



KREDCOR

How to Vet and Appoint Debt Collectors in South Africa

The 12-Point Due Diligence Checklist

The definitive decision-making guide for South African business owners, CFOs and credit managers who need to appoint the right debt collection partner — the first time

Published by Kredcor Commercial Debt Recovery Partners
Gauteng • Cape Town • KwaZulu-Natal • Africa • Global
www.kredcor.co.za • 010 500 4640 • landi@kredcorgroup.com



Executive Summary

Appointing the wrong debt collector is one of the most expensive mistakes a South African business can make. The consequences range from lost recoveries and damaged client relationships, to legal liability, POPIA breaches, and reputational harm that can take years to repair.

Yet the 2026 Kredcor Annual Survey reveals a startling disconnect: while 91% of South African businesses say CFDC registration is “very important” when appointing a debt collector, only 38% actually verify it before signing a mandate. Across every due diligence criterion, South African businesses consistently say one thing and do another — with predictable consequences for their recovery outcomes.

This white paper is designed to close that gap permanently. It provides a comprehensive, practical, legally-grounded 12-point due diligence framework for vetting and appointing any debt collection firm in South Africa.

It covers:

- The complete 12-point checklist, with detailed guidance on each point
- The critical red flags that identify an unethical or incompetent collector before you sign
- The questions every CFO and credit manager must ask before appointing
- What your mandate agreement must contain to protect your interests
- How to manage and monitor your collection partner on an ongoing basis
- How the right appointment decision translates directly into better recovery outcomes

“The appointment of your debt collection partner is one of the most consequential credit management decisions your business will make. It deserves the same rigour you would apply to appointing an auditor, an attorney, or a key supplier. This checklist ensures you get it right.”

— Landi Maritz, Kredcor Commercial Debt Recovery Partners



1. The Stakes: Why This Decision Matters

1.1 The Cost of Getting It Wrong

The appointment of a debt collector is not an administrative formality.

It is a decision that directly determines:

- **What percentage of your outstanding debt you will recover**
- **How quickly that recovery will happen**
- **Whether your client relationships survive the collection process**
- **Whether your business is exposed to legal liability through the conduct of your agent**
- **Whether your debtors' personal information is handled lawfully under POPIA**
- **Whether the fees charged comply with the CFDC tariff, or expose you to civil claims**

In South African law, a creditor can be held vicariously liable for the unlawful conduct of a debt collector acting on their mandate. This means that when you appoint a collector, you are not merely engaging a service provider — you are extending your own legal personality into the collection process. Their conduct becomes, in a real legal sense, your conduct.

1.2 The Due Diligence Gap: What SA Businesses Say vs What They Do

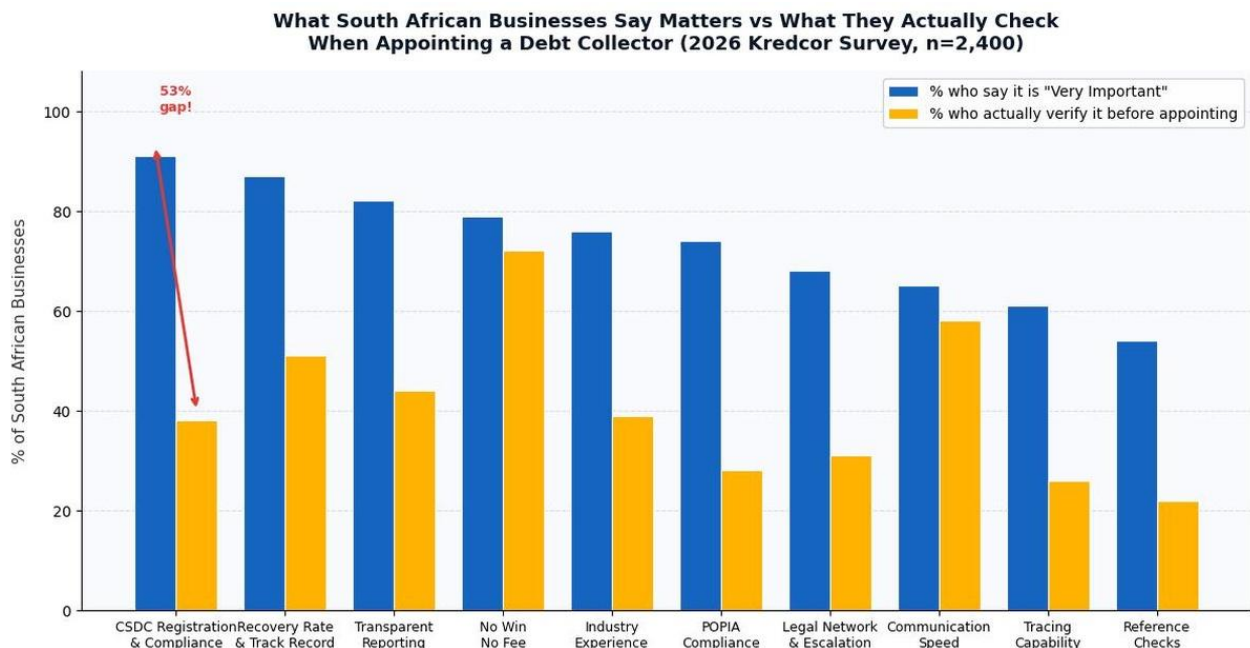


Figure 1: What SA Businesses Prioritise vs What They Actually Check Before Appointing | Kredcor 2026



