Financial Services Sector
Special Focus Group Report:

Session 2

Session Focus Topic:
Evaluating the Impact of Trust when Dealing with Customers in Vulnerable Situations

A view from across the sector

27th April 2021

Focus Group

Financial Services Sector Collaboration

Session 2

Collaboration
Special Focus Group

FINANCIAL SERVICES

SECTOR

Session Focus Topic:
Evaluating the Impact of Trust when Dealing with Customers in Vulnerable Situations

A view from across the sector

Contents

Focus Group Agenda
27th April 2021

09.50 - 10.00:   Open for delegates to join in advance

10.00 - 10.10:   Introductions & Agenda from Chair,
James Daley

10.10 - 10.20:   Setting the scene of the topic,
Mark Bailey

10.20 - 10.45:   Facilitated Mixed Breakout Session 1:
"How do firms maintain trust throughout the entire customer journey?"

10.45 - 11.05:   Group Feedback & Discussions with all

11.05 - 11.30:   Facilitated Mixed Breakout Session 2:
"What are you doing to build trust during significant life events for customers?"

11.30 - 11.50:   Group Feedback & Final Discussion with all

11.50 - 12.00:   Setting & Agreeing Objectives

Represented Organisations In Attendance

1. Collaboration Network
2. Financial Conduct Authority
3. Financial Ombudsman Service
4. UK Regulators Network
5. Lending Standards Board
6. Monzo Bank
7. Lloyds Bank
8. HSBC
9. Yorkshire Building Society
10. London & Country Mortgages
11. Triodos Bank
12. ANZ Bank
13. M&G Group
14. Ageas Insurance
15. Ergo Insurance
16. Saga Insurance
17. Direct Line Group
18. Admiral Group
19. Everyday Loans
20. Buddy Loans
21. Co-op Funeral Care
22. Worksmart
23. Life Ledger
24. Vulnerability Registration Service
25. Aptean
26. Resolver Group
27. Fairer Finance
28. Delehanty Consultancy

Chair & Facilitators

Chair
James Daley

Managing Director of Fairer Finance & Financial Ethics
Champion at Collaboration Network

in

Facilitator
Mark Bailey

Director & Co-Founder at Collaboration Network

in

Facilitator
John Duffy

Head of Sales & Client Services at Resolver Group

in

Facilitator
Helen Edwards

Senior Researcher at Fairer Finance

in

Background

Our Special Focus Group programme continues to explore "in-the-moment" topics that underpin customer and colleague engagement with an emphasis on a particular market sector.

As we all move forward there is still the ongoing impact of COVID-19 combined with much more thinking about what society and business could, and should, look like in the future. The Collaboration Network is very much a cross sector organisation, with an ambition to share best practice for supporting customers and colleagues and get to the answer faster, and the output from the Special Focus Groups are beginning to combine to support organisations to achieve this.

The Financial Services Special Focus Group compliments our similar programmes in Energy and Water. This second Focus Group for the finance market had participants from 28 organisations, including the Financial Conduct Authority and the Financial Ombudsman Service. We discussed the output from the first Special Focus Group with the FCA to agree the topic for the second session and agreed on the topic of the importance of customer Trust in dealing with customers in vulnerable situations.
It is very important to us that collaboration occurs on as equitable a basis as possible, with each member participating on an equal footing. We also want to encourage equality in discussions and the ability to share opinions, so across our Focus Groups we allow everyone the chance to contribute, and operate under Chatham House rules, with nothing attributed to a named participant.

The second Financial Services Special Focus Group posed two questions to the delegates around maintaining trust in the customer journey and building trust at significant life events. The initial notes from these discussions are included in this report. As well as being used to determine the topics for the second session, they will also be combined with all Focus Group output to produce a full programme academic paper in conjunction with Henley Centre for Customer Management.

The true outputs we seek are the operational and strategic changes that benefit the customer, as well as colleagues, and which are in some way made, influenced or accelerated as a consequence of the engagement of Collaboration Network members and the work we undertake. As a consequence of our first Financial Services Focus Group, we will be running special interest groups for Insurance and for Pensions & Investment commencing Summer 2021.

Together, we can go further

Mark Bailey
Co-Founder & Director
Collaboration Network

in

Breakout Session One:

Topic:

"How do firms maintain trust throughout the entire customer journey?"

