

fair pay

magazine

I • 2007

DEBT SURVEILLANCE

Tina gets out of debt with Intrum Justitia's help

VAT REFUND

Discover how Statoil gets millions back

10 BAD EXCUSES FOR NOT PAYING

"My husband has broken both his legs"

Mastering growth

How T-Mobile's Otakar Král handles both powerful growth and getting paid





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Patience pays off

Have you ever talked to a client who has not paid an invoice? Then you know just how frustrating it can be. You have to work hard at staying calm. However, you also know that if your patience pays off, you will succeed in reaching agreeable terms and your money will come in. The customer may return to buy again. If all goes really well, he or she will even recommend your products and services to others.

Sometimes, however, there is not enough patience to go around to solve the problem. Or maybe you'd rather just invest your valuable time in other business. In this issue, discover why a Czech client chose to outsource collection – and the reasons why they selected Intrum Justitia. As Otakar Král, Executive President Finance of T-Mobile Czech Republic says: "Cooperate only with the best debt collection company in the market – it only needs one bad management experience to damage your reputation."

Impatience and shortsightedness cost, notes Mr. Král. He stresses that "when choosing a debt collection partner, don't be driven by the price. Low-cost operators will not improve your image and you will pay the price."

Patience and acting in a farsighted way are even more important when written-off debts are at stake. Get a deep insight into our debt surveillance approach and find out how Tina finally rid herself of debt with the help of our dedicated specialists (page 4–7).

Meri Mäkkylä

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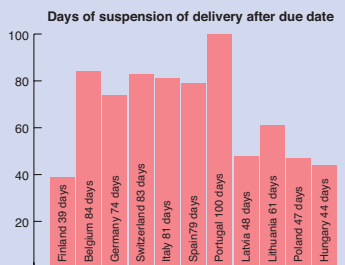
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IN BRIEF



The suspension tactic

Suspension of delivery is becoming more common as a credit control tactic. 29% of the companies surveyed in the European Payment Index declared that they have used this measurement more often during the last two years than previously.

The experiences regarding delivery suspension are ambivalent. 22% of the companies state that the customer relationship has improved after a suspension, whilst 24% state that the relationship has deteriorated. However, just 3% of the businesses indicate that customer turnover increased after resumption of delivery, compared to turnover before suspension, whilst 28% noticed a reduction. The majority (69%) state that customer turnover did not significantly change.

USD **23.6**
billion

That is the level of claims on Russian oil company Yukos since a court in Moscow, in November, added in 'back tax' and 'corporate creditor claims'.

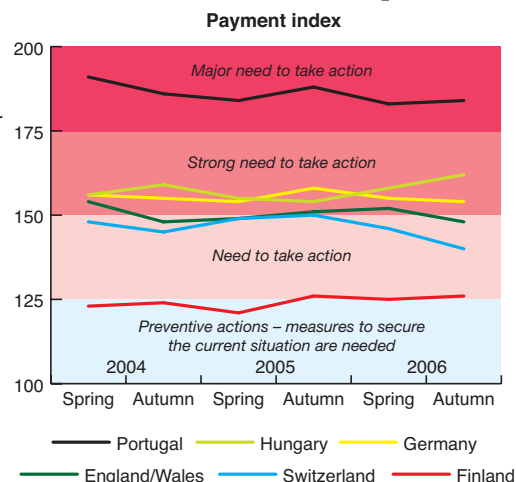
Sources: European Payment Index, Russian News & Information Agency, Intrum Justitia, Swedish National Financial Authority

Lower payment risks in Europe

Several countries surveyed in the Autumn 2006 European Payment Index (EPI) have improved their standing and now rank lower payment risks compared to the previous reporting period. Switzerland, Latvia and Belgium have all bettered their position in the index, while Lithuania remains unchanged at a high level.

Finland, Italy, Hungary and Poland all show an increase, while Hungary has suffered the most negative development. The key significant changes are shown in the graph (right).

EPI is Intrum Justitia's unique bi-annual credit management survey covering 20 countries across Europe. For more information about the situation in the different countries, please refer to the corresponding country reports, which are published in local languages. You can also ask your contact person at Intrum Justitia or visit www.europeanpayment.com.

FEWER NORWEGIANS
DEFAULT ON PAYMENTS ...

Fewer and fewer Norwegians are defaulting on payments. Since July 2006 the number of debts not being paid has fallen by 2,500. That amounts to a reduction of NOK 350 million in unpaid debts. A total of 162,777 Norwegians currently collectively owe NOK 17.6 billion.

...BUT THOSE BORN IN THE 1970S
SLOWEST TO SETTLE BILLS

Norwegians in their 30s have the worst record of paying bills. Seven percent of those born in the 1970s don't pay up when required, according to statistics from Credit Inform.

