Vulnerability Series: DCAs and DPFs

Part 1: Call Calibrations

Background

The LSB's mission is to drive fair customer outcomes within financial services. We do this through independent assurance, Standard setting and the provision of insights, aimed at helping registered firms to continue to meet the Standards and achieve fair outcomes.

This year we are delivering a series of work focused on vulnerability in the personal customer space, designed specifically for our registered Debt Collection Agencies (DCAs) and Debt Purchase Firms (DPFs) - referred to as 'firms' throughout for ease. The first focuses on customer and call centre interactions; our insights are set out in the summary below.

Engagement with firms

In early 2020 we spent a day with the majority of our DCA and DPF firms, to discuss the treatment of vulnerable customers and to facilitate a call calibration session. During the visits we met with a range of teams across the firms who provided an overview of their processes and training relating to vulnerable customers. This was followed by a call calibration session which provided an opportunity to listen to how contact centre agents and specialist teams interact with vulnerable customers. We then discussed each call with colleagues from across the firm, including representatives from quality assurance, compliance, operations, the contact centre and training functions.

We would like to thank all of those who took part in the sessions for their hospitality and input. The insights gathered below are based on what we heard and found during these sessions, and also from knowledge and insight gained from work across our wider registered firm base.

LSB insights

Customers' circumstances are rarely straightforward or centred around a single issue. More often customers disclose complex situations such as a mental health condition overlaid with physical illness and other challenging personal circumstances. Empowering agents across the customer journey to deal with these situations is essential to support high quality conversations and the right outcomes for vulnerable customers.

Empowered agents engage in a natural manner with the customer. They gather information, respond conversationally, probe to ensure they fully understand the impact of the customer's circumstances and adapt their approach accordingly. During our call calibration sessions, conversations were most engaging, and more likely to deliver the right outcomes, when the agent understood why they were asking for certain information. For example, agents who ascertained when customers took their

medication and understood any potential side effects were able to offer customers dedicated support such as flexing the time of day calls were made or committing to a letter only strategy. By understanding the reason for questioning, probing takes place naturally, avoiding a tick box approach to the call. Customers are therefore clear on the reason for additional probing and more likely to divulge personal information that could improve how firms can assist them. Educating agents on why they are required to ask certain questions and the support they can offer in response guides better conversations.

Vulnerable customer training programmes

Firms with specialist teams have different approaches to their structure and subsequent training programmes in place. Some firms train all of their frontline agents to identify and support vulnerable customers and utilise their specialist team for customers who needed a longer-term or more complex support package. Others train all agents to identify vulnerable customers and hand them over to the specialist team for support following this identification, no matter how complex their need. A commonality between both approaches was that specialist teams undertake additional training sessions throughout the year on topics which require a more developed skillset such as behavioural training. This helps agents to offer enhanced support and ultimately drive better outcomes for their vulnerable customers.

Defined processes

In addition to enhanced training, firms with this two-tiered contact structure benefited where clear guidelines were in place addressing the hand over process of customers to the specialist team. Firms that were able to clearly articulate through policies when a customer should be supported by the specialist team typically had more constructive conversations with their customers. Strategies around the two-tier process varied in that some organisations identify triggers or specific vulnerabilities that require the intervention of the specialist team and others look at the customers' ability to handle the mainstream process. In either circumstance, this was most effective where agents were clear on the separate roles and directed customers accordingly. Similarly, when firms disclose to the customer that they are being handed over to a specialist team, customers were accepting where they understood the reason for this and how it would help them.

Call Calibration sessions

Agent empowerment was most evident at firms that had an on-going, proactive approach to discussing vulnerability and supporting agents. One of the ways firms achieved this was by holding regular internal call calibration sessions. These sessions help agents to understand what 'good' looks like and drive consistency of approach. All firms we visited held call calibrations for operational and frontline colleagues, but the frequency, attendance and framework varied across organisations. Regular call calibrations attended by a range of colleagues, including frontline agents, team leaders, quality assurance and compliance maintains the focus on vulnerability and improving customer interactions. Maximum impact is achieved where all frontline agents have the opportunity to regularly attend and where calls are linked to hot topics or areas of particular challenge which may be identified through coaching and quality assurance. Firms with a more formalised approach to calibration sessions, and where they were held at least bi-monthly, tended to deliver a better quality of customer outcome.

