



B Lab Statement on COPERVA's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for debt collection agencies in emerging markets:

"Companies in the debt collection industry in emerging markets are eligible for B Corp Certification with additional review by the Standards Advisory Council to ensure they are proactively managing and demonstrating leadership on the material sensitive issues in the industry as outlined in the position statement, AND, if determined to be eligible, incremental disclosure on their B Corp Profile about how they do so."

COPERVA is required to disclose a summary of its practices in the areas of Ethical Treatment of Borrowers and Data Accuracy, Privacy and Security as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's position statement on Debt Collection Agencies in Emerging Markets and B Corp Certification [here](#).

Summary of company

[COPERVA](#) is a company based in Mexico with 122 employees, offering three key services: Attention to Clients, Debt Collection & Telemarketing. Debt collection constitutes ~75% of the company's annual revenue. The company operates its own call centers and provides various debt collection services to its clients, including telephonic/sms collections (constituting ~85% of operations) and field collections (constituting 10-15% of operations). Their mission is *"The Best Talent, The Best Technology, The Best Results"*; and their values are Loyalty, Innovation, Quality, Excellence and Adaptability. The company does not buy or sell debt.

COPERVA's Policies and Practices

Consumer Protection Policies and Practices

COPERVA's debt collection is primarily focussed on negotiation on behalf of the creditor. The company abides by the national regulation of CONDUSEF (National Commission for the Protection and Defense of Users of Financial Services). As a best practice, COPERVA also proactively follows the US Fair Debt Collection Practices Act (FDCPA) as a guideline, even though this is neither required by law nor by any of their clients. COPERVA has the following policies that seek to address the industry risk of unethical treatment of consumers:

- A Code of Ethics aimed at compliance with regulations set forth by CONDUSEF, ABM (Association of Mexican Banks) & PROFECO (the Federal Prosecutor's Office of the Consumer), which outlines the company's obligations towards debtors and the public in general and the acts that are prohibited.



- All pertinent policies related to collections procedures, include a reference to the US FDCPA.
- COPERVA is a voluntary signatory to the [Code of Ethics](#) of the Association of Collection Professionals and Judicial Services ([APCOB](#)) that iterates specific practices to avert unethical treatment of debtors. COPERVA is also a member of the European Federation of Collection Association (FENCA) and the American Collection Association (ACA) with the objective of staying permanently informed about potential improvement.
- COPERVA relies heavily on technology to optimize the process of collection (e.g. application for field collection, predictive dialling, call recording, etc.)

Following are some specific practices / guardrails, for carrying out the collections process that are stipulated in COPERVA's telephonic collection policy document which are also applicable for other means of collection such as SMS, WhatsApp and field collections:

- Employees are prohibited from calling the debtors before 7 am and after 10 pm in the location of the debtor.
- Employees should not call debtors in their place of work if the employer of the debtor prohibits the same.
- If the debtor pays their debt or if they request the debt collector to cease future communications, the employee should stop except in specific circumstances.
- Employees are prohibited from harassing or abusing the debtors which includes:
 - Utilization of violence for harming the debtor, their reputation or their property as well as utilisation of profanities or obscene language.
 - Publishing lists of debtors that refuse to pay their debt
 - Repeatedly calling the debtor
 - Threatening to sell the debt to another entity or threatening the debtor that they could be incarcerated
 - Not identifying oneself or identifying oneself falsely as being from another institution (e.g. a government institution, or a law firm)
 - Communicating false information regarding the nature, origin, status of the debt being collected
 - Acquiring the identify of the debtor by deploying spurious means
- Employees are prohibited from deploying any unjust practices during debt collection i.e. charging a commission / interest, communication regarding forceful acquisition of the debtors' assets which are prohibited by law.
- Collection management is done only through the recorded media provided by COPERVA. Each computer carries modules on call structure and the script which each employee is required to follow.
- Employees are prohibited from accepting gifts/money from any debtor



Specifically for field collections, besides having a policy & procedure document, the company utilises an application that was developed in-house called [ENCOBER](#) to help in gathering pertinent information about the visits and controlling the visits. This information is audited in accordance with the field collection policy & procedure document. However, besides a general supervisor, COPERVA does not have specific audit teams or efforts focussing on field collections nor does the company gather feedback from the pertinent debtors. Instead, the company relies on their clients to communicate any complaints to COPERVA from the debtors.

To support the implementation of these policies and procedures, COPERVA has a Project Management Office (PMO) that is responsible for redacting and updating policies and conducting internal audits to check compliance with those policies. All the calls and messages are scripted and have termination protocols. Call recordings are used to train employees in the collection team on good and bad practices. Employees are trained during induction and thereafter every week the call quality is monitored and in the event of any non-compliance or an opportunity for improvement, specific training is conducted with the pertinent employee based on their evaluation. COPERVA also has outlined sanctions for digressions from good practices including dismissal of employees depending on the circumstances. Even though performance evaluation criteria may vary based on guidelines provided by the client, in general COPERVA utilizes a balanced scorecard approach by evaluating employees on three key aspects: collection amount, time spent on service and quality which factors ethical treatment of debtors.