There are almost double as many bad payers from the 1970s compared to those from the 1950s. According to Intrum Justitia, the difference is due to the older people having grown up when money was tighter and having a different moral than today's young adults.

"There are several reasons why very few people over the age of 60 default on payments. Their loans are paid off and the majority adapt



their personal economy to a pensioner's lifestyle," says Rune Viermyr, Intrum Justitia's Administrative Director.

Especially worrying is the fact that many young people default on payments as soon as they come of age. Almost 900 Norwegian teenagers are registered as bad credit risks. Often, even the smallest sums of money lead to the accumulation of debts and classification as a bad payer.

New Swedish legislation eases enforcement



Easier and more efficient. Those are the key words for the new law on debt that came into force in Sweden at the beginning of the year. The Debt Relief Act gives the Swedish Enforcement Administration, Kronofogden, a substantially larger role. The agency will not only become the first instance at which an application for enforcement is made – but also gains the power to make a decision. The latter means a decision can only be contested at a higher district court level.

Svenska Inkassoföreningen, the Swedish debt collection agency, where Intrum Justitia's Susanne Bruce has been involved, has contributed to the writing of the new legislation.

"The new rules mean the whole process will be easier and more clear-cut for all the parties involved," says Susanne Bruce, Service Line Manager Debt Surveillance at Intrum Justitia. "We are very satisfied with the end result."

You can read more about the new legislation at <http://www.intrum.com>.

How Tina finally got

“Hi – great to see you!”

“The same! How are things?”

At first glance it looks like a happy reunion between two old friends. It took a while before Tina Morling understood that Anna Gulja from Intrum Justitia could help her – and now she is finally out of debt.

We meet in a conference room at Intrum Justitia’s office in Gothenburg, on Sweden’s west coast. Coffee cups and cookies are on the table, cheerful laughs in the air. But the atmosphere has not always been so relaxed.

Anna Gulja, who sits at one end of the conference table, is a member of a specialist group of highly experienced case managers. Their job: to deal with the toughest debt cases.

At the other end of the table sits Tina Morling, who has had Gulja breathing down her neck for over ten years.

Pretty soon Morling realized Gulja was not going to quit.

“Just the words ‘debt collection’ feel hard,” says Morling.

“But the more contact I’ve had with Anna, the easier it has worked. She has been fair.”

“You have to treat people with respect,” Gulja believes.

“It is nice to put a face on Anna. Actually it is just normal people who work here in the office,” Morling comments.

Her story is typical for this type of debt surveillance.

It started with a bank loan of SEK 80,000, when Morling and her then partner bought a flat at the start of the eighties.

When Morling became the sole income earner, the household became sensitive to interest rate rises. In the early nineties they took out a new loan to pay off the old debts, but quickly found themselves with new ones.



“It is nice to put a face on Anna. Actually it is just normal people who sit here in Intrum Justitia’s office.”

Tina Morling (right) and Intrum Justitia’s Anna Gulja laugh when they

In the mid-90s, when the case landed on the table at Intrum Justitia’s department for debt surveillance, the debt had grown to over SEK 600,000. A large amount was interest.

That is when Gulja entered the picture.

To begin with, Morling stuck to a repayment plan she and Gulja had agreed upon. In the first year it was SEK 500 per month, then more. At one point Morling made an extra large payment to get rid off some smaller debt that had followed along throughout the whole period.

A few years ago, Gulja felt that Morling was able to pay a

out of debt



Photo: Jonte Wentzel

meet for the first time, and they maybe will stay in touch. “But I hope we will never ever talk about debts again,” says Morling.

larger monthly repayment as her salary had grown. Morling was doubtful and continued paying the earlier sum.

In the summer of 2006 Morling contacted Gulja to try to reach an agreement. By refinancing, Morling would be able to write down debt. But when she got the application form she was upset by the need to state her husband’s earnings.

“I didn’t understand why he needed to be involved,” says Morling. Under stress, something went wrong and her monthly payments ceased.

Intrum Justitia sent the case to the national bailiffs, who threatened to seize part of Morling’s farm. The letter she got proved to be a wake up call.

“To start with, I was pretty angry,” Morling admits. “But in reality I was angry at myself.”

“I explained the situation pretty fast,” says Gulja.

“Yeah, and after a while I realized ‘She’s not so stupid’,” Morling recalls, who finally signed the application.

Arranging a bank loan, Morling proposed to pay off SEK 300,000 in one go – then she would be free of her share of the debt to Intrum Justitia.

That’s the point when the relationship between Gulja and Morling ended. “Maybe we can stay in touch,” says Morling.

“But I hope we will never ever talk about debts again!”

