



SOCIAL IMPACT FRAMEWORK & THESIS

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EXECUTIVE SUMMARY

“OUR VISION IS A WORLD WHERE
EVERYONE IS FINANCIALLY
EMPOWERED, EDUCATED AND EQUAL”

Ophelos - Greek, ὄφελος - to help, to avail, to benefit. Making a positive social impact is central to our culture, vision and purpose of improving financial health for individuals, families and businesses. It enables us to build unique products, attracts incredible talent, motivates & focuses our team and drives our vision of a world where everyone is financially empowered, educated and equal.

Our purpose is to create customer-centric products that nurture financially healthy and trusted relationships between customers and businesses. The debt collection industry felt like a natural starting point because it allows us to understand, diagnose and address many of the underlying issues surrounding financial health, for individuals, businesses and local communities alike. It is also an area where neither side feels like the status quo is working for them.

Currently, indebted individuals, families and small business owners (who are often among the most vulnerable in society) are faced with stressful, inflexible and inefficient solutions alongside terrible customer service. With a lack of support or way out, the effects of debt can be all-consuming and have extremely damaging consequences for an individual's mental health, personal relationships, employment status and opportunities in life. We will provide people with a compassionate, frictionless

and personalised experience that helps them get out - and stay out - of debt.

For businesses, the current status quo means that they struggle to recoup outstanding balances, waste time and money on fruitless communication channels, often ruin customer relationships in the process, face compliance, regulatory and reputational risk and are given little insight into the workings of traditional debt collection agencies and their interactions with customers. We will help our clients receive more repayments alongside offering data and key insights to improve their relationships with customers and plug the holes for their more vulnerable consumers.

There are also knock-on implications for wider communities. More problem debt leads to heightened financial inequality and a less stable economy. We hope to increase levels of financial literacy, reduce financial exclusion and go beyond the symptoms to tackle the debt crisis at its roots.

This social impact thesis delves into the workings of the UK's current debt crisis and unpacks how we will confront and solve the problem in all its complexity to ultimately improve financial health for both consumers and businesses. We use frameworks developed by the Impact Management Project and the Theory of Change to underpin our strategy and measure our intended impact.

OUR APPROACH

We put customers at the heart of the debt recovery process.

Digital First

AI Enabled



Data Driven

Customer Centric

OUR 10 POSITIVE OUTCOME GOALS

FOR PEOPLE:

- 1..... Reduce levels of problem debt
- 2..... Raise individuals' levels of financial awareness and comprehension
- 3..... Empower people with the tools to take control of their financial circumstances
- 4..... Promote greater financial equality
- 5..... Improve mental and physical wellbeing

FOR BUSINESSES:

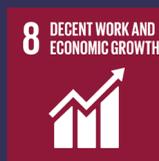
- 6..... Leverage tech and data to improve customer insights
- 7..... Offer more cost-effective debt recovery approaches
- 8..... Lower businesses' risk profiles across multiple dimensions
- 9..... Help businesses build longer-lasting and more solid customer relationships
- 10..... Improve financial health for businesses

Our positive outcome goals also address four of the United Nations' Sustainable Development Goals:



SDG 1

End poverty in all its forms everywhere



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work



SDG 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities



SDG 10

Reduce inequality within and among countries

A DEEPER DIVE INTO THE DEBT-SCAPE



£32,326

Average debt per person in the UK



£29,600

Average income per person in the UK



100% increase

in private renters who are behind on their rent since May 2020



5.6 million

people have fallen behind on at least one credit obligation

In England and Wales, one person is declared bankrupt every:

4 minutes and 38 seconds

Most commonly missed payments:



Energy Bills



Phone Bills



Student Loans



Healthcare bills



Credit Card Bills

This is normally due to uncontrollable life events, such as job loss, a relationship breakdown, or health problems, while at times it will be down to poor money management or a lack of financial literacy.