The data reveals a consistent and costly pattern. The criteria that businesses rate as most important — CFDC registration, recovery track record, transparent reporting — are precisely the criteria they are least likely to verify in practice. The consequences of this gap are measurable and significant.

1.3 Vetted vs Unvetted: The Outcome Difference

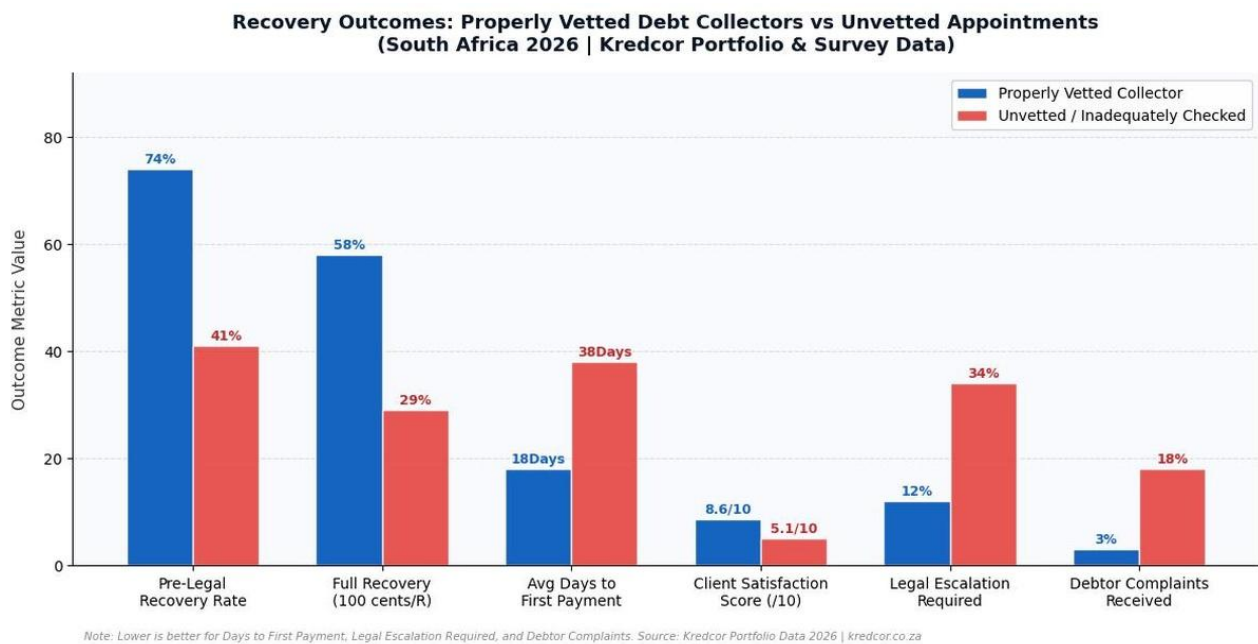


Figure 2: Recovery Outcomes — Properly Vetted vs Unvetted Debt Collector Appointments | Kredcor 2026

The data is unambiguous. Businesses that apply rigorous due diligence before appointing a debt collector achieve a pre-legal recovery rate of 74%, compared to 41% for those that appoint without proper vetting. They receive the first payment in 18 days on average, versus 38 days. They receive three times fewer debtor complaints. The investment in proper due diligence pays for itself many times over, on every single mandate.



2. The 12-Point Due Diligence Checklist

Work through each of the following 12 points before appointing any debt collection firm in South Africa. Do not proceed with an appointment until you have satisfactorily verified every applicable point.