Christofer Brask

Doing the impossible:

They are specialists who see opportunities where others see hopeless cases. To help them, they have the industry's most advanced analysis tools. Welcome to Intrum Justitia's special unit for collecting assets that have been written off.

When every effort to get a debt paid has failed, even when the bailiffs have given up, the case lands up on the desk of debt surveillance.

Sweden leads today, where Intrum Justitia handles 1.6 million cases. Finland is also a mature market. And in several other markets, such as Spain and Poland, the market is growing rapidly.

"Our work is long-term and a case can take us many years, sometimes 20 years or longer. We wait until the debtor can pay," says Fredrik Kessler, Operation Manager Consumer in Gothenburg, Sweden.

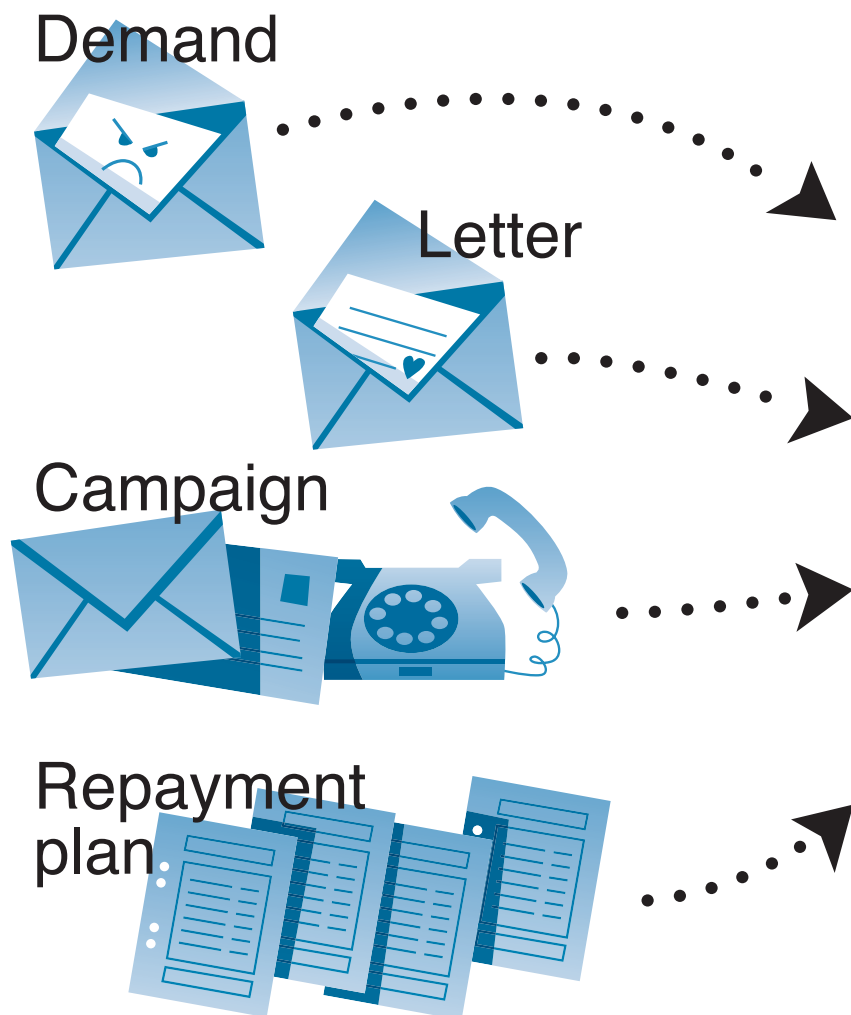
The department also functions as a 'Center of Excellence' for all of Intrum Justitia. Colleagues from across Europe visit to study the latest ways of working.

"But we also learn a lot from how people work in other countries," Kessler stresses.

"From England, we've adopted telephone campaign approaches, which have proved extremely successful. In the Czech Republic and Switzerland, we discovered that you can send an SMS to a debtor, which is highly cost efficient."

A total of 55 people work full time in the department in Gothenburg. Ten of them can be found in the specialist group that handles the biggest and toughest cases.

Christofer Brask



Bringing in the money

Regardless of the size of the debt, which can vary from SEK 100 to SEK 20 million, the team tends to stick to the same model:

THE DEBTOR IS REGARDED AS A CUSTOMER

“During the 90s we did a survey where we asked debtors how they experienced their situations,” says Kessler. “We learnt that they felt uncomfortable when getting in touch with us and saw us as a threat. The survey prompted us to change our ways of working radically, and rather than threatening a debtor we now try to motivate them. We see the debtor as a customer, someone we show respect to.”