OTHER TRENDS

BUY NOW PAY LATER (BNPL) SCHEMES

- **45% of 18-24 year-olds** have used a BNPL scheme in the last year.¹
- **More than half of 18-34 year-olds** have missed a payment, and most didn't believe or didn't know that missing a payment could lead to the BNPL firm passing the debt on to a debt collection agency.
- **1 in 3 shoppers** used a BNPL option to make a purchase they otherwise couldn't afford².
- More than 10 million people in the UK accessed BNPL-enabled products or services in the year to November 2020.³
- **62%** said that BNPL is encouraging them to spend more.
- **44%** of customers "unsure whether BNPL means 'taking on debt' or 'deferring a payment'".

LACK OF STANDARDISED REGULATION

Despite the importance of the debt management and collections industry to both creditors and consumers, there are no global industry-wide standards or regulations in place.⁴

In the UK, the Financial Conduct Authority (FCA)⁵ introduced regulation in the aftermath of the 2008 financial crisis that increased the complexity of debt collection, making it especially punitive for banks to hold Non-Performing Loans (NPLs) on their balance sheets. As a result, banks have attempted to sell NPL portfolios to specialist debt purchasers and collections agencies who have in turn adopted increasingly sophisticated and aggressive litigation strategies against individuals and households in debt.

County court judgments (CCJs) against struggling consumers are surging, leaving more vulnerable customers at risk of being chased for debts. In Q4 of 2020, there were a record number of 194,203 CCJs taken out against individuals in England and Wales compared with 112,261 in the previous three months.⁶

RISING POVERTY LEVELS

Poverty in the UK has **risen to 23% (over 15 million people now living in or around the poverty line)**. People in poverty are more likely to suffer from poor mental and physical health, to be isolated and living on their own, and to experience joblessness and indebtedness.⁷

CORONAVIRUS

- The number of people in "severe debt" in the UK has almost **doubled** to 1.2 million since the start of the pandemic.⁸
- **6 million people** have fallen into arrears on their debt repayments (as of November 2020) – a 30%+ increase.
- **33%** of those that have been affected resort to additional borrowing to make ends meet, which increases the likelihood of more severe debt burdens further down the line.
- The pandemic has had a disproportionately negative impact on those who have experienced more challenging financial circumstances.⁹
- 28% of those in the lowest quintile of income earners continue to be paid in full while not being able to work due to the pandemic, vs. 52% in the top quintile of income earners.

CATASTROPHIC EFFECTS ON BUSINESS

Over **67%** of small to medium enterprises (SMEs) in the UK have had to cease trading at some point since lockdown restrictions began in March 2020.

Covid-19 could cost small UK businesses up to £69 billion.¹⁰ Many SMEs have sought financial support from friends and family (35%), credit cards (22%), and private bank loans (8%) to remain afloat.

Nearly 50% of SMEs say they now rely on new technologies to continue operations.

In Europe, McKinsey studies¹¹ have shown that over **one-fifth of SMEs** are concerned that they might default on their loans and be unable to cover basic business expenses and lease payments.

In the UK, furlough schemes and government-backed loan programs are ending before the end of 2021. This could lead to an increase in redundancies and have crippling effects on the economy. As a result, individuals are likely to see a decrease in liquidity and will be forced to accumulate debt at a faster rate.

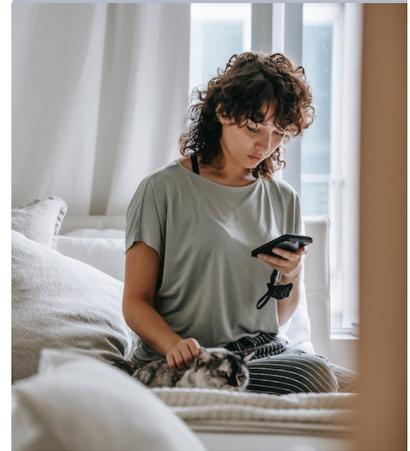
Meanwhile, many SMEs are expected to be unable to pay back bounce back and coronavirus business interruption loans, leading to a rise in insolvencies and unemployment rates as early as Q4 2021. We can expect an increased pressure on creditors over the next few months and years to manage particularly vulnerable customers appropriately throughout the debt recovery process.

