private residence. This often shows the owner to be still leading a comfortable lifestyle, enabling the client to fully recover any outstanding indebtedness due to their unlimited liability legal status.

- Partnerships:

Tracing of partners often shows them to be currently deriving a good income from other sources, enabling the client to fully recover outstanding commitments, as they are jointly and severally liable for all their business debts. Over 90 per cent of partnership trace assignments are brought to a positive conclusion and additional details can be attained to assist in the recovery process, such as pre-litigation wealth assessment reports.

- Companies:

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It is also possible to trace new trading addresses for active companies and provide insolvency details for those that have failed. Assistance will also be offered in locating absconding directors to their current private residence. This may lead to recovery in the event that personal guarantees are held. Alternatively, the directors may have been trading fraudulently or in breach of the relative national law leaving themselves personally liable for the losses of the company.

- Information needed from client:

In the case of individuals, the creditor would provide a Christian name, surname and middle initial where possible to be able to perform an accurate search. Unless a city or postal town is specified a search will be performed on the whole of Malta or on the entire population of the country concerned. In the case of companies, as much detail as possible should be provided. If, however, no information is available, the name of the company and directors should suffice.

Although creditors often are prepared to concede defeat and simply write off their debts when debtors cannot be found, the increasing rate of success in tracing such debtors both locally and abroad goes to show that it is definitely worth giving these services a try!

This information has been given thanks to:

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Credit Solutions Limited supports business growth by means of strategic planning and credit management action.

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