SCORECARD DELIVERS PRECISION

“We have a unique scorecard for debt management, thanks largely to our large debtor register. The scorecard is an incredibly important tool. It encompasses information

from both our own database and from external sources, such as national debt collection authorities and credit monitoring companies. We have a smaller number of parameters that show the likelihood of a person in debt being able to pay it off or not. The higher the points, the greater the chance the person will pay off what is owed,” says Fredrik. “The scorecard helps us when we decide to get in touch with the debtor as well as indicating what approach we should choose in the shape of different offers. We have even implemented scorecards in other countries and a major effort is underway to develop a scorecard for every country in Europe.”

HOLISTIC APPROACH

“We don’t just look at the money owed but also at the whole picture. In this way we increase the chances of the debtor to get a grip on their situation and pay off what is owed. We work hard at finding solutions together with the debtor,” says Fredrik.

FIND MOTIVATION

“Different people need different types of motivation to pay off what they owe. Consider someone who is unemployed. He, or she, sees no reason to find a job because they know we’ll take what’s left over. In that situation, we can offer a deal where we take a slice of the cake, but not all of it. That makes everyone a winner. The customer gets back some of the debt owed, we get our commission and the debtor eventually clears the money owed. Other ways of lifting motivation can involve freezing interest. An average debt carries a higher rate of interest than capital. Another approach is to write off parts of the total debts.”

PERSONAL CONTACT

“When it comes to the bigger cases we make sure it is always the same person who handles a case. This case manager’s signature appears in all correspondence. Regardless of the size of a case, you always get a personal manager when you contact us and want to reach a solution.”

Debtor

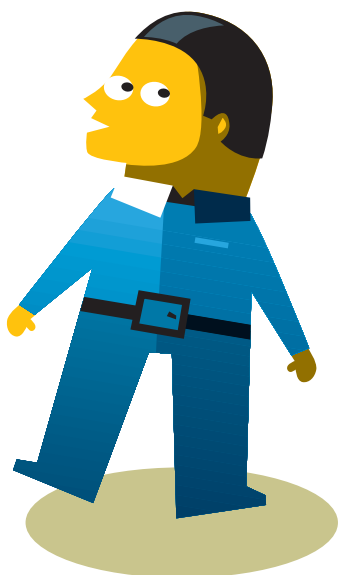


Illustration:
Kjell Eriksson

“Our work is long-term and a case can take us many years, sometimes 20 years or longer.”

Fredrik Kessler, Operation Manager
Consumer in Gothenburg, Sweden



Photo: Jonte Wentzel

"Outsourcing makes total sense," says Otakar Král.



Wireless growth

Mobile telephony is booming in the Czech Republic. More customers, using more mobile services is great news for operators like Intrum Justitia customer T-Mobile Czech Republic, the country's number one mobile telephony supplier.

“More customers naturally lead to higher levels of late payment, which ties up capital that could be better used to further enhance our mobile network or services,” says Otakar Král, Executive President Finance, T-Mobile Czech Republic.

But rather than chase late payment itself, T-Mobile has chosen to outsource collection to Intrum Justitia, who has built up a strong presence in the Czech Republic over the past few years.

“Outsourcing makes total sense because our principal job is delivering mobile telephony services that satisfy customers,” says Král.

“Collecting late payment is Intrum Justitia’s business focus and they do a great job thanks to their unique human approach to helping debtors find ways to settle what they owe, achieving better results than we could. Using an external partner to collect payment is also a psychological tool that boosts the chances of success.”

The Czech Republic, a full-fledged member of the European Union (EU) since 2004, is one of the most developed mobile telephony markets in Central and Eastern Europe. It is also one of the few countries in the world where people use mobile devices more than conventional phones.

Czech consumers and businesses became early adopters of the new mobile technologies in the late 1990s due to the high costs and long waiting lists related to the fixed telephony market. Today there are over 12 million SIM cards in use in a country of just over ten million citizens, with T-Mobile Czech Republic attracting nearly five million customers.

“We’ve played a key role in the development of the Czech mobile market with a constant stream of revolutionary ser-

vices and products. Our success is due to delivering innovative services and price plans reflecting our simple human approach to providing our customers with the benefits of mobility, reliability and accessibility,” explains Král.

Although the level of late payment is a small part of the total amount invoiced out each month by T-Mobile Czech Republic, there are other key factors involved. These include involuntary churn (the number of customers who are inactivated due to unpaid services), bad debt and customer satisfaction.

Král says Intrum Justitia works effectively across all areas: “Our goal is always to help a customer, whether an individual or a business, who has fallen behind with payment find a satisfactory way out of the problem.”

Proof of T-Mobile’s success in delivering customer satisfaction has come twice in recent years in the shape of being voted ‘Trusted Brand’ in the *Reader’s Digest* European Trusted Brands research, aimed at identifying which consumer brands are the most trusted by customers.

So what does T-Mobile Czech Republic appreciate most about the partnership with Intrum Justitia?