THE STATUS QUO

Currently, the debt collection process is structured in such a way that few people reap the benefits.

Individuals may be bombarded with impersonal and intimidating phone calls at inconvenient times, sent aggressive letters in the post or forced to use unintuitive digital journeys. Despite the huge variation in size and type of debts, financial situations, lifestyles, and reasons for falling into arrears, there is often little flexibility in how an individual can resolve an outstanding balance. The odds are even stacked against them, with interests, late fees and penalties forcing people to pay back more than they borrowed, increasing the likelihood of a debt spiral as the individual is forced to borrow more to service their growing debts.¹²

The status quo has equally damaging implications for businesses. Turning over a profit is imperative to a businesses' success, however their ability to collect overdue payments is currently constrained. Most collections agencies do not maximise their recovery rates, often because they have made little investment in tech infrastructure and people (usually as a result of their operating model) and as a result have to opt for a one-size-fits-all approach. The risk of damaging their reputation or breaching ever-stricter regulations remains high, as does operational cost. Plus, the data and tech - which can be key to growth - is not analysed or utilised to gain insights into their customers financial health, improve their relationships and reduce churn.



“

The status quo has negative implications on individuals, businesses and local communities for whom the debt collection process is a **perpetual and burdensome problem.**

Turning a corner

We're aiming to create a solution that is beneficial to all stakeholders involved: individuals and businesses alike. While currently the debt collection process can be expensive & time-consuming for businesses and hostile, complicated & inflexible for individuals, Ophelos is building a platform where people can choose how and when to manage their debt, businesses can receive their overdue payments without having to compromise on cost or reputation and the debt crisis can be confronted at its source. By applying the latest tech and AI developments and pairing them with brilliant customer service, we can steer the industry in a new direction and help create a world where everybody is financially empowered, educated and equal.

POSITIVE IMPACT ON TWO LEVELS

Ophelos strives to create positive impact and improve financial health on two levels.

The people who use Ophelos to resolve their debt
This includes individuals, families and small businesses



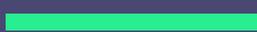
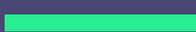
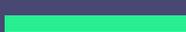
The enterprises who ask Ophelos to recover their outstanding debts
This includes organisations who are seeking transparent, efficient and effective debt recovery

THE PROBLEM FOR PEOPLE

No one chooses to be in debt. Many individuals, families and small businesses struggle to manage their debt effectively and are held back by several different forces.

WIDESPREAD SOCIAL STIGMA

The top 3 reasons why people do not discuss their debts with others¹³:

- | | | |
|--|-----|---|
| 1. Embarrassment | 53% |  |
| 2. Financial burden of debt | 40% |  |
| 3. Desire to keep the problem self-contained | 38% |  |

82% of people who do talk to someone about their debt say that “they felt better about their situation”, highlighting the importance of opening up so as to alleviate stress.



The stigma also impacts people’s livelihoods, with **more than 50% of people** indicating that personal debt had negatively impacted their family lives in a Money Advice Service survey.¹⁴

POOR CUSTOMER EXPERIENCE

Traditional debt collections processes have often resulted in extremely poor customer experience, imposing significant psychological harm on individuals and families in debt.

Consumer studies conducted by Finance Watch¹⁵ across several European countries indicate that **over 70% of the practices employed by debt collections agencies are “aggressive”**. Companies have been found to harass individuals with phone calls, use obscene or aggressive language and contact the individual’s close network (family, friends, neighbours or colleagues).

The Consumer Financial Protection Bureau in the United States¹⁶ found that **37% of borrowers indicated that they had been contacted at least 4 times per week** with 32% stating that **contact had not ceased** despite the individual having asked them to stop.

