

# Building trust & improving business outcomes:

## *Why community engagement matters in credit management*

By Hannah Cook MICM\*

**Credit management has evolved from mechanical account chasing to a strategic, human-centred discipline. Organisations that embed community engagement into their credit strategies not only enhance customer outcomes, they strengthen business performance.**



Hannah Cook MICM

Behind every overdue bill is a person, often facing financial stress or vulnerability. Leading organisations are shifting towards empathy-driven practices. When businesses actively listen and connect with

individuals' realities, repayment becomes a shared goal, not a confrontation.

Empathy doesn't mean compromise. Honest dialogue fosters early disclosure of difficulty, enabling flexible repayment plans that reduce default risk. This proactive approach boosts recovery rates and curtails costly legal escalations. Moreover, ethical practices reinforce stakeholder trust and position businesses ahead of regulatory expectations.

Recoveriescorp exemplifies best practice by blending

*“When businesses actively listen and connect with individuals' realities, repayment becomes a shared goal, not a confrontation.”*



“Early-intervention initiatives equip individuals, advocates, and staff with tools to manage finances effectively.”

community engagement with ethical recovery strategies:

### Financial literacy & education

Early-intervention initiatives equip individuals, advocates, and staff with tools to manage finances effectively.

### Non-profit partnerships

- *Thriving Communities Australia* – Co-designing inclusive financial solutions.
- *ICAN Learn* – Scholarships for Indigenous Australians, cultural competence training

& RAP consultancy.

- *DV Safe Phone* – Donating repurposed mobiles to domestic violence survivors.
- *The Salvation Army* – Financial counselling and staff volunteering.
- *Ability Options* – Trauma informed practice training.
- *Respect & Protect* – Zero-tolerance clauses on financial abuse in client contracts.
- *South East Community Links* – Attending “Bring Your Bills” events that assist hundreds with debt relief.
- *Fitted for Work* – Empowering

women & gender-diverse individuals through employment readiness.

### Reconciliation action plan

Strengthening cultural safety and diversity through a Reflect RAP.

### Leadership in practice

Recoveriescorp empowers its Principal Community Advocate to champion these initiatives, creating space for new ideas and listening. This work has given staff renewed purpose and pride to work in the sector. ▶

### What about AI?

Rather than replacing human judgment, AI enhances it, identifying early signs of financial stress, predicting hardship risk and surfacing tailored support options before customers reach crisis point.

This allows organisations to intervene earlier with empathy-led solutions, not enforcement. AI-driven insights also help reduce bias by prompting consistent, data-informed decisions, while freeing frontline teams to focus on highvalue human interactions where compassion and cultural sensitivity matter most.

Importantly, responsible use of AI must go hand-in-hand with

transparency, strong governance and human oversight. When deployed thoughtfully, AI becomes a powerful enabler of fairness, accessibility and better outcomes for customers and businesses alike, supporting a more inclusive, communitycentred credit ecosystem.

### Tangible outcomes

Community engagement delivers measurable benefits:

- 1. Enhanced Recovery Metrics** – Empathetic approaches improve repayment performance.
- 2. Risk Mitigation** – Reduces reputational risk and legal escalation.
- 3. Regulatory Advantage** –

Supports compliance with evolving standards.

### 4. Employee Engagement

– Purpose-driven training fosters respectful customer interactions.

### Simple Initiatives to get started

- 1. Turn Up** – Engage with Financial Counselling Australia and attend conferences to build relationships and insights.
- 2. Volunteering Matters** – Coordinate programs that align with your business values.
- 3. In-Person Interactions** – “Bring Your Bills” days offer invaluable customer insights.
- 4. Networking** – Build connections across corporate, government, and community sectors.
- 5. Cultural Change** – Start the journey; internal change takes time but pays off.
- 6. Hire Wisely** – Credit managers set the tone for reputation and outcomes.
- 7. Engage Business Partners** – Include them in your cultural strategy.
- 8. Business Customers** – They must be part of your hardship strategy and offering to minimise bad debts.

“Rather than replacing human judgment, AI enhances it, identifying early signs of financial stress, predicting hardship risk and surfacing tailored support options ...”



### Looking ahead

As economic headwinds persist, resilience in credit

management will be defined by humanity. Engagement through partnerships, education and vulnerability-informed practice strengthens both individuals and organisations. Recoveriescorp's model proves financial inclusion and ethical collections are mutually reinforcing.

By prioritising trust and community, credit managers can transform debt recovery into shared value: restored financial health, stronger community ties, and sustainable business outcomes.

Contact: Readers of this AICM edition are welcome to reach out for a one-on-one discussion. I'm happy to help with your strategy and connecting you with some great people. Email [hannah\\_cook@recoveriescorp.com.au](mailto:hannah_cook@recoveriescorp.com.au) to schedule a time.

**\*Hannah Cook MICM**

Principal Community Advocate  
Recoveriescorp  
T: 0417 545 766  
E: [hannah\\_cook@recoveriescorp.com.au](mailto:hannah_cook@recoveriescorp.com.au)  
Level 4, 333 Collins Street,  
Melbourne VIC 3000  
[www.recoveriescorp.com.au](http://www.recoveriescorp.com.au)

“Engagement through partnerships, education and vulnerability-informed practice strengthens both individuals and organisations.”



## MEET CREDDO

Your **AICM**  
Knowledge  
Assistant

Try asking me questions like

“Creddo, can you provide a refresher on PPSA”

ASK CREDDO