Group 1: Facilitator - Mark Bailey
Director & Co-Founder, Collaboration Network

- In relation to a complaint, which in itself is its own customer journey, it is important to listen appropriately and fix quickly as this builds trust. Complaints can occur during the course of any customer journey.

- We need to consider the end-to-end journey from the customer's perspective. One organisation said that under their business model the claims process is separate from the purchasing process, which is separate from the customer service and support process. These different processes provide mixed messages to customers. The challenge is that it is not the customers end-to-end journey that's represented but that of the business.

- One organisation is looking to identify vulnerability during sales engagement and capturing it to feed across to the claims team when they interact with customers and vice versa for the claims team feeding back to the sales team. This is challenging and isn't progressing very well.

- Another organisation said they had a similar challenge and had a key focus on joining messages up so that there is a seamless customer journey.

- One participant talked about the challenges of vulnerable customers having to repeat their circumstances again and again with different organisations across different sectors effectively repeating the same information about their situation. This can actually tip people over the edge as it is very challenging for the individual.

- It is increasingly important that customer service agents are showing empathy to vulnerable customers to build trust.

- There is a challenge in that customer service staff are often young people with limited life experiences and therefore engagement with more experienced customers to show empathy and support is challenging.

- One participant said that taking the customer on a journey to explain why the company is doing certain things in a certain way, and being more engaging, builds trust and helps the customers understand why they're being asked to do certain things.

- Frontline staff have increasing pressures and so many things to think about and actually it's the little things that make the difference in building trust.

- Generally, it was seen that there is a challenge with trust building during the digital journey. Building trust in digital is also linked to data protection and demonstrating that, as an organisation, you can be trusted with the customer's data.

- One company saw the path to building trust as being relatively simple: It came down to reputation and experience. The reputation of the company is about the brand it portrays, what it does within the community, how adverts have built them up and is what the overall perception of that organisation is. The experience is their credibility in terms of doing what they say they're going to do for a customer, care in the way that they engage, the empathy they show and the ease in terms of the process that customer is expected to follow.

- Meeting expectations and exceeding them is important in building trust.

- The use of chat bot was talked about and there was a general recognition that human engagement was preferential to digital in terms of the quality of engagement. It was also said that when a human takes over from a chat bot the human has to behave like a human and not like a chat bot, e.g. – impersonal, robotic replies and tone.

- One organisation commented that the research they had undertaken for the over 50s showed less propensity to mention mental health and wellbeing. They are not sure why, but they believe this may relate to more stigma around mental illness at a generational level for older people and a degree of cover up around financial abuse from family members and a fear that they will be treated differently and detrimentally by the company they are talking to.

3 Key Takeaways

1. Trust comes down to reputation and the experience of the customer. What emotion and feeling does the brand of any given company emote in their customer (or prospective customer), this can include the behaviour of leaders (especially if stories appear in the media).

2. Understanding the impact of complaints, where problems lie, and aiming to resolve these and identify and fix problems, will help build trust in customers and show that you've heard them and listened to what they had to say.

3. The end-to-end journey needs to focus on the customer's own end-to-end journey rather than the sales-led or front-end business view of the end-to-end journey. Engagement needs to lead with the customer and the journey through their lens rather than a preferential view to look at this through a business bias view.

- Transparency. Being as open and clear as possible throughout all customer touch points. If you are experiencing difficulties, due to whatever situation (Covid-19; severe weather; etc.) then be upfront about that.

- Capture Customer Needs on both an individual basis, but also for your customer base as a whole, to better inform service design.

- Keep vulnerable or disadvantaged consumers at the heart of this service design process. Don't just consider them as an afterthought. If your service works for those consumers who have the most difficulties (or the most likely amongst your consumer base to experience difficulties) then it will work for those who are without vulnerability.

- It is essential that there is buy-in for this approach across the whole business, but especially for senior leadership teams. Firms can't just pay lip service.

- Use some sort of Root Cause Analysis process to in the first instance to gather some key-learnings, but then affect change within the company and feed this back to the consumers.

- Spend more time during the acquisition process to be up-front and honest about the various products and services that you are offering. Highlight the issues; talk about what the service doesn't do and don't gloss over these gaps. Consumers who feel they have been sold something they didn't agree to are placed in a position at the start that relationship where trust isn't there.

