The Problem
Like many other credit card issuers with a large consumer base, our client found themselves regularly exposed to a common business risk - the death of a cardholder. In addition to the expected risk of non-payment from a deceased cardholder, in some cases, a credit card continues to be used by family members or non-authorized parties after the cardholder passes away. Purchases may be made for funeral expenses, living expenses, or payments of other debts incurred. This creates a balance for which the deceased signer may not be liable - adding another unanticipated business risk for the creditor.

Credit grantors are often unsure how to recover an after-date-of-death (ADOD) balance once it is established and becomes due. As a result, many creditors end up charging them to credit or fraud losses, walking away from the money they’re rightfully owed. Our client in this case was charging off or forgiving a portion of the balances on an inventory of retail credit card accounts after a deceased signer had been identified.

The client was ultimately losing the opportunity to recover millions of dollars annually.

The Weltman Solution
Weltman’s ADOD Program was established in 2002 in response to findings that approximately 75% of purchases made after a cardholder became deceased were from an individual who used the card but was unaware that the death of the guarantor constituted the cancellation of the card and the account. We developed and implemented a letter and call strategy for reaching out to these parties to educate them regarding use of the account. Our cooperative, non-threatening approach in classifying the cases as unauthorized charges, rather than fraud, typically allowed us to gain a voluntary commitment to pay for charges that were incurred after the cardholder’s date-of-death. Our ability to locate and communicate with the unauthorized users while simultaneously searching for an estate also allowed our client to streamline their recovery efforts by working with a single agency versus multiple vendors.

The Results
Approximately 10% of our client’s deceased account portfolio incurred ADOD charges, thus qualifying for the ADOD program.

We have recovered more than $65 million for this client over the last 17 years (2002-19) - an average of $3.8 million annually.

Accounts that were placed within the first six months of the date-of-death achieved the highest recovery rates, making it critical to identify decedent accounts as quickly as possible.

The client has successfully operated this program for 17 years with no negative impact to its brand image.

Individual results are not guaranteed and may vary.
ADOD Program Benefits:

- Accounts are handled on a contingency basis, requiring no initial investment.
- We review each account and supporting documentation to assess the total ADOD charges.
- Dedicated probate attorneys and an in-house compliance audit department provide direction and oversight to highly trained certified probate estate specialists.
- The ADOD program is handled with the professionalism and sensitivity required to protect your brand image.

Is Weltman’s ADOD Program Right for Your Organization?

- Are you currently writing off after-date-of-death charges because you are unsure how to recover them?
- Do you lack the in-house resources to dedicate to probate collections?
- Do you prefer a more sensitive approach to collecting on the accounts of deceased cardholders?

The Probate Recovery Group at Weltman, Weinberg & Reis Co., LPA provides the special attention that complex probate collection claims require. We are a universal recovery solutions provider that is committed to helping you resolve your outstanding matters.

We offer early estate location, date-of-death verification and asset location programs. Our team of certified probate recovery specialists are trained to respond quickly to the demanding timeframes inherent in collecting from estates, and are familiar with the many laws that govern probate nationwide.

Case Study

Probate Recovery
ADOD Program

For more information on our ADOD Program, contact:

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