CASE STUDY



International debt recovery often requires a combination of local market knowledge, legal expertise, cultural understanding, and effective negotiation. This case demonstrates how CCICM successfully leveraged its global partner network to resolve a complex commercial debt dispute in South Korea while maximising recovery opportunities for the client.

Case Study: Overseas Debt Recovery South Korea

The Client
The client was a leading Canadian export credit insurance provider seeking to recover an outstanding commercial B2B debt valued at $67,629.03 USD. The debtor is located in South Korea, and the recovery action is being carried out within the same jurisdiction.

Prior to instructing CCICM, the debtor had repeatedly promised payment but consistently failed to honour its commitments. While CCICM's preferred approach is to balance debt recovery with the preservation of valuable commercial relationships, the client confirmed that the business relationship had irretrievably broken down and that no future trading was anticipated. This allowed our team to pursue a more robust recovery strategy focused solely on maximising recovery.

The Challenge
The case presented several challenges commonly associated with international commercial debt collection.

• Cross-Border Recovery Complexity: Recovering debt from an overseas debtor requires navigating different legal systems, business cultures, languages, and commercial practices. Successful resolution often depends upon having an established local presence and access to experienced in-country specialists.

• Disputed Goods Allegations: As recovery activity progressed, the debtor began raising concerns regarding the quality of the products supplied. These complaints emerged after repeated requests for payment and appeared to be used primarily as a delaying tactic to avoid settlement of the outstanding balance.

To strengthen the client's position, CCICM recommended the addition of contractual interest and collection costs where appropriate. This approach increased recovery leverage during negotiations while helping to mitigate the client's financial losses.

The Recovery Process
Recognising the need for local expertise, CCICM engaged its trusted legal recovery partner in South Korea. Our in-country partner established direct contact with the debtor and commenced a structured negotiation process. Throughout the recovery programme, the debtor continued to raise quality-related complaints; however, our team successfully maintained focus on achieving a commercial resolution.

The debtor initially proposed a reduced settlement offer, which was rejected by the client. A counterproposal was subsequently submitted but was also declined by the debtor.

At this stage, the client requested a detailed assessment of legal recovery options, including estimated costs, procedural requirements, and likely outcomes of litigation in South Korea. The prospect of legal action significantly altered the negotiation dynamic and encouraged the debtor to engage more constructively.

The Outcome
Following further negotiations, the debtor submitted an improved final settlement proposal offering:
• 50% of the principal balance
• Repayment over six instalments
• Formal settlement documentation

After careful consideration, the client elected to accept the settlement proposal as the most commercially viable outcome.

To protect the client's position, CCICM's legal partner in South Korea prepared a comprehensive settlement agreement, ensuring that the client's legal rights would be preserved should the debtor default on any future instalments. To expedite completion, our local partner personally attended the debtor's premises to secure execution and company stamping of the agreement. The debtor subsequently made the first instalment payment in accordance with the agreed settlement terms, bringing the matter to a successful resolution.

Benefits of Partnering with CCI Credit Management

Global Network, Local Expertise: Access experienced debt recovery professionals and legal partners in more than 130 countries worldwide.

Cross-Border Commercial Debt Recovery: Specialist support for recovering overseas B2B debts across multiple jurisdictions and regulatory environments.

Strategic Negotiation: Commercially focused recovery strategies designed to maximise collections while controlling costs.

Reduced Reputational Risk: Professional and compliant collection practices that protect your organisation's reputation.

Transparent Reporting: Regular updates, clear communication, and full visibility throughout the recovery process.

Collaborative Approach: We work alongside internal credit control teams to deliver a seamless extension of your existing collections function.

About CCI Credit Management

CCI Credit Management (CCICM) is a multi-award-winning UK credit management and debt recovery specialist with more than 40 years of experience delivering results in credit control and debt collection.
- Proven expertise in complex overseas debt recovery and cross border collections.
- More than 40 years of experience in commercial debt collection and credit management.
- Trusted by governments, banks, insurers, accountants, asset-based lenders, private equity firms, multinational organisations, and SMEs.
- International recovery capabilities supported by over 90 partner offices worldwide.
- Headquartered in the UK
- Fully FCA authorised and regulated, with ISO 9001 and ISO 27001 accreditation.

Flexible, Results-Driven Pricing Model

No Win, No Fee Debt Recovery: Contingency-based pricing ensures you only pay for successful outcomes.

Debt Portfolio Purchasing Options: We also purchase selected debt portfolios and assess acquisition opportunities on a case-by-case basis.

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