- Keep the communications relevant and pro-active. We all know how heavily we get marketed to by organisations, why can't this approach lend itself to service issues, etc. (An example was provided whereby a customer's account had been frozen with no comms for explanation; that same customer received over 15 marketing messages advertising other services during the same period).

- Use complaints to get learnings / actions to inform policy change.

- Terms & Conditions are still a challenging area for customers which can affect trust. There needs to be plainer English, less jargon and more transparency.

- One company fed back that they are trying to keep their language genuine and consistent in both their front-end comms as well as their Terms & Conditions.

- You are only as good as your last engagement when it comes to trust.

- Staff can be our greatest advocates to build trust and the background mechanics and processes need to work for those staff members to support personal engagement.

- Frontline staff always have the hardest job, balancing what the consumer needs with what the wants.

- Off-boarding is still an opportunity to build trust and create advocacy when handled correctly.

3 Key Takeaways

1. Transparency - in all parts of the consumer journey, but especially at the point of acquisition. Pass on all the information so they are fully aware and have all of the pro's and con's to inform their purchasing decision and so there are no nasty surprises that may lead to complaints, grievances or dissatisfaction further along that journey.

2. Honesty - being up front about problems or interruptions in service as they happen as early as possible in the customer journey. Proactive engagement rather than responding to inbound questions. Being up front with customers demonstrates honesty and creates trust.

3. Take learnings from previous complaints to help make the changes that your customers need. Complaint resolution builds trust.

Transparency

- Clear understanding and communication, agreeing certain situations and outcomes and the customer understands. Lack of communications, breakdown comms channels.

- Organisations are getting better; Terms & Conditions though aren't very accessible.
  - Firms like Lawbox and Fairer Finance use service design to redesign Terms & Conditions so they're more accessible. Nicer language, more digestible formats.

- Accessibility & language: not just applying to shiny parts of customer journey, ensuring that the accessibility is throughout all communications and touch-points. Adjusted communications, signposted to Terms & Conditions because they're no longer jargon filled and are accessible. Non-shiny touch points.

- Entering the market: it has to be clear; brands have to acknowledge what clear looks like to the consumer is different than clear for the legal team. Particularly what isn't covered to give absolute clarity as to what they're signing up for.

- Using scenarios to aid consumer understanding.

- Review case: if someone says something isn't clear communications need to be revisited.

Managing Expectations

- People they are speaking to know the same info and relay the same communication. Managing expectations.

- Supporting not when fundamentally something has gone wrong but from the outset – how can we best support them, vulnerability from the get-go. Encouraging people to come forward. Able to manage expectations, product design, comms.

- Helping customers make informed choices: ensuring that the consumer is aware of their options, can't expect customers to know the nitty-gritty behind a product. Scenarios are definitely one of the most accessible ways.

Encouraging Disclosure

- Lots of focus around initial disclosure, positioning that initial disclosure, and making sure that brands then deliver on promises made. Consistent in understanding information.

- Enabling customers to disclose from the onboarding, normalise disclosure.

Journey Mapping

- Journey mapping – so many organisations don't include in life/off boarding in their journey mapping.

- Which points do matter – transactional, point of claim, etc.

- Planning for the non-shiny touch points to be just as important as the shiny ones and just as accessible.

- Stop making it hard to exit; people make it super accessible to enter into an agreement but difficult to leave, you need to phone, etc. and this is often unclear.
  - Not returning ever again because off-boarding is so bad.

Staff as Greatest Asset

- System needs to be intuitive to staff and consumers, it's hard to grasp vulnerability when you're looking at a whole file. Staff are customers as well and can be greatest advocates.

- Importance of systems and processes and supporting staff.

- Has more focus been placed on staff and personal engagement?
  - Staff absolutely are the buffer between back end systems and customers. Scripting, support networks were altered because they were working remotely so change was needed to ensure staff could be in a good place to support customers.
  - Ask staff as much as consumers what it would take for a brand to be trusted?

How to Engage Vulnerable Customers

- *Case study: low-income consumers less likely to engage in financial markets, particularly home insurance. ([Poverty Premium, 2020](#)).*

- Ensuring the ease of signing up: with everything so easy to do.