Research from McKinsey¹⁷ shows that most customers **prefer to be contacted through digital channels** over traditional mediums like phone calls, letters, and physical visits. In fact, when contacted digitally (which currently occurs in **only around 35%** of cases), customers are **more likely to respond and make a repayment**.

EXPLOITATION OF INDIVIDUALS' DIFFICULT CIRCUMSTANCES

Debt collection services commonly use misleading and unethical practices¹⁸. These include misrepresenting outstanding debt payments (such as by attempting to collect undue interest or fees), excessively contacting the individual (including at strange and inconvenient hours of the day), and threatening lawsuits that cannot be legally filed.

In the United States, approximately **27% of borrowers reported having disputed a debt** with their creditor or debt collector in the preceding 12 months.¹⁹

HARMFUL EFFECTS ON MENTAL HEALTH

There have been many instances of indebted individuals describing their experiences as being filled with **"shame, guilt, depression, and all-consuming anxiety"**²⁰. These emotions are often coupled with a sense of being overwhelmed, trapped, helpless and hopeless. Being in debt not only has financial consequences, but also raises the risk of suicide. According to a research study conducted by the National Centre for Social Research²¹, over 420,000 people a year contemplate suicide in the UK with over 100,000 of them going on to attempt to end their lives.

The communication methods that companies use only exacerbate the situation. Debt collection agencies frequently use formal language when speaking to individuals, which can be alienating and seem daunting.

Common mental disorders are **three times as high**²² for people in debt. A study commissioned by the Institute for Social and Economic Research in the UK²³ revealed that people with problem debt are **24% more likely to have poor mental health and 20% less likely to be unemployed**.

LOW LEVELS OF FINANCIAL AWARENESS

Despite considerable advances in financial inclusion over the past few years, there are still many people around the world who do not understand basic credit products and concepts. According to the FCA²⁴, **over 9 million adults in the UK (> 17% of total adults) rate themselves as "having low financial capabilities"** when it comes to topics such as managing money and confidence in buying financial services. Many customers make poor financial decisions simply because they are not aware of the consequences. These challenges are especially acute for more vulnerable and disadvantaged individuals.

Many people are also not aware of debt forgiveness programs or the fact that they might be able to refinance their debts at lower interest rates. Instead of comparing different suppliers or products, individuals often value the speed at which funds can be disbursed rather than considering the long-term costs of accessing more expensive forms of credit²⁵.

LIMITED REPAYMENT OPTIONS

Individuals who are in debt typically don't have much flexibility around their debt management plans. They cannot decide how much, when, or how they want to pay and are instead forced to agree to their creditors' terms. This rigidity can exacerbate customers' circumstances because they often resort to taking on additional credit (at even higher interest rates) to alleviate their original debt burden, precipitating a **debt spiral**.

THE SOLUTION

We aim to create a positive impact for every individual who uses our service.



IMP Dimension	Ophelos' Thesis
<p>What outcomes are being achieved?</p>	<p>Reduce peoples' level of financial indebtedness</p> <hr/> <p>Raise individuals' levels of financial awareness and comprehension</p> <hr/> <p>Improve mental and physical wellbeing</p> <hr/> <p>Empower people with the tools to take control of their financial circumstances</p>
<p>Who will benefit?</p>	<p>Individuals, families and small-to-medium businesses looking to get out of debt</p>
<p>To what degree?</p>	<p>Support 1m individuals in successfully repaying their debt by 2026</p> <p>Reach 20m individuals with our financial educational content by 2026</p>
<p>Contribution (how much Ophelos will disrupt the status quo):</p>	<p>High</p>
<p>Risk (what could prevent these outcomes being achieved):</p>	<p>Customer adoption: Ophelos' success relies on individuals' and small businesses' willing to engage with and use our platform</p>

HOW WILL WE DELIVER ON THESE OUTCOMES?