“Above all, we appreciate how hard Intrum Justitia works at maintaining goodwill. A late payer is still a customer of T-Mobile and we want to help them solve their problems and continue using our services. Then, of course, we are happy that Intrum Justitia’s track record in successfully solving late payment is well above the average of other competitors in our marketplace,” ends Král.

David Noble



Král’s 5 top credit management tips

- Perform careful and responsible credit checks – providing services to someone who is already in financial distress will not only hurt you, but also threatens your media image.
- Don’t harass a debtor – companies that build their business around collecting large penalties from people already in debt won’t enjoy a long life in the marketplace.
- Communicate with, and listen to, the debtor – give them as much information as possible. The unwillingness to solve a problem is often due to their lack of knowledge, which often results in them being unwilling to communicate with you.
- Cooperate only with the best debt collection companies in the market – it only needs one bad management experience to damage your reputation.
- When choosing a debt collection partner, don’t be driven by price. Low cost operators will not improve your image and you will pay the price.

“There’s a lot of money at stake.”

SEK 1.5 million per year. That’s how much VAT is refunded to Statoil Sweden every year thanks to monitoring of invoices from EU countries. “That’s a lot of money,” says Sara Oldenburg at Statoil.

Statoil has always been aware of the potential to receive VAT refunds on invoices from other EU countries. The main problem has been one of administration.

“We judged it too time consuming to check every single invoice of EU origin. So we just concentrated on certain types of transaction,” says Oldenburg, who specializes in VAT and other complex tax issues at the oil company.

What made you change your mind?

“When we realized we could outsource the entire administration in an easy way and get lots of money back, it became a pretty obvious decision.”

How does it work?

“Each quarter, two people come up to us from Intrum Justitia and go through all our foreign invoices and evaluate what possibilities we have to get a refund. It’s all fairly routine.”

How’s the cooperation working out?

“It’s working really smoothly. There

FACTS/SARA OLDENBURG

Age: 45.

Profession: Responsible for indirect taxes at Statoil in Sweden.

Background: Has worked for 22 years with economy and accounting in the oil business.

Interests: Film, music, reading.



Photo: Magnus Laupa

have been some really useful discussions with the people who collect the invoices and other specialists within Intrum Justitia.”

What are the main issues you discuss?

“Often Intrum’s specialists come across invoices that have been handled incorrectly without us having spotted it. We may have missed registering VAT, or a supplier, without thinking about it, has invoiced VAT in dollars. That means we can claim additional VAT.”

Have any issues proved particularly thorny?

“We have a subsidiary that is VAT-registered in a large number of countries. Intrum Justitia spotted that we had forgotten to register ingoing VAT in a number of those countries,

which we were able to correct.”

And the biggest lessons learnt from the collaboration?

“It isn’t just about VAT refunds, but also incorrectly handled invoices. It’s really valuable having an external set of eyes monitoring things.”

Christofer Fager

Get in touch with us now to get your money back!

Applications for VAT refunds must be submitted separately to the tax authorities in each country. They can be filed 1-4 times a year for periods of at least three months. Since the application period for the previous calendar year expires on June 30, we recommend you contact Intrum Justitia before the end of April to ensure a refund. To learn more, please email: vatrefund@intrum.com or call +46 8 616 77 00.

QUICK FACTS

Intrum Justitia is Europe's leading Credit Management Services (CMS) group. Its objective is to measurably improve clients' cash flows and long-term profitability by offering effective services and high quality in relation to both clients and debtors in each local market. Intrum Justitia's services cover the entire CMS chain, from credit information via invoicing and reminder management to debt surveillance and collection of written-off receivables. The group has more than 90,000 clients, revenues of SEK 2.8 billion and around 2,800 employees in 22 European countries. The company was founded in 1923 in Sweden and has been listed on Stockholmsbörsen, the Stockholm Exchange, since June 2002. The head office is located in Nacka, outside Stockholm, Sweden. President and CEO: Michael Wolf. For more information on the Intrum Justitia Group, visit www.intrum.com.

Intrum Justitia Group	2005
Revenues, SEK M	2,823.2
Operating profit (EBITA), SEK M	503.6
Cash flow from operating activities, SEK M	527.0
Collection cases in stock, SEK M	13.1
Total collection value, SEK billion	93.3
Average number of employees	2,863
For definitions, see www.intrum.com	

Analysts who cover Intrum Justitia
 ABG Sundal Collier – Espen Bruu Syversen
 Carnegie – Mikael Löfdahl
 SEB Enskilda – Stefan Andersson
 Handelsbanken – Peter Grabe
 Standard & Poor's – Joakim Ström

Financial report dates 2007	
Full-year Report 2006	15 February
Interim Report (January–March)	24 April
Annual General Meeting, Stockholm	25 April

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New website alerts about credit risks

Unique data about European payment behaviour. Refreshed design. Richer content. Three key features of the updated version of www.europeanpayment.com.