- Helping customers make informed choices: ensuring that the consumer is aware of their options, can't expect customers to know the nitty-gritty behind a product. Scenarios are definitely one of the most accessible ways.

- High cost of credit; either normal usage or potential vulnerability, moving away from the term vulnerability, how you transact with us, how you prefer to be contacted.
  - Banking can't just off-board when they're in debt. Rehabilitating them back on to their path; business that is vulnerable due to lack of cash flow, it's really opened eyes.

Trust as a two-way street

- Believing customers; believing them when they say they're experiencing someone, rather than getting them to jump through hoops. Trust as a two-way street.

3 Key Takeaways

1. Transparency in T&CS and communications will help to grow trust

2. Staff, given the right support, can be the key to growing trust between the business and the customers.

3. Off-loading experiences tend to be around trying to maintain the customer which can create stress for the customer and anger from aggressive retention tactics, which ultimately can end negatively and impact trust. If these can become more positive and constructive engagements at the end of that customer's journey, this can create greater trust and advocacy to return as a customer in the future and when sharing experiences with peers.

Breakout Session Two:

Question:

"What are you doing to build trust during significant life events for customers?"

Group 1: Facilitator - Mark Bailey
Director & Co-Founder, Collaboration Network

• The group discussed different life events and how they could affect trust.

• One individual talked about relationship breakdowns and how it's very complex to unpick policies particularly where they apply to multiple parties. Due diligence is required to make sure everyone is protected.

• Another individual talked about job loss, particularly related to COVID-19, and stated that actually the information and the course of action provided to customers might not be good news for them and might not be well received but should be the best outcome for that customer. The challenge is how to structure those conversations in such a way to keep the customer on side and encourage individuals to reveal their vulnerability where it may exist.

• One individual stated that having peers and advocates, particularly family and friends who could support the concept of the reputation of the brand and share positive experiences about that brand, is very useful to having that individual share vulnerability.

• Using digital as a friend to reveal vulnerabilities because some customers will prefer to report that type of information online with a machine rather than through a human at the end of a phone.

• Voice recognition systems can be used with messages and tone of voice to encourage vulnerable customers to come forward and share their vulnerability.

• There is a significant fear of GDPR and use of data amongst businesses. The general feedback from the group was that there is an understanding that the Information Commissioner's Office was happy with the sharing of vulnerable customer data where it is a benefit to the individual.

• One organisation was talking about the bereavement process and said you need to acknowledge the holistic way that customers view things not as the processes from a business. The customer expectation is not reflected by the tools and process the company has, so customer support shouldn't focus on the process but should focus on the feelings and emotions of the individual.

• One organisation talked about retrospective support when they found out information about an individual with dementia where they actually retrospectively provide changes to an insurance policy that meant the customer got money back. This was very much based on empathetic engagement from a customer service agent who was empowered to ask for a review on that policy and an exception.

• Some organisations talked about changes to their Terms & Conditions to reflect misuse of financial services systems to cause harm, threaten or intimidate and this was under the topic of general family violence increasing. As a result, they were preventing individuals from using banking systems to communicate with abusive tones. They've made it a policy that this is now prohibited.

• One individual said that it's useful for their company to embrace stigma and to show no toleration towards those that are abusing.

• There was a comment that there is regulatory pressure in relation to taking this type of approach and that, actually, with the loss of a job some organisations in the insurance sector were easing pressure by removing the cancellation fees for customers. This was seen to make commercial sense in the long term as these customers are likely to

remember how well they were treated and are likely to be future customers.

- There was comment around a "tell me once" policy and that actually adopting this would be beneficial to all.

- There was an additional comment around rebuilding financial life and that organisations could potentially look to help with supporting individuals in a wider community not just their existing customer base.

3 Key Takeaways

1. Making sure that the customer's approach to what's happening during significant life events are captured to create a more holistic approach to supporting customers and building trust.

2. When a customer is in financial difficulty or in a relationship breakdown and asks for extra support, sometimes bad news needs to be given - not the outcome the customer would have wanted - but it still needs to be done in a way that supports the customer as much as possible and maintains trust even when the desired outcome isn't there.