Reducing individuals' level of financial indebtedness

We are aiming to help **1 million people successfully clear their outstanding balances through our platform by 2026**. Our platform will be digital-first, meaning that individuals can manage their debts on their own - at any time, any place and from any device - without ever having to speak to anyone unless they want to. That being said, we will support all communication channels (including phone calls and letters) so that we can contact individuals however they prefer. Since statistics show that digital communications are preferred over non-digital methods, we will ensure that our digital channels are especially simple, seamless and easy to use. With higher levels of engagement and better user experience, we can encourage more people to resolve their debts and improve their financial health.

In the future, we hope to give customers the opportunity to get access to 'fairer credit' by offering solutions that help build and improve their credit scores. Missed or late payments can often lead to delinquency and default, which can severely impact customers' credit scores. We want to allow customers to access sustainable forms of credit and envision this happening either through third-party partnerships or through our own tools.

Raising individuals' levels of financial awareness and comprehension

We will develop free online learning content, tutorial videos and tech products that educate customers on fundamental financial concepts and financial wellbeing. We will also provide useful information and insights on the basics of debt management, savings, investments, and other relevant topics. Since financial basics are not taught in UK schools, there is a real opportunity to raise wider awareness on financial health & literacy and to educate communities on fundamental basics. As we grow, we will focus more of our efforts on community outreach and work with local community leaders to educate people (younger generations in particular) on the importance of financial literacy and health. **Our target is to reach over 20 million people around the world by 2026.**

Improving indebted individuals' mental and physical wellbeing

By offering more flexible and affordable payment plans, personalised solutions and the option of having some breathing space, we hope that many individuals' **mental health will consequently improve**. We make sure to always offer customers access to partner organisations, such as StepChange, Citizens Advice or Mind, who can discuss challenges customers might have. We will never use aggressive tactics and we will ensure all our communications are in line with our informative, friendly and positive tone of voice. We will also provide a wellbeing section on our blog where we will offer advice on keeping fit and happy when struggling financially.

Empower individuals with the tools to take control of their financial circumstances

We will provide customers with unique, affordable and customised repayment plans that are tailored to their specific financial and life circumstances. We recognise that each and every Ophelos customer will be different. We will offer the ability to pay immediately, delay payments, break payments down into smaller instalments to be paid back over time as well as allowing the individual to request breathing space or speak with independent debt advice organisations. Doing so is likely to **improve customer experience, retention and engagement**, therefore increasing the likelihood of customers paying off their debts and avoiding negative outcomes such as CCJs, bad credit scores and bankruptcy.

Over time, we will provide customers with access to Personal Financial Management tools, either through building more PFM features, partnering with other organisations, or acquiring existing solutions, to help individuals make better financial decisions beyond the debt management process.

THE PROBLEM FOR BUSINESSES

HIGH REPUTATIONAL RISK

Many debt collection companies value recovery rates higher than the extent to which they help each individual. When companies reward employees for their collection rates, more people are liable to fall through the cracks and customer care becomes an afterthought, which can hugely impact a company's reputation. HMRC, for example, was condemned for their treatment of vulnerable customers, leading to headlines such as "Taxpayers face might of HMRC debt collectors as arrears treble in a year".²⁶

Negative experiences with a company can hugely dent reputation. Studies have shown that **it can take a customer as many as 12 positive experiences to make up for an unresolved or negative experience.**²⁷ Environmental, social and corporate governance (ESG) has become increasingly important for businesses in recent years, so companies will be judged on their ethics and societal impact.

OUTDATED COMMUNICATION CHANNELS

Over two thirds of creditors use traditional channels to contact their customers **despite them preferring digital contact.** Customers respond much better to digital communications than traditional channels.

When contacted by traditional methods, the results for full or partial repayments stood at 48% for phone, 50% for letter and 50% for voicemail. Digital channels result in substantially higher customer action rates with 58% for email, 77% for text, 88% for mobile push notification, and 92% for online banking / mobile-app pop-ups.²⁸

AGGRESSIVE TACTICS THAT DON'T WORK

Creditors typically have severely under-invested in-house debt collection teams, which makes them inefficient and not particularly successful. As a result, creditors often outsource the debt collection process to third party organisations. **Traditional debt collection companies are expensive and often employ questionable collection tactics when engaging with individuals.** Similarly many debt collection agencies have under-invested in upgrading technology infrastructure and often lack the expertise in-house to transform their operation digitally.

