



# Restructuring for Recovery: Collection House

Declining revenue coupled with a fixed cost base, high overheads and an inability to secure alternate funding saw one of Australia's largest end-to-end receivables management groups seek the assistance of FTI Consulting's John Park, Kelly Trenfield and Ben Campbell.

## SITUATION

For over 25 years Collection House ("CLH") has delivered solutions in collections and credit management services to predominantly blue-chip clients in the banking, finance and insurance industries.

By June 2022, the impact of natural disasters and COVID-19 had seen a material write-down in value of CLH's purchased debtor ledgers assets. At the same time, a reluctance from clients to enforce collection policies caused a significant decline in revenue. In addition to these pressures, CLH's burdensome occupancy costs, ongoing liquidity pressures and inability to raise further capital led to the appointment of Voluntary Administrators on 29 June 2022.

# OUR ROLE

FTI Consulting assumed control of day-to-day business operations and set about obtaining funding from a secured lender to enable the business to continue during the Voluntary Administration process.

A cornerstone of the administration involved managing CLH’s key stakeholders including its blue-chip customer base and employees. This included regular calls with the major customers during the initial phase of the administration process and resulted in CLH retaining all customers through the process. There was also frequent communication with employees through regular townhalls and additional information sessions.

We undertook a dual-track sale and/or recapitalisation process that attracted significant interest and media exposure which the Administrators managed alongside experts from FTI Consulting’s Strategic Communications team.

The complex sale campaign yielded:

- 50 expressions of interest
- 26 parties signing confidentiality deeds
- nine management presentations
- nine first-round offers
- four final offers.

FTI Consulting assessed these final offers before recommending the Deed of Company Arrangement proposed by Credit Corp Group Limited (“Credit Corp”). The Administrators navigated a complex path to completion involving ACCC oversight, ASIC relief, and Court approval.

Ultimately, creditors and employees approved the execution of a DOCA and after nearly four months of trading under FTI Consulting’s control, CLH transitioned out of external administration and continues to operate today.

# OUR IMPACT



Zero disruption to client services throughout the trade-on period.



Ongoing employment for 660 employees who received payment in full for their priority entitlements.



The business was saved, emerging from external administration as a wholly owned subsidiary of Credit Corp and delisted off the ASX.



**JOHN PARK**  
Senior Managing Director  
+61 7 3225 4902  
john.park@fticonsulting.com



**KELLY TRENFIELD**  
Senior Managing Director  
+61 7 3225 4920  
kelly.trenfield@fticonsulting.com



**BEN CAMPBELL**  
Senior Managing Director  
+61 7 3225 4919  
ben.campbell@fticonsulting.com

*The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.*

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. © 2024 FTI Consulting, Inc. All rights reserved. [fticonsulting.com](https://www.fticonsulting.com)