The most effective call calibration structure we saw involved senior and operational stakeholders and frontline colleagues listening to the same calls. Using the same calls for a range of colleagues at different levels within the organisational structure ensures that everyone is working towards the same

outcomes. This structure was effective in bringing thoughts and questions from other areas of the business and helped to generate understanding of vulnerable customers outside of operational colleagues.

Signposting

Understanding the need to properly explore a customer's circumstance and how to do this enables agents to more competently deliver the right outcomes for customers, an aspect of which is signposting. We saw effective signposting happen when the agent was confident in who the third party they were signposting to was, understood what that organisation did, and were able to explain how the third party could support the customer based on the information gathered. Improved signposting, in terms of positioning and its benefits, is an area that can offer real support for vulnerable customers. Engagement where signposting was briefly offered at the end of a call and without access to personalised benefits was generally low, from both the customer and the agent and in some instances caused confusion over the relevance of the information.

Signposting at the appropriate time during the call has a more significant impact as the information is relevant to the conversation at that moment. Confidence in explanation and assertiveness in timing of delivery were evident from agents that were able to identify an organisation that could really add value to the customer at that time. Some firms achieve this through having a reduced number of organisations they signpost to. Understanding what they do, and importantly what they don't do, enhanced signposting discussions. Information should be easily accessible and knowledge refreshers of third parties delivered more regularly. Some firms achieve this during team meetings or huddles and in some instances delivered by a "champion" who had in-depth knowledge of the organisations that could be signposted to. We also heard examples of third party organisations attending firms to present to teams on their services and how they could assist customers. This was another way of improving the level of knowledge within teams and increasing the likelihood of agents signposting appropriately.

Firms who took a holistic approach to supporting vulnerable customers beyond their financial needs were able to positively identify customers who could benefit from additional signposting e.g. MIND and Shelter.

Supporting agents during their customer interactions

An important contribution to empowering agents is the ability to offer them support in the live environment. Speech analytics is a tool that enables firms to do this, identifying vulnerable customers and providing real time assistance to agents. This is beneficial where the customer's situation is particularly challenging and also offers an emotional support to employees. Customers and agents are helped in the moment and firms are provided with assurance that they are delivering the right outcomes for customers. Speech analytics is one way of identifying when an agent could benefit from additional assistance in the live environment, an alternative method is deploying a flagging system for agents to indicate when they have a vulnerable customer on the telephone that they may require additional input or support to ensure the right outcome is reached.

Discussing and sharing examples of customer interactions between induction and annual refresher training helps to maintain focus on agent education including updating them on the evolution of vulnerability and best practice. Having a greater knowledge base of how to best assist customers encourages agents to step outside of the 'standard' procedure when required to deliver the right outcome. Some firms proactively used huddles, internal blogs and the intranet to support knowledge sharing, and encouraged agent contribution for relatability.

Empowered agents, capable of delivering good customer outcomes through quality interactions, are generally engaged in purposeful upskilling through a combination of call calibration sessions, huddles, team meetings, training and coaching and other channels to keep training alive outside of the classroom.

What's next?

We are mindful of the impact that coronavirus is having on our registered firms and are keen to support you during this challenging period and as consumers face uncertain times. Whilst you work with them to understand how they are impacted and the options available, we will continue to provide our registered firms with insight and support tools, via the secure, firm only side of the LSB website.

It is with this in mind that we have begun a series focusing on authorised push payment scams, vulnerability, and SME financial difficulty, looking at each through the perspective of the impact from COVID-19. This will address risks and areas for consideration that we see as important when dealing with coronavirus. Each piece will be available on the secure, firm only side of the LSB website.

The Insight & Support team will contact you to offer the opportunity of attending a webinar in June to discuss the content of this insight report.

Part 2 of Insight & Supports' DCA and DPF vulnerability series will look at the use of online vulnerable customer refresher training and its effectiveness.