COPERVA uses a multi-channel approach for contacting debtors consisting of text messages, whatsapp messages, and calls, which reduces the risks of embarrassment, misunderstandings, intrusion and other problems resulting from a high reliance on person-to-person interaction.¹ The company utilizes a software for predictive dialling that helps in planning efforts based on debtors' information and thereby tries to build efficiency in the process of collection.

Debtors that would like to lodge a complaint about any unethical behavior by COPERVA's employees can do so through designated government channels (i.e. [CONDUSEF](#), [AMB](#), [PROFECO](#)) or they can also reach out to the company on their [contact line](#). In the event of such a complaint, COPERVA reviews the same and defines a severity for it and then decides appropriate next steps. Any lessons learnt are formally documented to prevent future occurrences.

COPERVA's collection management policies and activities are overseen and signed by their Board of Directors. Further, COPERVA's project management office that is

¹ CGI (2017), Customer Satisfaction, Cost Savings, Performance Improvement: A Clear Case for Moving to Multi-Channel Collections, Retrieved from <<https://www.cgi.com/sites/default/files/white-papers/multi-channel-collection.pdf>>



responsible for the policies and audits operates independently from its collections team, with each of these teams having their own directors.

Data privacy and security policies and practices

COPERVA has a data traceability and security policy which emphasizes the protection of data availability, confidentiality and integrity while outlining specific practices and expectations including those in the event of any lapses. Further, employees that make calls and communicate with debtors are prohibited from carrying items such as paper, pens & USB ports to the desks.

COPERVA’s information security management systems are ISO 27001 certified and they conduct both internal and external audits in alignment with the norms of the certification. During internal audits, the internal audits team (i.e. PMO members and employees from different areas), validate the information required by the company policies and processes, and prepare an Audit Report with their findings which are reviewed and authorized by the company’s directors.

COPERVA does not work with companies that purchase debt and then subcontract it to collection agencies.

The following table describes COPERVA's control practices for the collection process against some of the areas outlined in the IFC report² on Responsible Debt Collection in Emerging Markets .

	COPERVA's practices
COLLECTIONS POLICY - Policy coverage	Corporate social responsibility, reputational risks and customer relationship are viewed on par with collections efficiency
COLLECTIONS POLICY - Top management involvement	Board committee approves collections policy
PROCESS MANAGEMENT - Field collections	<ul style="list-style-type: none"> ● Low reliance on field ● No cash handling ● Field collection utilised only if client requests it
PROCESS MANAGEMENT - Phone collections	<ul style="list-style-type: none"> ● High reliance on phone ● All calls scripted, call termination protocol ● Predictive dialling

² International Finance Corporation (2012), *Responsible Debt Collection in Emerging Markets*, Retrieved from <https://www.ifc.org/wps/wcm/connect/587d25004a9f117795ebfdeec99f439e/Responsible+debt+collection-Final.pdf?MOD=AJPERES>



	<ul style="list-style-type: none"> • Training using call records
EMPLOYEE SKILL MANAGEMENT - Hours of training a year	<ul style="list-style-type: none"> • ~52 hours
EMPLOYEE SKILL MANAGEMENT - Training on ethical collections	<ul style="list-style-type: none"> • ~10 hours
EMPLOYEE SKILL MANAGEMENT - Qualification & average experience	<ul style="list-style-type: none"> • High school, 6 months experience, adult age, and approving grade in psychometric test
EMPLOYEE SKILL MANAGEMENT - Field collector background check	<ul style="list-style-type: none"> • The overall hiring process at the company includes a confidence test, psychometric test, and a reference check of the potential employee utilising the list of collaborators with legal issues (published by APCOB association).
EMPLOYEE SKILL MANAGEMENT - Performance evaluation	<ul style="list-style-type: none"> • Balanced scorecards with financial and process elements • Severe penalties for transgressions
MONITORING SYSTEMS - Phone Collection	<ul style="list-style-type: none"> • Calls are recorded and monitored • Centralized open floor call centers with tight supervision
MONITORING SYSTEMS - Field collections	<ul style="list-style-type: none"> • GPS used to track collectors • Collectors visit customer alone therefore no peer oversight • No random customer visits conducted by Audit team for gathering debtors' feedback
PROCESS INNOVATION	Utilization of systematic and analytical tools that help collectors assess borrowers' circumstances and choose approaches aligned to the customers' ability and willingness to repay in order to maximize recoveries while minimizing the chances of mistreatment.