THE 12-POINT DUE DILIGENCE CHECKLIST
How to Vet and Appoint a Debt Collector in South Africa | kredcor.co.za

01 CSDC Registration & Fidelity Fund Certificate VERIFY	02 Industry & Sector-Specific Experience VERIFY	03 Client Portal & Technology Transparency VERIFY
04 Commission vs CSDC Tariff Compliance VERIFY	05 Tracing Capability & Success Rate VERIFY	06 POPIA Data Compliance Policy VERIFY
07 Legal Escalation Network & Attorney Ties VERIFY	08 Verified Client References from Your Industry VERIFY	09 Code of Conduct & Debtor Interaction Policy VERIFY
10 Reporting Format & Frequency Standard VERIFY	11 Communication Speed & Responsiveness VERIFY	12 Mandate Agreement Review VERIFY

Kredcor passes all 12 points. Contact us for a no-obligation review of your debtors book.
www.kredcor.co.za | 010 500 4640 | landi@kredcorgroup.com | WhatsApp: +27 83 518 0511

Figure 3: The 12-Point Due Diligence Checklist | Kredcor 2026



POINT 1 CFDC Registration & Valid Fidelity Fund Certificate —

Non-negotiable legal requirement

The Council for Debt Collectors (CFDC) is the statutory body established under the Debt Collectors Act 114 of 1998 to register and regulate every debt collector operating in South Africa. A collector who is not registered with the CFDC, and who does not hold a valid, current Fidelity Fund Certificate (FFC), is operating illegally.

Appointing an unregistered collector exposes your business to significant risk: the mandate may be unenforceable, fees charged to debtors may be unlawful, and you may face civil liability for the collector's conduct. There is no legitimate reason for a professional collector to be unregistered.

- Request the collector's CFDC registration number and the name as registered with the CFDC
- Verify the registration independently at www.cfdc.org.za — do not rely solely on the collector's self-declaration
- Confirm that the Fidelity Fund Certificate is current — FFCs are renewed annually and an expired certificate means lapsed registration
- Check that the registration covers the type of collection you require (there are different registration categories for different collection activities)
- If the firm has multiple collectors, confirm that all collectors working on your accounts are individually registered

✓ **KREDCOR:** Kredcor holds full CFDC registration for all active debt collectors. Our current Fidelity Fund Certificate is available on request. Our CFDC registration number is provided in our mandate agreement.



POINT 2 Industry & Sector-Specific Experience — *Expertise in your sector is a material advantage*

Debt collection is not a generic service. A collector who excels at recovering consumer retail debt may lack the specialist knowledge to navigate a construction contract dispute, a professional services receivable, or a cross-border trade debt. The legal frameworks, debtor psychology, documentation requirements, and negotiation dynamics differ materially across sectors.

Ask every potential collector to demonstrate specific, documented experience in recovering debt from the industry or sector where most of your debtors operate.

- Request case studies or examples of collection work in your specific industry — not just general commercial debt
- Ask about their understanding of the specific documentation typical in your sector (e.g. construction: retention agreements, payment certificates; professional services: engagement letters, time records)
- Enquire whether any of their collectors have prior experience working in your sector, not just collecting from it
- Ask how many current clients operate in your industry — a collector with a significant book in your sector will have superior insight into debtor behaviour and appropriate escalation thresholds
- For cross-border or Africa-wide recovery, ask specifically about their international collection capability and affiliate network

✓ **KREDCOR:** Kredcor has deep specialist experience in commercial debt recovery across construction, manufacturing, professional services, transport, wholesale trade, healthcare and agriculture. Our Africa and global desk handles cross-border mandates in over 40 jurisdictions.



POINT 3 Client Portal & Technology Transparency — *You must be able to see exactly what is happening, always*

One of the most common complaints about debt collectors in South Africa is poor communication and lack of visibility. You hand over R500,000 in debtors and then hear nothing for weeks. You cannot tell which accounts have been contacted, what the debtor said, or whether any promises to pay were received. This opacity is unacceptable and avoidable.

A professional, modern debt collection firm in 2026 should provide you with real-time visibility into your entire collection portfolio through a secure, web-based client portal. This is not a luxury — it is a baseline competency.

- Request a live demonstration of their client portal before you sign — not just a screenshot or brochure
- Confirm that you can view every account in your portfolio, with the current status, most recent activity, and collector's notes
- Ask whether the portal shows payment promises, dispute flags, and trace status in real time
- Confirm how new files are loaded — online upload, spreadsheet, or API — and what the turnaround time is from upload to first collector contact
- Ask whether management reports are automated or manually generated, and at what frequency
- Clarify whether you will be notified automatically when a payment is received or when a matter is escalated to legal

✓ **KREDCOR:** The Kredcor client portal provides real-time visibility into every account in your portfolio. You can view status, collector notes, payment promises, and payment history at any time. New files can be uploaded online. Management reports are generated automatically.



POINT 4 Commission Structure vs CFDC Tariff Compliance — *Know exactly what you will pay — and whether it is lawful*

The CFDC prescribes maximum fee tariffs for registered debt collectors. These tariffs set the ceiling on what collectors may charge — both to the creditor (as commission) and to the debtor (as collection costs). Charging above the tariff is a criminal offence under the Debt Collectors Act.

Many South African businesses sign collection mandates without fully understanding the fee structure. Some collectors obscure their fees in complex schedules, charge add-on fees not disclosed upfront, or structure their agreements in ways that result in the creditor receiving less than expected. Clarity on fees before you sign is essential.