COUNTRY RISK MANAGEMENT

European Payment Index (EPI) is a unique bi-annual credit management survey compiled by Intrum Justitia in over 20 countries. Using the EPI data and other market intelligence, this section offers companies valuable information about payment risks in Europe.

SERVICES

Description of Intrum Justitia's services.

BENCHMARKING

A unique benchmark tool enables companies to evaluate their credit management ability.

COUNTRY INFORMATION

Information about business practice regarding payment conditions, reminder practice and dictionaries for more than 50 countries in Europe and worldwide.

The screenshot shows the website interface with several key sections highlighted by callouts:

- Country Risk Management:** A section titled "Giving business a helping hand" with a bar chart showing payment behaviors for B2C, B2B, and Public. It includes a search bar and navigation links.
- Benchmarking:** A section titled "How to improve your cash inflow?" and "How to make money more?" with a search bar and navigation links.
- Country Information:** A section titled "News and Press releases" with a search bar and navigation links.
- Unique Language:** A section titled "Register" and "Log in" with a search bar and navigation links.
- Interesting:** A section titled "New in Fair Pay Magazine: How to spot bad payers in time?" with a search bar and navigation links.

UNIQUE LANGUAGE

version for German readers.

INTERESTING

news articles and features about credit management.

Get a report now! Benchmark your company's credit management at www.europeanpayment.com.



Tough questions for

Just over 50 years ago the European Union's Treaty of Rome called for a dismantling of national barriers to establish one single market for European business and internal trade.

As the EU at various ceremonial events this spring honors the Treaty and its bold internal market goals, questions are raised about what needs to be done to move the Single Market plans forward into completion.

"For example, in the financial services area only five percent of all financial services activities are cross-border with Luxembourg perhaps being the only exception," says Leif Hallberg, Intrum Justitia's man in Brussels.

Likewise, financial services information is not really shared across the borders, which makes consumers more vulne-

rable when taking credits. The Single Market has made taking loans easier for consumers, but yet also more harmful as there is little consumer protection. The answer might be self-regulation by adopting a policy of responsible lending, i.e. customers that are not creditworthy should be turned down, rather than being lured into financial difficulties.

"This speaks for the Single Market to aim for full harmonization of consumer protection and information, not least when it comes to advertising," says Hallberg.

The key to successfully completing the Single Market is the

“Single Market legislation of little use if not applied on the ground”

“When the Single Market doesn't work, business incurs unnecessary costs!”

Those words were Charlie McCreevy's, EU Single Market Commissioner, as he opened a public hearing in Brussels in late 2006 on the future of the Single Market and how to make it complete.

The dismantling of national barriers for European business and trade has been a successful exercise according to McCreevy, but there were shortfalls, i.e. coming a long way in goods but achieving less progress in services.

Commissioner McCreevy admitted that obstacles to functioning markets were not just legal but rather based on the segmentation of infrastructures and networks, such as regulatory fragmentation, and also from anti-competitive practices. Therefore, McCreevy concluded, legal harmonization was not the way forward. Rather what needed to be done was to analyze areas to detect where barriers exist on the ground.

The fact is that legislation which was passed and adopted was of little use if not transposed by the member states. This was evident, McCreevy said and pointed out that, “it is one thing to shape policies, but it is yet another to make sure they are properly implemented and applied on the ground”.

Leif Hallberg



Charlie McCreevy

the Single Market

even implementation of EU legislation throughout the 27 member states, otherwise it will only lead to distortion. The member states must be even more active in enforcing implementation.

As Europe encounters even stronger challenges on the globalized market, it is becoming an adamant demand that the EU gets its economic act well together. But how can the Lisbon Program be turned into a real winner? Is it still alive? Are the present signs of economic recovery in Europe really assuring?

Those are some key questions for the EU Commission as it sets itself this spring to a forward-looking and fundamental reflection on its Single Market policy.