This results in extremely poor customer service and poor brand image, which could have knock-on implications in terms of brand loyalty and customer relationships further down the line.

A DATA GAP

There has long been a data gap in debt management. **Typically, no single organisation has access to real-time, consumer-permissioned financial data related to an individual's financial health** - instead the data is being housed in different institutions. If, for example, an individual has gone into arrears on their mobile bill payments, the creditor - in this case the mobile phone provider - will not have access to the customer's finances (such as current vs. savings account balances, secondary bank accounts and credit cards or other outstanding household bills). Likewise, the customer's banking provider may not have details on the individual's mobile bill payments as they could have been making the mobile bill payments from an alternative bank account.

THE SOLUTION

We aim to create a positive impact for businesses who partner with us.



IMP Dimension	Ophelos' Thesis
<p>What outcomes are being achieved?</p>	<p>Help businesses build longer-lasting and more solid customer relationships</p> <hr/> <p>Lower businesses' risk profile across multiple dimensions</p> <hr/> <p>Offer more cost-effective debt recovery solutions</p> <hr/> <p>Improve financial health for businesses</p> <hr/> <p>Leverage tech and data to improve customer insights</p>
<p>Who will benefit?</p>	<p>Institutions seeking efficient and effective debt collection from their customers</p>
<p>To what degree?</p>	<p>Ophelos has the potential to significantly improve businesses' operational performance. That means improved customer engagement, collection rates, cost-to-serve and customer satisfaction scores.</p> <p>Target: 250 clients by 2026</p>
<p>Contribution (how much Ophelos will disrupt the status quo):</p>	<p>Medium to High</p>
<p>Risk (what could prevent these outcomes being achieved):</p>	<p>Impact at scale: Ophelos will need to successfully boost performance metrics for businesses in different sectors (such as utilities, retail banking or the public sector) and of different sizes</p> <p>Data exploitation: Clients could use our data to restrict rather than enable an individual to access credit. For example, clients could use data to develop and market products that fuel rather than prevent indebtedness</p>

HOW WILL WE DELIVER ON THESE OUTCOMES?

Help businesses build longer-lasting and more solid customer relationships

By offering **personalised solutions, a user-friendly digital platform and excellent customer support**, we ensure that every individual is looked after. A simple, stress-free and beneficial experience with us will translate into higher customer loyalty for companies working with us and therefore lower churn. We will also help customers and businesses restore potentially damaged relationships, allowing customers to rehabilitate into our clients' credit lifecycle and as a result increasing the lifetime value of customers.

Lower businesses' risk profile across multiple dimensions

Our digital, ethical and personalised approach to debt management will lessen risk for our clients threefold: **on a reputational, compliance, and regulatory level.**

We will lower our clients' reputational risk by treating everyone with care and fairness, making sure that no vulnerable customers are left behind. Many firms have indicated to the FCA²⁹ that "recognising whether a customer maybe be vulnerable is a key challenge in meeting vulnerable customers' needs". To address this concern, we built OLIVE, a Natural Language Processing tool that scans customer chat data and flags up potential vulnerability risks, such as gambling, bereavement, illness and others. This allows us to **quickly identify those who might be more in need** and create the tools to cater for those vulnerable customers.

Through our platform we can **track, measure and analyse every datapoint we gather in real-time**, giving us a holistic view of all our interactions with customers in a digital format. Our machine learning models, such as Olive, help us understand these interactions, allowing us to be very transparent with clients about where there may be compliance and regulatory risks.

