

ON THE FRONT FOOT

Sean Feast FCICM speaks to Derek Usher about debt purchase, customer engagement, and the batting style of Geoffrey Boycott.

LIKE many senior executives in the credit industry, Derek Usher never set out to work in collections. His parents owned a small general store in Erith, Kent, and the family lived above and behind the shop. His father also worked nights as a lathe operator in a local factory, so Derek has always understood the concept of hard work: “If you work hard then good things come from it and opportunities will come your way,” he says.

It certainly seems to be true in Derek’s case. From comparatively humble, working class origins he is now the Managing Director for Cabot Credit Management’s UK debt purchase business, a role he has held since 2016.

Originally schooled at Southfields in Gravesend (in 1997, Southfields was named as one of the worst in the country and put under special measures!), he found happier times when his parents move to Felixstowe, and he attended the local Comprehensive. Derek proved a capable student: “I was in the top sets,” he says, “but whereas for some it came easily, I always had to work hard.”

NARROW CHOICE

Derek remembers little or nothing in the way of significant careers advice, but does recall narrowing his choice between being a quantity surveyor or an accountant. “I was fixated on who earned the most,” he laughs, “and in the end decided that being close to the money was probably the best route!”

It proved a wise decision. At Brighton Polytechnic he opted for a one-year foundation course followed by four years of articles, which he spent with a small, local practice, Chater Spain. “I had been interviewed by Touche Ross,” he explains and got through to the second interview. “Then they wanted me back for a third as they said it was between me and one other, and they couldn’t decide. I made the decision for them and declined. I’d been offered a job by Chater Spain, and wanted to work for a company that wanted me.”

It proved yet another wise decision, and Derek spent a thoroughly enjoyable four years at the firm, quickly learning the ropes and working closely with small businesses, understanding their operations from the ground up. It was a learning curve that has proven invaluable ever since.

From Chater Spain he joined Brighton’s biggest employer, American Express, initially in a Finance role for Europe, the Middle East and Africa (EMEA) and then into operations. This included, in the latter stages, a focus on the firm’s collections operations: “My role was to automate processes that were then still largely manual,” he says.

“American Express was a great business to work for,” he continues, “and had a fantastic culture and customer service ethic. Many of the people I worked with there are still friends today.”

AMERICAN FRIENDS

Among those friends and colleagues was Ken Stannard, Derek’s boss today. “Ken said that I needed to leave before I became part of the furniture,” he smiles. As it was, Derek received a call from another former colleague, James Corcoran (now of New Day), to join him at Bank One where he was Chief Executive: “I was initially the Minister without Portfolio,” he jokes.

That all changed, however, with the sale of the business to the Halifax: “Coinciding with my arrival were two profit warnings from the business in the US, and after the sale our very small business ended up running Halifax’ credit card business.”

His time at the Halifax was exciting to say the least. They grew the business quickly and profitably, at one point adding more than one million customers in a year. Derek learned a good many lessons, about what to do and what not to do! In 2004, however, and although having been offered a new role in Leeds as Head of Collections for the Retail Bank, he decided instead to resign so that he could go travelling with his wife.



“If you work hard then good things come from it and opportunities will come your way”

AUTHOR – SEAN FEAST

“I knew that if I didn’t do it then, I might never get around to it,” he explains. “As it was, the company did not accept my resignation, and I was able to take a sabbatical, travelling across South America, North America, Australia, New Zealand and India, and spending several weeks skiing in France. My fondest memory was in Central Australia, sleeping out under the stars in a swag bag. It is only then that you realise how small you are!”

INTEGRATION ROLE

On his return, Derek once more threw himself into his role, moving to Leeds and spending four years with the business until it was taken over by the Lloyds Banking Group (LBG), by which time he was the Chief Operating Officer for its Retail operations, responsible for more than 14,000 staff at its peak. He was latterly the Integration Director of LBG, and as such has some sympathy for the IT traumas recently experienced by TSB as it looked to migrate systems: “We had every form of contingency plan but in the end we were able to stand the team down after a week as the programme had been a success,” he says.

