

Insight – Customer Outcomes and Voice of the Customer

As financial services firms continue to enhance the sophistication of their monitoring suites examining the treatment of customers in collections or wider financial difficulty against a backdrop of increasing regulatory focus of outcome testing as the critical assessment tool, we should consider what role the Voice of the Customer (VoC) can play in helping firms enhance the quality of their monitoring and proposition for customers as a whole.

The move towards assessing customer outcomes over defined journey periods and away from “in the moment” quality assurance monitoring presents individual firms with a critical challenge – what do we consider to be fair?

Yes, as an industry, we have the rules and guidance set out by the FCA through overarching principles, MCOB and CONC amongst others, but each firm's application of monitoring approaches against these is open to significant variation – Which customer groups are we testing? What specific components are we testing? Over what period are we assessing ourselves? What do we consider fair treatment? How do we benchmark against our peers?

We can expect the cross-pollination of resources, skills and experience to provide increasing commonality between firms in their application of outcome testing across collections and financial difficulty, but to be truly market leading should the customers own assessment of fair treatment not be taken into consideration?

Change practitioners in most industries, including financial services, have been using VoC to drive value streams in other threads of business for some time to enhance service offering, customer experience, lean processes or as a tool to assess their NPS. That being said, you don't need to be Six Sigma trained to understand the purpose of VoC, at a simplistic level it is the customers' views on their expectations and experiences of your products, but why is it not more widely utilised in assessing and improving fair treatment for customers in financial difficulty?

Let me first address the elephant in the room – collections and pre-collections journeys are complex, every customer's individual circumstances differ, they can be highly emotive and between balancing the handling of a complex journey and staying on the right side of the regulator our job as collections professionals can be difficult enough. Do we really need to make it harder for ourselves by opening the Pandora's box of customer criticism?

The problem is, acknowledging that relationships between FS firms and customers are increasingly multi-product, digital and non-interaction based, for the vast majority of customers in the UK there remain only two life changing “transactions” with our industry, the first is the provision of a mortgage and the second is their treatment when facing financial difficulty. It should stand to reason then that customer opinion in this space should be at the top of our agenda. Whilst we as an industry self-critique against our own views of fairness through outcome testing models or potentially receive help to form this assessment from a skilled person, rarely do we truly and proactively consider the customer's own view of how they have been treated in our testing models.

We do however, collectively, have the tools and channels to better utilise the customer voice within our collections journeys and not simply by looking at relatively obtuse data captured through

complaints processes which often only highlights to us what we are doing badly than also helping us focus on doing more of what our customers really value.

All firms have a ready source of customer voice insight through the interactions already being captured as part of existing monitoring. The customers tone, their reaction to agent empathy (or otherwise), satisfaction trigger words and conversely expressions of dissatisfaction are all valuable sources of insight into the customers perspective of how they are being treated. We also have a range of surveying options post interaction to provide customer viewpoints purely at a data level which can be powerful if well harnessed, particularly when considering high volume transactions within journeys.

Perhaps the most powerful tool available to us is reconnection with the customer as part of the outcome testing process, directly feeding the customer view of how they have been treated into the overall assessment.

Where reconnection takes place, either through telephony using experienced internal resources or face to face through a specialist field force, we can create the opportunity to gain true insight into the customers perception of their treatment and return qualitative insight to the assessment process – What were your expectations? Did you feel listened to and understood? Did you feel our actions were measured and appropriate to you? Do you feel we worked with you to agree a solution? Was the information we provided clear and understandable? Do you feel we delivered what we promised?

Qualitative insight direct from the customer can provide monitoring teams across all lines of defence and senior leadership with an incredibly valuable lens when considering both how they operate and how they view more subjective components of fair treatment assessment. It also allows for a high-quality continuous improvement and customer experience loop to be installed into firms processes for handling customers in collections and financial difficulty. Reconnection can also be incredibly useful where firms determine that a customer has been treated unfairly but may not be aware, allowing for a thorough explanation, transparency, alternative options to be presented and remedial action to be undertaken to repair the relationship, particularly powerful face to face in cases where the customer is considered vulnerable or particularly sensitive.

There will undoubtedly be instances where customers feel aggrieved regardless of whether firms have acted appropriately or not, nonetheless this remains valid insight. It is also not likely that the regulator would be any less critical of firms who can produce glowing customer insight through their testing models but are creaking in the delivery of their underlying regulatory obligations. What it can do is provide another dimension to the assessment of fair treatment from a relatively untapped insight pool, enhancing firms understanding of how it feels for a customer to engage with their financial services provider when they need them most. This approach also allows customer-centric firms to differentiate themselves in terms of customer care, integrity and demonstrable interest in maintaining relationships in an increasingly competitive, low barrier and high mobility industry.

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