- Request a written, itemised fee schedule before signing any mandate
- Verify that the commission rates do not exceed the CFDC maximum tariff for the relevant account age and size
- Clarify whether there are any upfront fees, admin fees, file loading fees, or tracing fees separate from the contingency commission
- Ask explicitly: "On a R100,000 account recovered in full, what will you earn and what will I receive?" — if the answer is unclear or evasive, walk away
- Confirm how fees are disbursed: does the collector deduct their commission before remitting to you, and on what frequency?
- Ask whether legal fees (attorney costs) are included in the contingency, or charged separately — and if separately, on what basis

✓ **KREDCOR:** Kredcor operates on a transparent contingency fee model. Our commission rates are fully compliant with the CFDC tariff. We provide a written fee schedule with every mandate. Legal escalation costs are discussed and authorised before any legal action is taken.



POINT 5 Tracing Capability & Success Rate — *If they can't find your debtor, they can't recover your money*

Tracing — the process of locating a debtor who has moved, changed contact details, or deliberately made themselves difficult to find — is one of the most critical capabilities of any South African debt collection firm. In Kredcor's 2026 survey, 24% of bad debt accounts involved a debtor who could not be located at the address on file. For rural and semi-urban accounts, this figure rises to 38%.

A collector with weak tracing capability will mark these accounts as irrecoverable and write them off. A collector with strong tracing infrastructure will locate the debtor and resume collection. The difference is money in your bank account.

- Ask specifically: "What tracing tools and databases do you use?" — reputable collectors use ITC/TransUnion, Experian, Home Affairs data (where lawfully accessible), and specialist tracing bureaux
- Ask for their tracing success rate as a percentage of accounts referred for trace
- Confirm that their tracing processes comply with POPIA — data obtained through tracing must be processed lawfully
- Ask whether tracing is conducted in-house or outsourced, and if outsourced, to which firm
- Ask how quickly a trace is initiated after a debtor becomes uncontactable — the sooner, the better

✓ **KREDCOR:** Kredcor operates a dedicated in-house tracing division with access to multiple commercial credit bureau databases. Our tracing success rate for commercial debtors is 81%. All tracing activity is conducted in full compliance with POPIA.



POINT 6 POPIA Data Compliance Policy — *Your collector processes personal information — on your behalf*

When you hand a debtor file to a debt collector, you are transferring personal information — names, identity numbers, addresses, financial details, credit history — to a third party. Under the Protection of Personal Information Act 4 of 2013 (POPIA), you remain responsible for ensuring that this transfer is lawful and that the third party processes the information in compliance with POPIA's eight conditions for lawful processing.

If your debt collector suffers a data breach, uses debtor data for unauthorised purposes, or fails to destroy data when no longer needed, you — as the responsible party who transferred the data — may face regulatory action from the Information Regulator. POPIA compliance is not the collector's problem alone. It is yours too.

- Request a copy of the collector's POPIA compliance policy and their operator agreement template
- Confirm that the mandate agreement includes a written operator agreement under POPIA s20-22, specifying how personal information will be processed
- Ask whether the collector has appointed an Information Officer as required by POPIA
- Ask how long they retain debtor data after a mandate is closed, and how they destroy it
- Ask whether they have experienced any data breaches, and if so, how these were handled and reported
- Confirm that any tracing bureaux or third parties they use are also POPIA compliant

✓ **KREDCOR:** Kredcor is fully POPIA compliant. All mandate agreements include a POPIA operator agreement. Our Information Officer is registered with the Information Regulator. Debtor data is retained for the legally prescribed period and securely destroyed thereafter.



POINT 7 Legal Escalation Network & Attorney Relationships — *When pre-legal fails, the legal handover must be seamless*

Even the best pre-legal collection effort will occasionally require legal escalation. When that moment arrives, the quality of your collector's legal network determines how quickly, cost-effectively, and successfully the matter proceeds to summons, judgment, and enforcement.

A collector with strong, established attorney relationships — in the Magistrate's Courts and High Court, across multiple provinces — will escalate seamlessly, brief attorneys who already understand their collection processes, and maintain oversight of the legal matter on your behalf. A collector with weak legal connections will hand the matter to whoever answers the phone, charge you for the privilege, and then lose track of progress.

- Ask specifically which law firms or attorneys they use for legal escalation, and in which courts and provinces
- Ask whether their legal partners specialise in debt recovery — a general commercial attorney is rarely the right choice for high-volume collection matters
- Ask how the collector monitors and reports on legal matters once escalated — do they maintain oversight, or simply refer and forget?
- Ask about their typical timeline from escalation decision to summons being issued
- Confirm how attorney costs are communicated to you before being incurred — you should never receive a legal bill without prior discussion and authorisation
- Ask whether their legal partners can handle emoluments attachment orders, business rescue claims, and liquidation creditor proofs of debt

✓ **KREDCOR:** Kredcor maintains established relationships with specialist debt recovery attorneys in Gauteng, Western Cape and KwaZulu-Natal, with referral networks across all nine provinces. Legal escalation timelines and costs are discussed with clients before any instruction to proceed.



