Credit Engine, Inc.

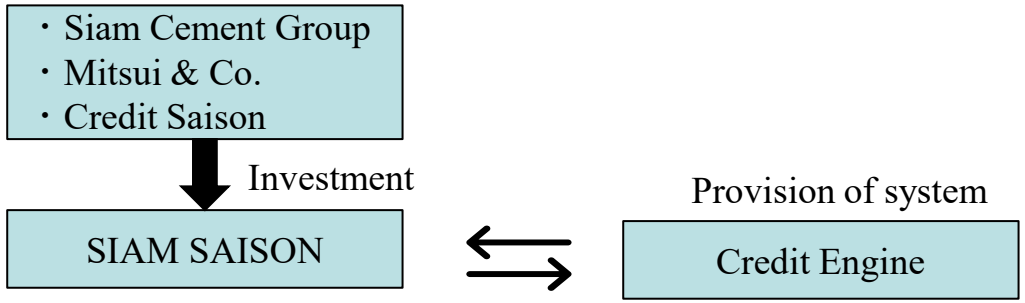
Digitalization of Lending and Debt Collection Processes to Achieve Financial Inclusion in Thailand

Objective of the project

Credit Engine Co., Ltd. provides an automated debt collection system to SIAM SAISON in Thailand, where manual debt collection is still the mainstream method of debt collection. Credit Engine introduced this system, which has been well received in Japan for its high debt collection rate and UI/UX, to encourage voluntary debt management, thereby reducing the cost of debt collection. The system is also expected to contribute to solving issues in financial inclusion in Thailand and to automating and visualizing debt collection operations in the financial industry as a whole.

Cooperation with local companies/governments

- Cooperation Partner: SIAM SAISON Co., Ltd.
- Content of cooperation/partnership: Introduction of our debt collection system. The system also supports local languages, adds a QR code payment function, and visualizes the status of demand for payment.



Targeted economic/social issues

1. Background: Manual phone calls and visits are still the mainstream debt collection method in Thailand, and the inefficiency and low customer reach rate have been issues. In addition, there is space for improvement, given a notable lack of visualization of collection operations and consumers' resistance to the existing financial system.

2. Business Objectives: Our system provides "Borrower's Page" that allows borrowers to manage and repay their own loans, thereby streamlining back-office operations, reducing operation costs, and reviewing credit through accumulated data.

3. In recent years, debt collection systems utilizing AI and data analysis have been introduced worldwide. As a result, it is recognized worldly that the introduction of such systems can contribute to improved customer experience and higher collection rates. In Thailand, 40% of the low-income population borrows from underground moneylenders, and the problem of multiple debts is becoming more serious. Although the digital transformation for bank loans is expanding, the actual loan utilization rate remains low at 35%. It is expected that our system will contribute to the reduction of operation costs and credit review, as well as to the expansion of financial services to low-income groups, by improving the efficiency of debt collection operations.

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Demonstration period

September 2023 – August 2024

Details of demonstration

1. Outline of the POC: An automated debt collection system was provided to SIAM SAISON in Thailand, and its effectiveness was verified. Our system enables small and medium-sized enterprises (SMEs) to manage and repay their debts by themselves through Borrower's Page, which is automatically created for them. It was aimed to improve SIAM SAISON's business operations, lower operation costs, and review credit through data accumulation.
2. Outline of Implementation: When introducing the system, the following measures were taken in consideration of the local characteristics.

- Manuals were prepared in Thai.
- Introduction of QR code payment, which is widely used in Thailand, to the customer screen.
- Visualization of operations by recording the approach method, date, and time for each customer and combining them with manual responses.
- Lectures on the system usage flow.
- Localization of customer screens, including date formatting for the Buddhist calendar. In parallel, data analyses were conducted and improvement measures were implemented.

Project outcome/future plans

1. Results and Analysis: As a result of this demonstration experiment, the number of contacts with borrowers increased, the number of phone calls increased, and the cost of calls was reduced. In addition, customer analysis was conducted using the data provided by SIAM SAISON, and data-based implementation support was provided, including the use of the data to implement policies and measures. However, during this experiment, the access rate to the system was about 30% as expected, but the expected increase in payment commitments was not achieved. Nevertheless, we believe that this was a step toward understanding the issues encountered in providing the system overseas and a foothold for future overseas business development.
2. Future Plans: We are continuing discussions with SIAM SAISON toward the full-scale introduction of the system, and are considering and proposing solutions that reflect the national character and actual conditions in Thailand. Established a representative office in Thailand in August 2024. We have begun building a system that will enable us to propose more localized solutions to local companies. We also plan to increase opportunities to introduce and implement our system in Asian countries other than Thailand.