3. T&Cs and policies to prevent abuse (such as domestic abuse) needs to be made clear that it wont be tolerated.

Group 2: Facilitator - John Duffy
Head of Sales & Client Services at Resolver Group

- Consider the sort products and services you offer and what are the likely life events that could be attached to them. Develop training and processes that support these life events. And the various customer journeys that accompany them (e.g., Offering Life Insurance services may expose staff members to consumers dealing with bereavement).

- Demonstrate to consumers that you are equipped to deal with this significant life event. Nothing is worse than the consumer thinking they are the only person to have ever gone through this situation. Give them the assurance that you can really help – rather than thinking on your feet or putting them on hold while you discuss with a colleague.

- Make it is as simple as possible for them to engage with you. Multiple channels, call back services, out of hours numbers etc. Remove the barrier for doing business with you.

- Consider that not all life events are negative. Paying off a mortgage is a significant life event, as is taking out a loan to buy a home. Use these positive events to instil trust with consumers.

- Ask your colleagues where they feel empowered and where they don't – utilise this crucial feedback to improve your service.

- Engage with local charities for guidance and also to show your staff members the true impact of these 'life events'. For example, for bereavement training engage with a bereavement charity.

3 Key Takeaways

1. Take time to consider the different life events that could happen in conjunction with the products and services you offer, and aim to identify what the life events are that could impact these services - e.g. life insurance policies and bereavement, critical illness cover and terminal illness.

2. Create an inclusive service design to tailor engagement to reflect significant life events with multiple engagement channels to make it as easy as possible - e.g. out of hours contact numbers.

3. Not all life events are negative, and the positive life events provide a great opportunity to celebrate with your customer - such as paying off their mortgage - to create memorable moments where the customer feels valued which builds trust.

Group 3: Facilitator - Helen Edwards
Senior Researcher at Fairer Finance

Opening Disclosure Channels
- One thing for consumer to tell us about something that's going on, another to have brands properly reacted.

- Opened up more channels for customers for access to disclose. Digital channels are particularly helpful as they're less intimidating.

- Moving away from the term vulnerability. Working on digital journey, a more self-serve option for them. Information available up front.

- Spotting without disclosure; having potential vulnerable customers dashboards; is there a significant loss of income, particular benefits coming in all of a sudden. To pin-point and see if they require help. Encourage disclosure.

Transparency Regarding Processes:
- Self-services makes clear different life events which might be going on and that help is available but doesn't make clear what will happen next to consumers.
  - How to make it clear; do they need more empathy, extra care, is there a pre-existing journey, a gambling issue that's taken hold?

- Once you can demonstrate options, trusting financial institutions with data, then you can ensure that change.

- Making clear what happens, and what the onward journey is. Asking them what we can do; sometimes they have their own ideas.

- Information available up front regarding what guidance/help can be offered.

Brand Continually Learning and Adapting
- Different parts of journey as situations can change, moment of trust comes after moment of application.

- Learning from info we're getting – domestic abuse, one of the biggest life events where trust is a big thing to overcome. What you can do to support that customer, what you can offer. Listening to circumstances. Making sure you can block out addresses so no system error can wrongly send out a letter.

- Showing up front what you can offer for your customers, but also a secret offering behind the scenes which are case by case. A personal level. You can't do one size fits all.

- Some customers will want to talk about it (spouse who delt with the finances has died, etc.) but some won't and that has to be ok.

- Vulnerability in the design of products and processes; an expectation from the FCA that there are flexibilities for all scenarios, and if you wait to accomplish that then you'll never deliver anything. Systems to enable those front line people to make those decisions; designing for scenarios or being able to consider those scenarios.
  - One thing used during training; ignoring the rules to land the plane safely. If a customer isn't passing data protection, then why? Use instinct.
  - Quality assurance; all of those people judging initiative as a quality assurance issue, but it's the best way of addressing the situation. Highlight risks.

- Allowing case handlers to pause and to treat people intuitively but person to person response (complaints).

Balance of Privacy and Interference
- Currently gambling controls have to be flagged by the customer; should firms be doing more to save people from themselves or not. So, there is a balance between customer privacy and helping people who are vulnerable.

- People often feel like their bank could have provided greater support (complaints).

Education
- Acknowledging that some vulnerable is temporary but still important such as life events including transitioning from child, young persons, students, adult, often ignored.
  - Virtual money understanding how much value is with them.