POINT 8 Verified Client References from Your Industry — *Past performance in your sector is the best predictor of future results*

Any debt collector worth appointing should be willing — and able — to provide you with the names and contact details of current or recent clients in your industry who can speak to their experience. A collector who is reluctant to provide references, or who can only provide references from unrelated sectors, is sending you a clear signal.

Reference checks are one of the most powerful and most underutilised due diligence tools available to South African businesses. A five-minute phone call with a reference client can reveal more about a collector's real-world performance than any brochure, website, or sales pitch.

- Request at least three references from clients in your industry or a closely related sector
- Contact references directly — do not rely on written testimonials provided by the collector
- Ask references: What percentage of debt referred was recovered? How long did recovery take? Were there any debtor complaints or legal disputes arising from the collector's conduct? Would you reappoint them?
- Ask whether the reference client has used other collectors and how this firm compares
- If possible, ask your own industry association or credit management peer network for recommendations — independent word of mouth is the most reliable reference of all

✓ **KREDCOR:** Kredcor welcomes reference checks from prospective clients. We can provide references from clients across construction, manufacturing, professional services, wholesale trade and healthcare, among other sectors. Contact landi@kredcorgroup.com to request references.



POINT 9 Code of Conduct & Debtor Interaction Policy — *Your collector's conduct is your conduct — legally and reputationally*

The way a debt collector interacts with your debtors has direct consequences for your business. Aggressive, threatening, or harassing collection tactics do not produce better recovery outcomes — research consistently shows the opposite — but they do expose you to debtor complaints, regulatory action, and reputational damage.

The Debt Collectors Act prohibits harassment, intimidation, and misleading conduct. POPIA restricts the ways in which collectors may contact debtors. The Consumer Protection Act protects debtors from unfair conduct. A collector who breaches these provisions acts unlawfully on your behalf.

- Ask for a copy of the collector's code of conduct and their debtor interaction guidelines
- Ask specifically: "What does your collectors' training cover in terms of debtor communication?" and "How do you handle a debtor who asks you to stop calling?"
- Ask about their complaints handling process — if a debtor complains about one of their collectors, what happens?
- Ask whether their collectors are trained in NCA requirements for consumer debtors, including the prohibition on contacting debtors at unreasonable times
- Ask whether they have ever been subject to a CFDC disciplinary proceeding or a consumer complaint upheld by the Credit Ombudsman
- Ask how they balance assertive collection with relationship preservation for debtors who are valued customers of your business

✓ **KREDCOR:** Kredcor's collectors are trained to the highest professional standards. Our code of conduct, debtor interaction policy and complaints handling procedure are available on request. We have no CFDC disciplinary findings against any of our registered collectors.



POINT 10 Reporting Format & Frequency — *Information is the foundation of oversight*

You cannot manage what you cannot measure. A professional debt collector should provide you with regular, structured, informative reporting on every account in your portfolio. This reporting should be standard practice, not something you have to chase.

Beyond the client portal (Point 3), which provides real-time account-level data, you should expect to receive regular summary management reports that allow you to assess overall portfolio performance, track recovery trends, identify problem accounts, and make informed decisions about escalation.

- Ask for a sample management report before you sign — assess whether it contains the information you actually need
- Confirm the reporting frequency: at minimum, monthly summary reports should be provided as standard
- Confirm that reports show, at portfolio level: total accounts, total value, payments received (period and cumulative), accounts escalated to legal, accounts closed (recovered/irrecoverable), and DSO improvement
- Ask whether custom reports are available for specific queries or period-end requirements
- Confirm that disbursement statements are provided with every payment remittance, showing exactly which accounts were paid and how the collector's fee was calculated
- Ask about their process if the designated contact person at your business changes — how is reporting continuity maintained?

✓ **KREDCOR:** Kredcor provides monthly management reports to all clients as standard, alongside real-time portal access. Disbursement statements accompany every payment remittance. Custom reports are available on request at no additional charge.



POINT 11 Communication Speed & Responsiveness — *When you need an answer, you need it now*

Debt collection moves fast. A debtor who offers to settle today may have moved or emptied their bank account by next week. A business rescue application can be filed at any time. A key piece of information that could make or break a recovery needs to be acted on immediately. In this environment, the responsiveness of your collection partner is not a courtesy — it is a commercial necessity.

The 2026 Kredcor survey found that 65% of South African businesses rate communication speed as “very important” when appointing a collector. Yet poor communication remains the number one complaint about existing collection relationships, ahead of even low recovery rates.