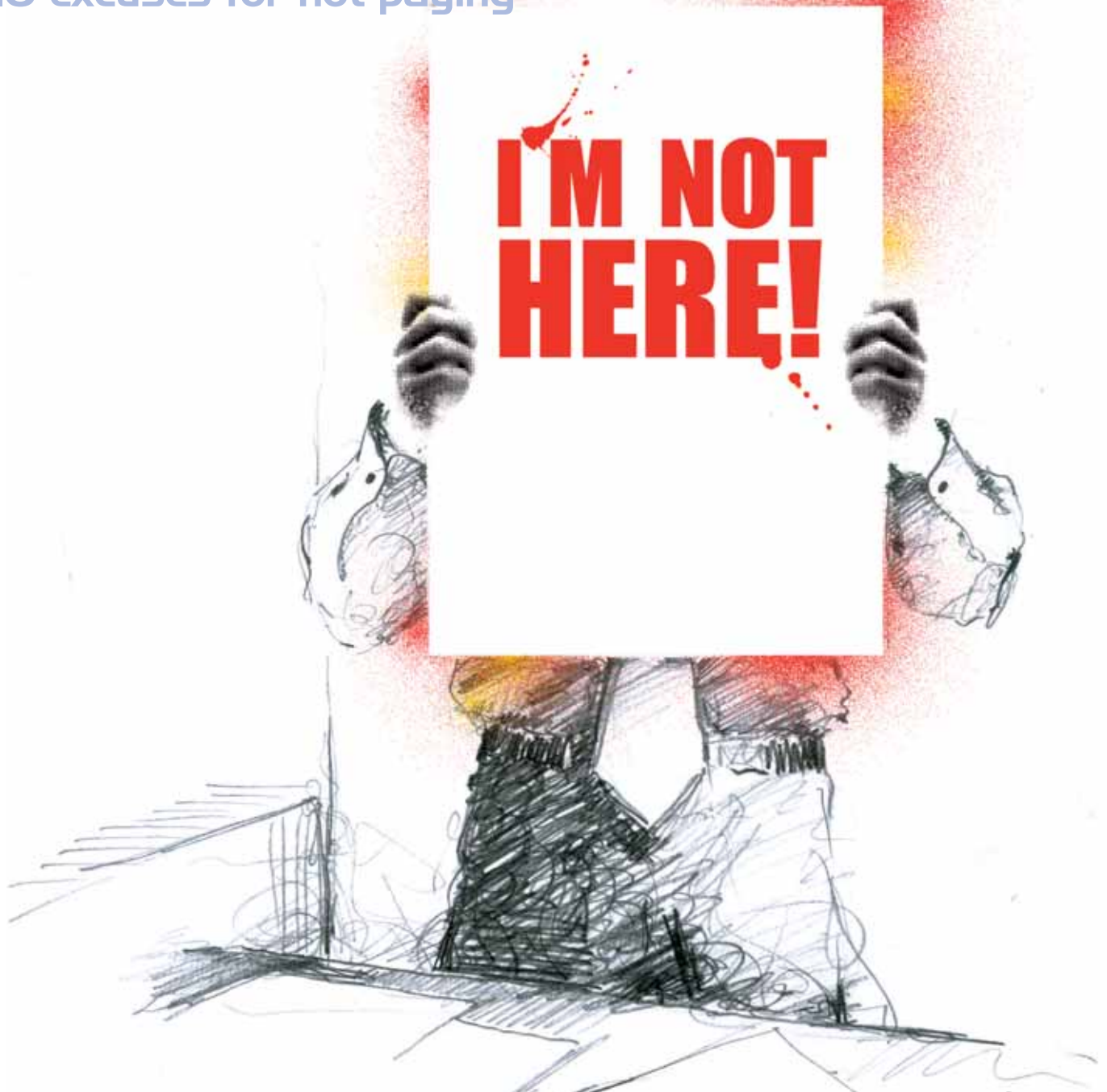
“The EU Commission must come up with a good formula on how to better consult and communicate on the Single Market,” says Hallberg. “It is of critical importance that more EU citizens and companies know about their

Single Market rights and benefits. This means that both the Commission and legislators need to communicate better with consumers, business, and not least, with SMEs, trade unions, and other stakeholders who today don't feel sufficiently involved in Single Market policy-making.”

It is also urgent that the Commission identifies which tools must be used to successfully tackle the remaining barriers and inefficiencies in the Single Market. What lessons could be learnt from new regulatory methods? What alternatives to regulation should be further explored?

Another crucial question is how the Commission and the member states can make sure that the Single Market will effectively work better in practice, i.e. through improvement of the judicial enforcement.

“The policy road map for the completion of the EU's Single Market seems as interesting as the achievements so far,” concludes Hallberg.



Who said I was in?

Normally, people deliver truthful explanations for not paying the bill on time, but some stories seem too good to be true. Find out below from the experts at Intrum Justitia how to deal with false excuses without damaging a commercial relationship with a customer.

Not available

1 'The person in charge of creditors' administration is not in the office this week. Will you call back or shall I leave a message?'

Response: Don't accept this attempt to buy time, instead suggest politely that you want to speak to the head of the department or, if necessary, with the manager.

A problem with the product

2 'There are problems with what you have delivered. We have a whole shopping list of complaints. We need to solve these problems before we pay you.'

Response: Respond by saying how odd it is that the client has made no earlier mention of problems concerning the product or service delivered, nor has she/he asked for compensation. Reject the argument politely.