- Educating is essential to trust; people not being aware of like when they're gambling and how it effects their mortgages. Lenders are looking at gambling habits.
  - Firms being able to pick up on what's happening, but also when they've disclosed, and the bank has done little to help.

3 Key Takeaways

1. Gambling - there's still a lot more we can do to help people, whether that be through data sharing and data protection, more education and awareness on problems and harm from gambling, and more support put in place to help people especially where credit is being impacted.

2. Organisations need to allow customer service teams and frontline staff to trust their instincts to do the right thing when dealing with the customer to raise the experience - treating them as people rather than problems - this might mean 'breaking the rules' slightly here and there.

3. Trust needs to be paramount for customers around domestic abuse and disclosure and assurances need to be made that changes can be implemented to provide safeguards for them.

Quotes

"Significant life events provide an opportunity to reaffirm and cement trust with customers."

"It's a brave thing to empower staff to trust their instincts to do the right thing for customers, but it is the right thing to do in my opinion."

"How do we create great conversations around the customer's vulnerability and unique circumstances, in a way that feels quite human, unless we move away from scripts?"

"Discretion policies help provide flexibility to our teams to help customers as much as possible before escalation takes place."

"There's always a good opportunity to observe good relationship of trust with customers, such as contacting customers that take salaries from organisations that have publicly gone out of business to check they're OK. To let them know we're there for them."

"Help and support needs to be softer. Where gambling could be a problem you don't want to appear overly parent-child in your relationship. Trust needs to exist."

"No one wants to feel judged on choices they're making."

Summary

- We need to consider the end-to-end journey from the customer's perspective. One organisation said that under their business model the claims process is separate from the purchasing process, which is separate from the customer service and support process. These different processes provide mixed messages to customers. The challenge is that it is not the customers end-to-end journey that's represented but that of the business.

- Trust comes down to reputation and the experience of the customer. What emotion and feeling does the brand of any given company emote in their customer (or prospective customer), this can include the behaviour of leaders (especially if stories appear in the media).

- Understanding the impact of complaints, where problems lie, and aiming to resolve these and identify and fix problems, will help build trust in customers and show that you've heard them and listened to what they had to say.

- Keep the communications relevant and pro-active. We all know how heavily we get marketed to by organisations, why can't this approach lend itself to service issues, etc. (An example was provided whereby a customer's account had been frozen with no comms for explanation; that same customer received over 15 marketing messages advertising other services during the same period).

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- Enabling customers to disclose from the onboarding, normalise disclosure.

- Educating is essential to trust; people not being aware of like when they're gambling and how it effects their mortgages. Lenders are looking at gambling habits.

- There is a significant fear of GDPR and use of data amongst businesses. The general feedback from the group was that there is an understanding that the Information Commissioner's Office was happy with the sharing of vulnerable customer data where it is a benefit to the individual.

- Consider that not all life events are negative. Paying off a mortgage is a significant life event, as is taking out a loan to buy a home. Use these positive events to instil trust with consumers.

- Ask your colleagues where they feel empowered and where they don't – utilise this crucial feedback to improve your service.

- Take time to consider the different life events that could happen in conjunction with the products and services you offer, and aim to identify what the life events are that could impact these services - e.g. life insurance policies and bereavement, critical illness cover and terminal illness.

- Believing customers; believing them when they say they're experiencing someone, rather than getting them to jump through hoops. Trust as a two-way street.

- Staff can be our greatest advocates to build trust and the background mechanics and processes need to work for those staff members to support personal engagement.

- Off-boarding is still an opportunity to build trust and create advocacy when handled correctly.

Next Steps

- The next Collaboration Focus Group takes place on 8th June 2021.

- The Collaboration Network App can be downloaded in the App Store and in Google Play store where you can continue collaboration with peers on the topic of vulnerability as well as other issues such as complaints Handling, Customer Service, Policy & Compliance, Customer Experience, Colleague Welfare, New Ways of Working, Work Culture, Data & Insights, plus more.

- Special Interest Groups are now set up for Mental Health, Insurance and Pensions inside the app.

Next Session: 8th June 2021, 10.00 - 12.00

Collaboration
Special Focus Group

FINANCIAL
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Financial Services Sector
Special Focus Group Report

Collaboration Network