- Ask who your dedicated account manager or contact person will be — not a call centre, but a named individual who knows your account
- Ask what their guaranteed response time is for client queries — same-day should be the standard for urgent matters
- Ask whether they are reachable by WhatsApp, which is the predominant business communication channel in South Africa for urgent matters
- Ask what happens when your account manager is on leave — is there a clear backup and handover process?
- During the sales/vetting process, note how quickly they respond to your own enquiries. Their pre-appointment responsiveness is a reliable predictor of their post-appointment responsiveness
- Ask for a mobile number for the managing partner or director for genuinely urgent escalations

✓ **KREDCOR:** At Kredcor, every client has a named account manager with a direct line and WhatsApp number. We guarantee same-day response to all client queries during business hours. Landi Maritz is personally reachable on 083 518 0511 for urgent matters.



POINT 12 Mandate Agreement Review — *The contract protects you — read every word before you sign*

The mandate agreement is the legal document that governs the entire collection relationship. It defines what the collector is authorised to do on your behalf, what they will charge, how payments will be disbursed, what their reporting obligations are, and how the relationship may be terminated. A poorly drafted or one-sided mandate agreement can leave you without recourse if things go wrong.

Many South African businesses sign mandate agreements without reading them carefully, or without having them reviewed by an attorney. This is a false economy. A 30-minute review of a mandate agreement before signing is worth far more than months of disputes about fees, authority, or liability after the fact.

- Ensure the mandate agreement clearly identifies the parties, the scope of the mandate, and the specific accounts or book being collected
- Confirm that the fee schedule is attached and forms part of the agreement — not just referenced by description
- Check for a POPIA operator agreement (data processing agreement) as required by the Protection of Personal Information Act
- Review the termination clause: can you exit the mandate if performance is unsatisfactory? What notice period is required? What happens to accounts in progress at termination?
- Check whether the agreement grants the collector authority to settle or compromise claims on your behalf, and if so, on what terms and with what notification to you
- Confirm that the agreement specifies the frequency and method of disbursement of recovered funds to you
- Check for any exclusivity clauses that would prevent you from using a second collector or referring certain accounts elsewhere
- If in doubt, have the agreement reviewed by a commercial attorney before signing

✓ **KREDCOR:** Kredcor's mandate agreement is transparent, fair, and compliant with all applicable South African legislation. It includes a full POPIA operator agreement, a detailed fee schedule, clear termination provisions, and defined disbursement timelines. A copy is available on request before any commitment is made.



3. Red Flags: Warning Signs You Must Not Ignore

Beyond the 12 positive criteria above, there are specific warning signs that should cause you to walk away from any debt collection firm immediately. These red flags are not minor concerns — each represents a serious risk to your business, your debtors, or both.

Immediate Red Flags — Walk Away If You See Any of These
<ul style="list-style-type: none">• They cannot produce a current, valid CFDC Fidelity Fund Certificate on request — this alone disqualifies any collector
<ul style="list-style-type: none">• They charge an upfront retainer or registration fee on a contingency mandate — legitimate collectors do not do this
<ul style="list-style-type: none">• They are evasive or vague about their fee structure — if they won't tell you what you'll pay, imagine what else they won't tell you
<ul style="list-style-type: none">• They promise recovery rates that seem unrealistically high (e.g. "we guarantee 95% recovery") — no reputable collector makes guarantees
<ul style="list-style-type: none">• They cannot provide references from clients in your sector
<ul style="list-style-type: none">• Their client portal is non-existent, offline, or they suggest you "call for updates" instead
<ul style="list-style-type: none">• Their mandate agreement contains an exclusivity clause preventing you from using any other collector
<ul style="list-style-type: none">• Their collectors use threatening, abusive, or misleading language in their communications with debtors
<ul style="list-style-type: none">• They suggest methods of contacting or pressuring debtors that seem legally questionable — trust your instincts
<ul style="list-style-type: none">• They are not able to tell you who your dedicated account manager will be
<ul style="list-style-type: none">• Their responses to your pre-appointment queries are slow, vague, or unprofessional — this will only get worse after you sign
<ul style="list-style-type: none">• They cannot or will not provide a POPIA operator agreement as part of the mandate



Yellow Flags — Proceed With Caution and Clarify Before Signing

- Their CFDC registration is valid but their Fidelity Fund Certificate has recently been renewed — confirm the renewal date and check validity
- They have limited experience in your specific sector but strong general commercial collection credentials
- Their reporting is adequate but not as automated or real-time as you would prefer
- Their attorney network is strong in one province but limited in others where some of your debtors are located
- They are a relatively new firm with less than three years of operation, even if their principals have prior industry experience
- Their commission rates are at or near the top of the CFDC tariff range for your account types

4. The Questions to Ask Before You Sign

Use this question list in your meeting or call with any prospective debt collection firm. Their answers — and the confidence, clarity, and transparency with which they give them — will tell you everything you need to know.