The workload, however, was relentless: “We were working every day, starting with a conference call at 7-30 in the morning and finishing with another at 6-00 at night, for the better part of 18 months,” he continues. “I was working for Mark Fisher, the COO for LBG. Mark had led the RBS/NatWest integration which was the benchmark project of its time, so knew what it took to be successful. He was super smart but very demanding.”

Moving south once again, Derek was tempted away from LBG with an offer from Traveler to become the global CIO: “We’d come to the end of the integration programme and all of the jobs I might have been interested in were filled, so the opportunity came just at the right time. Traveler was getting ready for a sale; it operated in 26 countries that had been somewhat under-invested in terms of technology, and so there was a great deal of work to do. In the time I was there, we were able to significantly improve service levels

and make some general improvements to systems and processes, but we never quite achieved everything we wanted.”

Derek stayed on until after the business was sold, and shortly afterwards he agreed to join Ken Stannard at Cabot. “Ken had spoken to me before to get me to join him at Marlin, and now that the business had merged with Cabot, Ken’s role had expanded to include Europe and he needed a dedicated managing director for Cabot’s debt purchase operations. While I had never bought debt before, I had sold some.”

Using his accountant’s skill in getting beneath the skin of a business, Derek identified where further improvements could be made, especially in the use of analytics and improving the customer journey. The business had just become one of the first to achieve FCA approval, and was looking to optimise its position in the market.

“I felt we’d become something of a ‘tick-box’ company,” he tells me, honestly, “in the way that we engaged with customers. In one of the first calls that I listened into, a woman was making her last payment, and wanted to give us some feedback. She said that while we had always been very helpful and polite, she did not have the same experience with every creditor. Even then I thought that we could do more, and so worked hard with the management team to further improve our customer engagement and better understand the customer’s individual position.”

BOARDROOM MEETINGS

Since joining the business, Derek has instigated a regular Friday morning Boardroom catch up, involving every department, listening to calls and discussing how those calls were handled: “If a customer cannot pay, they cannot pay,” he adds. “Yes of course as a Debt Purchaser, the amount we collect and over what time period is important. What is more important, however, is achieving the right outcome for the customer,

because in doing that you can build a sustainable business.”

SIZE ADVANTAGE

As the largest Debt Purchasing business in the UK, Cabot has the advantage of size. This has enabled it to invest in new digital technologies such as ‘Eureka’. Eureka analyses conversations in real time, converts them into text and defines ‘rules’ that can prompt the consultant into asking specific questions based on what has been said. “Our consultants are very well trained,” he says, “but Eureka is an excellent tool in helping them help their customer to the right outcome. They really like it.”

Size and scale have also been important in meeting the additional costs involved in gaining FCA approval: “The FCA has been a good thing for the industry overall, because it has led to a focus on the customer and demonstrating good customer standards. Yes it has added an additional layer of cost but arguably this was needed.”

Derek says that being the best that you can in whatever you do, is a good mantra to live by: “You have to make the most of any opportunities that come your way,” he explains, “and throw yourself into whatever you do. But by the same token,” he adds, “keep life in perspective.”

A keen sportsman and a self-confessed evangelical ‘green’, Derek still likes to keep fit by cycling and has set himself a number of personal challenges for the year to run 1,000km, cycle 1,000km, and perform 12,000 sit ups and 12,000 press ups. He’s on target, but still has 311K left to run at the time of writing. But Derek’s particular passion is for cricket; he coaches a local Under 11’s team and as a batsman modelled himself on the great Geoffrey Boycott: “I could bat all day and still not score many runs,” he laughs.

.....

You have to make the most of any opportunities that come your way, and throw yourself into whatever you do. But by the same token, keep life in perspective.