Offer more cost-effective debt collection solutions

With no home visits and fewer phone calls, letters and text messages as well as a much more efficient operating model, we greatly reduce the cost of collections for our clients. All our customer interactions will be curated using AI and tailored to the customer, which will boost engagement and recoveries. Our omni-channel communication strategy spans chat, SMS, phone, WhatsApp, email and post. This multi-pronged approach is both **more convenient and less intrusive**, enabling us to connect with individuals when they want, where they want, and how often they want.

We have also built internal products which make our customer service representatives more efficient and effective in dealing with customers, particularly vulnerable ones. All of these product and operating model enhancements result in a lower cost to collect and a lower cost for our clients.

Improve financial health for businesses through higher recovery rates and faster collection times

We deployed our proprietary Ophelos decision engine across over 10,000 live accounts at one of the largest financial services companies in the world to help the business engage with their customers during the Covid-19 pandemic. Our automated, personalised communications **increased our client's recovery rate by 26.4%, while reducing cost-to-serve by 25.4%**. This directly translates into measurable commercial benefits allowing our clients to improve their financial health as well.

Leverage tech and data to improve customer insights

The application of AI and behavioural science within our platform allows us to gather rich insights on every single interaction with customers as well as on all the various outcomes (such as payment in full, enrollment into a payment plan, detection of vulnerability, etc.). **Staying fully within the regulations of GDPR**, we relay this data to our clients allowing them to better understand their customers' current situation and financial health.

Through machine-learning based pattern analysis, we can also **start detecting early indicators for vulnerabilities and arrears**. This allows our clients to put better preventative measures in place to avoid arrears from even happening in the first place. Over time, as both customer engagement and the number of customers on our platform grows, larger data sets will also allow clients to develop more tailored products that are suited to their customers' specific needs, such as better credit products or cheaper mobile plans. The outcome should be a better customer understanding and relationship.

MEASUREMENT, GOVERNANCE AND ACCOUNTABILITY

We will continually evaluate and enhance our social impact commitments to ensure that we are being held accountable for the changes we want to see in our customers, clients, and communities.

We recognise that we have lofty ambitions and are aiming to create social good across several dimensions for different sets of stakeholders. While we will strive to deliver (and exceed) all of our impact commitments, we also want to be transparent that there may be certain hurdles we encounter which can push back our timelines.

We will provide periodic updates on our impact goals and be transparent on:

- The goals we have reached
- The goals we are still working towards (highlighting any challenges we have encountered and the progress we have made)
- Our plans on how we hope to deliver on our commitment
- Any changes we make to our impact goals

MANAGING UNINTENDED CONSEQUENCES

We recognise that while Ophelos strives to transform how people manage their debt burden, there are risks that our actions could unintentionally cause harm to potential stakeholders. For example:

- The rich datasets that we collect on our customers could be used by partner organisations to restrict rather than expand customer access to credit. The data could be leveraged to develop and market financial products that fuel indebtedness, thereby perpetuating a vicious debt spiral.
- Given the importance of data privacy and security in today's world, it is important that we have robust systems and controls in place to safeguard our customers' data from both internal and external threats. The sensitive nature of the debt management and repayment process means that accidentally exposing our customers' data to the wrong parties could have debilitating consequences. financial products that fuel indebtedness, thereby perpetuating a vicious debt spiral.
- By connecting with customers digitally rather than physically, we could alienate potential customers who would benefit significantly from an informal in-person conversation. It might be more challenging to form personal and emotional connections with customers over chat, text, or email.

LOOKING AHEAD

We are proud to say that we are registered as a Pending B Corporation. Governed by the B-Lab, certified B Corporations are a new kind of business that not only balance purpose and profit, but also consider the broader social and environmental impact of their business decisions on key stakeholder groups. Over the next 12 months we will join the community of around 4,000 B Corps worldwide as a fully certified member and change how individuals and communities perceive, manage, and get out of debt.

There is a lot of work to be done to improve the lives of our customers and look forward to sharing updates on our progress and strategy over the next few years. Our vision of creating a world where everyone is financially educated, empowered and equal hasn't changed since day one -- reimagining the debt collection industry is just a first step towards our larger goal.

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