4.1 Regulatory & Compliance Questions

1. What is your CFDC registration number and when does your current Fidelity Fund Certificate expire?
2. Who is your registered Information Officer under POPIA, and what is their registration reference with the Information Regulator?
3. Have you ever been subject to a CFDC disciplinary investigation or sanction? If so, what was the outcome?
4. Has any client ever successfully sued your firm for loss caused by the conduct of your collectors? If so, what was the outcome?
5. Are all of your individual collectors personally registered with the CFDC, or only the firm itself?



4.2 Commercial & Performance Questions

6. What is your pre-legal recovery rate for commercial debt referred within 90 days? What about debt referred at 90–180 days?
7. What is your average time from mandate receipt to first debtor contact? And to first payment received?
8. What percentage of your referrals ultimately require legal escalation?
9. On a R100,000 account recovered in full within 60 days, what will your total fees be and what will I receive?
10. How many clients in my industry are currently on your book? Can you share a reference from one of them?

4.3 Operational Questions

11. Who will be my named account manager and what is their direct contact number and WhatsApp?
12. What is your guaranteed response time for client queries?
13. Can I see a live demonstration of your client portal right now?
14. What happens to my accounts if my account manager leaves your firm?
15. How do you handle a situation where a debtor is also a valuable current or potential customer of mine?

4.4 Legal Escalation Questions

16. Which law firms do you use for legal escalation, and in which provinces?
17. How do you communicate legal costs to me before they are incurred?
18. Can you handle emoluments attachment orders, business rescue creditor proofs, and liquidation matters?
19. How do you manage the handover from collection to legal and who maintains client communication during that process?



5. The Mandate Agreement: What It Must Contain

The mandate agreement is your legal protection in the collection relationship. Before signing, confirm that the following provisions are present and clearly drafted:

Mandate Provision	Why It Matters	What to Look For
Identity of parties	Establishes legal relationship	Full legal names, registration numbers, and physical addresses of both parties
Scope of mandate	Defines what the collector is authorised to do	Specific authority to collect, negotiate, and receive payment on your behalf
Fee schedule	Governs your cost exposure	Commission rates, tariff compliance, disbursement frequency, fee-on-fee prohibition
POPIA operator agreement	Protects your data liability	Data processing purpose, retention period, security measures, breach notification
Reporting obligations	Defines your visibility rights	Frequency, format, portal access terms, disbursement statement requirements
Settlement authority	Governs compromise of claims	Clear limits on what the collector can settle without your prior written approval
Legal escalation authority	Governs attorney instruction	Requires your written approval before any legal costs are incurred
Termination clause	Protects your exit rights	Notice period, treatment of in-progress accounts, data return/destruction on termination
Exclusivity clause	Governs whether you can use others	Ideally non-exclusive, or clearly defined scope of any exclusivity
Liability clause	Governs your exposure for collector conduct	Clear indemnity for unlawful collector conduct; collector carries professional indemnity insurance

6. Managing Your Collection Partner Ongoing

Due diligence does not end at appointment. The most successful collection relationships in South Africa are active partnerships, not passive mandates. Businesses that engage regularly with their collection partner, monitor performance consistently, and provide timely information achieve materially better outcomes than those that simply hand over files and wait.



6.1 The Monthly Collection Review

Every business with a material debtors book should conduct a monthly review of its collection portfolio. This review should cover:

- Portfolio summary: total accounts, total value, payments received in the period, cumulative recovery to date
- Top 10 accounts: status, recent activity, next steps, and any recommended escalation decisions
- Aged analysis: accounts by days since referral, with a specific focus on accounts approaching the 90-day escalation threshold
- Disputes and complaints: any accounts where a debtor has disputed the claim or lodged a complaint
- Trace status: any accounts where the debtor has not been located, with an update on tracing progress
- Legal update: status of all matters referred to attorneys

6.2 Performance Benchmarks to Monitor

Track these key performance indicators monthly and compare against the benchmarks below:

KPI	Target Benchmark	Action if Missed
Pre-legal recovery rate (accounts referred <90 days)	>65%	Review documentation quality; discuss collector strategy
Average days to first payment	<25 days	Review first-contact timing; check portal for activity logs
Legal escalation rate	<20%	Review account quality at referral; discuss pre-legal strategy
Debtor complaint rate	<5%	Request collector conduct logs; review interaction recordings if available
Disbursement turnaround	<7 business days from recovery	Escalate to account manager; review mandate terms
Portal activity (updates per account per month)	>2 active updates	Review collector workload; request activity report



6.3 When to Review or Change Your Collector

Even a well-appointed collector relationship should be formally reviewed annually. Consider initiating a review or change if:

- Recovery rates have declined for three consecutive months without a satisfactory explanation
 - You have received more than one upheld debtor complaint in a 12-month period
 - The collector is consistently slow to respond to your queries or update the client portal
 - You become aware that they are no longer CFDC registered or that their FFC has lapsed
 - There has been a change in ownership, management, or key personnel at the collector's firm that has affected service quality
 - You discover that fees are being charged above the CFDC tariff or in a manner not authorised by your mandate
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7. Why Kredcor Passes All 12 Points

