

# The 2026 playbook for digital collections innovation



AI investment in financial services is accelerating fast, with spending projected to **reach \$97 billion by 2027**. Top providers are already seeing measurable gains, from faster operations to leaner processes to meaningful productivity improvement and more.

But the real banking leaders are the ones using AI to strengthen the human experience, rather than replace it. It may feel counterintuitive, but it's this blend of smart technology and thoughtful human engagement that's driving real, measurable results, especially in sensitive areas like collections. This playbook shows how it's done.

## How AI and humanization work together

Many consumers are **already interacting with automated systems during collections**, especially among younger generations. But 57% say they're concerned about losing the sense of personalization when engaging with AI powered tools.

The key is to make sure that AI powered interactions don't feel like AI powered interactions. In other words,

touchpoints shouldn't come across as stiff, awkward, or robotic. Instead, AI should leverage customer data, history, and preferences to tailor conversations, anticipate needs, and reflect what's known about each individual, just like a human would.

When applied this way, AI becomes a powerful engine for delivering the fast, consistent, personalized care today's customers expect. And it's giving banks the ability to achieve a level of service that would be impossible through manual processes alone.

### Manual

When a customer misses a payment on their credit card bill, they receive a generic dunning letter through the mail. The customer recently moved to a new address, but the data isn't shared with the collections system, so it goes unread.

### Automated

AI powered algorithms detect subtle signs of distress and proactively reach out to the customer through their preferred channel. The SMS includes a tailored payment plan, which the customer accepts, helping them stay current with their account.

## The tech stack for modern collections teams

Thanks to AI, today's banks are able to move beyond collections. A proactive, personalized, data driven approach puts the financial wellbeing of every customer first, from originations to final payments. Here's how it works:

### Centralized cloud native core

A cloud native solution gives collections teams the scale, flexibility, and resilience needed to evolve quickly. It supports global operations, simplifies updates, and creates a stable foundation for AI driven capabilities.

### Global orchestration

A central orchestration layer connects information across products, regions, and business lines. This unified view enables smarter decisions, more consistent strategies, and visibility across borders.

### Accelerated implementation

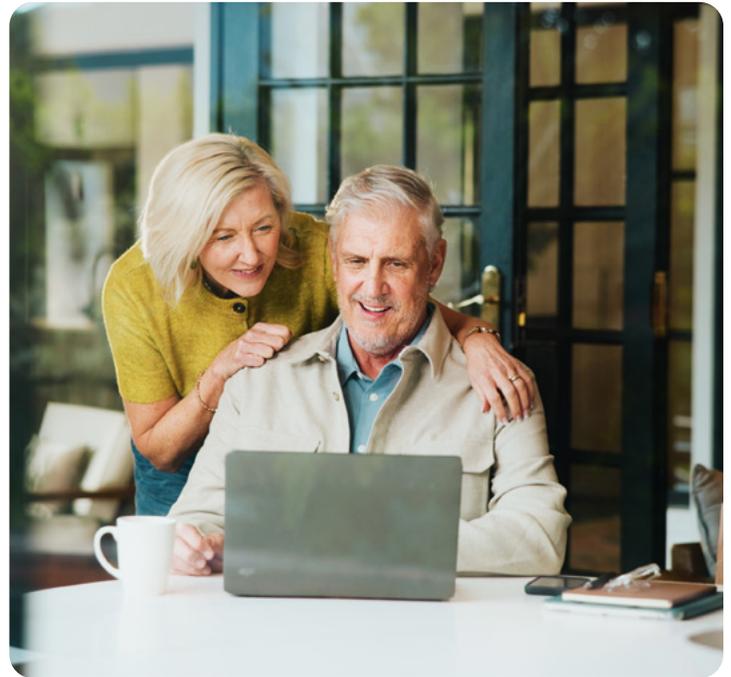
AI supported implementation cuts project timelines by streamlining integrations, interface development, and workflow design. Teams get to value faster and can adapt quickly as business needs change.

### Hyperpersonalization

Machine learning and predictive models help determine the right message, right time, and right channel for each customer. Engagement feels more relevant and supportive because it is shaped by real behavioral patterns.

### Intelligent insights

Advanced dashboards turn complex data into clear, actionable intelligence. Teams can build custom reports or use conversational queries to surface insights that improve strategies, compliance, and performance.



### Cognitive customer engagement

Natural language tools power smarter self service, from chatbots to digital portals. Customers get quick, simple support while organizations reduce the strain on contact centers and improve satisfaction.

### AI augmented agents

Front line collectors receive instant, context aware guidance that helps them respond with clarity and humanity. Access to policies, account details, and sentiment analysis improves outcomes and strengthens customer trust.

### Financial wellbeing

78% percent of customers say they would return to a bank that supported them through financial distress. By providing real, meaningful support to customers in hardship, banks turn a challenging moment into a long term loyalty opportunity.

## Future proof collections and recovery with C&R Software

With clients in more than 60 countries, C&R Software's Debt Manager is the modern, AI native, cloud native solution preferred by leading collections and recovery teams worldwide. It powers digital collections at scale, leveraging AI and advanced analytics to deliver a more humanized collections experience.

Debt Manager is trusted by leading banks in over fourteen EU countries with support for GDPR and EU AI Act compliance through strong governance, explainable decisioning, and complete auditability. This powerful solution gives institutions a sustainable, responsible way to modernize collections while delivering measurable results.

### GDPR compliant

Debt Manager supports GDPR's strict data rights and privacy expectations through granular access controls, full audit trails, field level encryption, and built in workflows for access, rectification, and erasure.

### EU AI Act ready

Lenders must show that AI in collections is transparent, supervised, and accountable. Debt Manager provides this structure with explainable decisioning, complete event and decision logging, configurable human oversight, and real time insight into model behavior.



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cloud native  
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