Waiting for money to come in

3 'We are waiting for late payment from a very big customer. As soon as we receive their money, you are the first on our list...'

Response: It is not your problem (yet) your customer has financial problems. So, you need to act fast. Demand your money and add weight to your claim by confirming it in a written letter sent via registered mail. Be strict and severe – and ensure your outstanding invoice is the first to be paid.

We never got the goods

4 'We placed the order for these goods with your company, but we never received them.'

Response: You should always have a signed receipt or proof of the shipment of the goods when you call to chase an unpaid invoice. Therefore, when faced with this argument you can confront the customer with them.

We didn't like your offer

5 'We disagreed with the offer we received from you for the delivery of these goods or services.'

Response: Inform the client that in that case the goods should have been returned in line with the stated 'return goods' period. Draw your client's attention to the fact that this term has since expired.

It's in the mail

6 'It's really a coincidence that you call now! The amount has been transferred today. You will receive it in a couple of days.'

Response: What a strange coincidence! If uncertain, ask for a written confirmation of this fact. If there is a problem, you can assume there will be no payment coming your way. To be really sure, wait a few days and then take further measures.

The invoice never arrived

7 'We don't understand why you send us reminders about an invoice we never received. Can you resend the invoice?'

Response: Does this client normally pay his invoices in time, if so send a copy of the invoice without further discussion. Does this happen more often, or is it the first order? Ask the company why they did not make contact themselves when they received the first reminder. Send the invoice again with the last reminder and specify that you will take further measures if the client does not pay within the time limit.

Your product has caused damage

8 'By using/applying your product, we have suffered some serious damage. We are now consulting our lawyers about possible measures.'

Response: Ask why this is the first you have been told about this. Try to get some details and give them to your legal advisor. He or she can advise you about what measures to take.

Must be a mistake at the bank

9 'We don't understand why you did not yet receive your money. Maybe there was a mistake at the bank. We will try to find out and get back to you.'

Response: Banks have been known to transfer funds to a wrong bank account number, but it is a rare event. Ask if the customer can fax proof of the payment order. If he or she is unwilling to do this, you can assume that the payment order has not yet been given.

We had an agreement with your colleague

10 'We have agreed by telephone with one of your colleagues that we would receive a credit note for a percentage of the amount.'

Response: Ask with whom this agreement has been made and when – and check with all your colleagues, just to be sure. If no one in the company is aware of this agreement, send a last reminder by registered mail.

Questions and answers compiled by Veerle van Mierlo, Intrum Justitia Belgium.

EXCUSE OF THE MONTH

"My husband cannot sign any cheques at the moment. He is in hospital with two broken arms and two broken legs."



commentary

Moving money across borders

“Do you have any idea of the opportunities that would open up if we could start selling in a market which is ten times the size of ours?”

My colleague and I have different roles within our company. He is an inveterate optimist and I believe in good sense, caution and moderation. OK, I admit it, I’m a pessimist.

“There are huge sums of money just lying around waiting to be spent.”

“Exactly,” I said. “Lying around and waiting is just what they’re doing. You don’t have any idea of the bureaucratic jungle you have to fight your way through when you try to move money across borders.”

“What do you mean? We send an invoice and the people at the other end just pay the money into our account.”

“True, but we have to hope that they can and will pay. What do we do if they don’t? Well, we contact them and they say that they paid the invoice ages ago and that they have proof of payment. So then we have to come to grips with the world of Swift, UTLI, SISU, SPISU, Interpay, SUS, DUS and JACKASSES.

And then it turns out that they did pay our invoice, but they quoted the IBAN number SE391001000000000076677667 instead of SE391001000000000076676767.”

“How lucky that it all worked out in the end!”

“That was just one example. Imagine the risks involved in a system that’s so

bureaucratic and complicated. And, of course, the problems always happen just when you need them least, like when we were visiting customers in Argentina last year. We checked in advance which of our credit cards the hotel in Mendoza would accept. One of them was OK, so it wasn’t a problem. Or that’s what we thought. But when we came to check out, your card didn’t work and neither did mine. It turned out that the cost of the airplane tickets for our next trip had been deducted in advance so that we could get a better ticket price and we’d reached our credit limit. What were we supposed to do?”

“Well, it wasn’t a problem. One of our customers paid the bill with his card.”

“I’m not saying that it was a big problem, but it does show how vulnerable we are when we’re faced with these big, complex systems and something goes wrong or we don’t think through the consequences of all our decisions. Despite the fact that it all turned out OK, for a while there we were in quite an unpleasant situation. What do you think would have happened if we hadn’t been able to pay?”

“Well, the customer would have given us his IBAN number and we would have paid when we got home.”



Commentary: Dr. Guy Wise

Profession: Professional printer and publisher of Now & Again

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