Kredcor Commercial Debt Recovery Partners was established to be exactly the kind of debt collection partner that South African businesses deserve: registered, transparent, ethical, technologically capable, and commercially effective. Here is how Kredcor measures against every point on the checklist:

Checklist Point	Kredcor's Position
1. CFDC Registration	Fully registered. Current FFC available on request. All individual collectors registered.
2. Industry Experience	Specialist commercial collections across 10+ industries. Africa and global desk for cross-border.
3. Client Portal	Real-time web portal. Live account status, activity logs, payment history. 24/7 access.
4. Fee Compliance	Full CFDC tariff compliance. Written fee schedule provided before signing. No hidden fees.
5. Tracing Capability	In-house tracing division. Multiple bureau access. 81% commercial debtor trace success rate.
6. POPIA Compliance	Full compliance. Registered Information Officer. POPIA operator agreement in all mandates.
7. Legal Network	Established attorney relationships in GP, WC, KZN and national referral network.
8. References	Available on request from clients across multiple industries. Contact landi@kredcorgroup.com .
9. Code of Conduct	Written code of conduct. Professional debtor interaction training. Zero CFDC disciplinary findings.
10. Reporting	Monthly management reports as standard. Automated disbursement statements. Custom reports available.
11. Communication	Named account manager. Same-day response guarantee. WhatsApp available. MD directly reachable.
12. Mandate Agreement	Transparent, fair, fully compliant. POPIA operator agreement included. Copy available on request.

“We built Kredcor around the belief that the best debt collector is not the most aggressive — it is the most professional. Every point on this checklist reflects a practice we implemented because we knew it was what our clients deserved. We invite you to hold us to every one of them.” — Landi Maritz, Founder & MD, Kredcor Commercial Debt Recovery Partners



8. Conclusion: The Right Appointment Changes Everything

The decision to appoint a professional debt collector is the right one. The data is clear: businesses that use registered, professional collectors recover more money, faster, with fewer disputes and lower legal costs, than those that chase debt internally or use unvetted third parties.

But the decision of which collector to appoint is equally important. Use the 12-point checklist in this white paper as your non-negotiable standard. Verify every point. Ask every question. Read every clause of the mandate agreement. The 30 minutes you invest in proper due diligence is the highest-return activity in your credit management calendar.

Kredcor Commercial Debt Recovery Partners invites you to apply this checklist to us. We are confident in our answers. We welcome the scrutiny. And we believe that once you have done your due diligence, you will find that Kredcor is the partner your business has been looking for.

Take the Next Step: Contact Kredcor Today

- Request our CFDC registration certificate, POPIA operator agreement, and mandate agreement — no commitment required
- Book a live demonstration of the Kredcor client portal
- Request references from clients in your industry
- Submit your first batch of accounts for a no-obligation assessment
- Phone: 010 500 4640 | Mobile: 083 518 0511 | WhatsApp: +27 83 518 0511
- Email: landi@kredcorgroup.com | Web: www.kredcor.co.za
- Branches: Gauteng | Cape Town | KwaZulu-Natal | Africa | Global



Resources & Further Reading

South African Regulatory Bodies

- Council for Debt Collectors (CFDC) — www.debtcol.co.za — Verify collector registration, lodge complaints, access fee tariff
- National Credit Regulator (NCR) — www.ncr.org.za — NCA compliance, credit bureau regulation, reckless credit
- Information Regulator (POPIA) — www.justice.gov.za/inforeg — POPIA compliance, Information Officer registration
- Credit Ombudsman of South Africa — www.creditombud.org.za — Lodge consumer credit complaints, 0861 662 837
- Financial Sector Conduct Authority (FSCA) — www.fsca.co.za — Financial services conduct regulation

Key South African Legislation

- Debt Collectors Act 114 of 1998 — www.justice.gov.za
- Protection of Personal Information Act 4 of 2013 (POPIA) — www.justice.gov.za
- National Credit Act 34 of 2005 — www.ncr.org.za
- Consumer Protection Act 68 of 2008 — www.dtic.gov.za
- Prescription Act 68 of 1969 — www.gov.za

Kredcor White Paper Series

- White Paper 1: The Complete Guide to Using a Debt Collector in South Africa (2026)
- White Paper 2: Interest on Overdue Debt — The In Duplum Rule, NCA Limits & What Collectors Can Legally Charge
- White Paper 3: The State of Commercial Debt in South Africa: Annual Report 2026
- White Paper 4 (this paper): How to Vet and Appoint a Debt Collector in South Africa — The 12-Point Due Diligence Checklist
- Full series: www.kredcor.co.za/white-papers

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