

A close-up, warm-toned photograph of a woman and a man looking at a smartphone together. The woman is in the foreground, her face partially visible in profile. The man is behind her, wearing glasses and looking down at the phone. The background is blurred with warm, bokeh light spots.

Developing the Right Customer Experience Strategy for Redress

WHITEPAPER

The world is how we shape it

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Introduction

The role and expectations of the Financial Services industry in society has fundamentally shifted over the last decade with an increased focus on consumer protection, corporate culture and ethical decisioning.

This has been driven through a combination of increased regulatory scrutiny, changes to consumer behaviours and the need to adapt traditional business models as a result of the technology revolution.

Key to success in this new and complex landscape is embedding a data-driven operating model that drives ethical decision-making, individual accountability and the consistent delivery of fair consumer outcomes. In practice this continues to be a genuine challenge for the Financial Services industry, especially when applying this to customer redress which cost the UK Financial Services industry £4.8bn in 2018 according to the FCA.

Delivering customer redress effectively is far from easy. A successful redress programme requires a high level of practical and tangible experience to enable organisations to be able to effectively foresee and navigate these challenges.

In this paper Sopra Steria's Customer Experience experts discuss how you can put the customer at the heart of your redress strategy. The suggestions made and processes identified will help banks, building societies and insurance organisations to deliver the right redress programme outcomes for their businesses and the customers they serve.



Figure 1 – Key industry redress challenges

Why customer experience needs to be at the heart of your redress strategy

Without a sufficiently enacting customer engagement model, redress easily becomes a firefight situation.

The lack of a strategically actioned customer centric approach is evident across most large Financial Service companies due to the continuous growth of multiple touch points, siloed infrastructure and lack of a defined data strategy to empower business and frontline teams.

This is further complicated when redress is enacted, due to third party actions (claims management companies), inconsistent customer contact strategies and with governance oversight.

The problems start when designing a new redress process by focusing on the end point (paying the penalty to the correct account holder) as opposed to the journey and customer insights that can be gained and utilised to benefit the company as a whole. Too often redress is seen as a mistake correcting programme as opposed to an opportunity to deliver excellent service and gain new insight into your customer base or as a way of improving data and processes that support the customer base.

The lack of 'employing the voice of the customer' in designing the processes is often all too obvious. Remember, customers have already had a poor experience, an experience that will be at the forefront of minds due to possible media scrutiny and they require assurance that this is a one off, and that they are seen as valuable customers to the financial services company. As far as they are concerned, redress should be a simple process which unites them as quickly as possible with any financial loss. Ensuring the customer voice is heard in working groups and via feedback will ensure lessons learned can be fed into the redress portfolio.

As mentioned, data is both an issue and a key customer differentiator. When applying for redress customers do not want to have to give over the sort of details that they expect their banks to know. Once a customer has been correctly identified the fulfilment process must utilise data to ensure lead times, issue identification and, most importantly, redress execution are completed in a timely manner whilst keeping the customer abreast of where in the process their application is with a detailed timeline for delivery.

Communication with the customer is paramount, ensuring they understand any redress due and where they are in that redress journey – the time to complete and close off this unwanted financial activity needs to be handled via carefully crafted marketing content that is clear and precise. The data that underpins this activity must be scrubbed and improved to ensure that journey is not lengthy and can be reused for internal governance.

Without this customers become frustrated, feeling as if they are being victimised by the Financial Services institution and often require more contact which impacts underlying costs to serve. Data is also key in ensuring calculation errors do not impact upon redress amounts and the data connected to a customer account. Poor record keeping due to batch processing and siloed data is no excuse and needs to be rectified, where possible, at source.

The final aspect that needs to form part of the customer engagement model is ensuring insight is utilised and a constant optimisation flow enabled to ensure errors do not occur again, putting the financial institute into yet another redress situation. Data gleaned from any redress program must be used to inform upon business product design and service propositions through a data-led design process implemented, not just at the analytical level, but fully embedded into the business teams that support ongoing development.

Furthermore, the redress issue should be seen as example training data for BAU teams, ensuring alignment with ongoing governance and reducing the chance of a redress issue reoccurring.



How Sopra Steria’s approach to customer experience design can help you execute a successful redress strategy

Sopra Steria have developed a unique approach that can radically enhance the customer engagement model underpinning redress.

This in turn ensures customer centric strategy forms the backbone of ongoing journey management design and execution. Through the use of a consistent set of portfolio design principles a consistency of approach to redress calculations can be enacted. By focusing on detriment criteria, interest and a time-bound approach will ensure customers receive a redress execution that meets their needs.

This starts with the customer engagement model and the delivery of clear communication with a defined tone of voice and exacting contact strategy, backed by a customer service that focuses on the voice of the customer through an always on feedback loop to enhance training, apply lessons learned and ensure reporting is optimised.

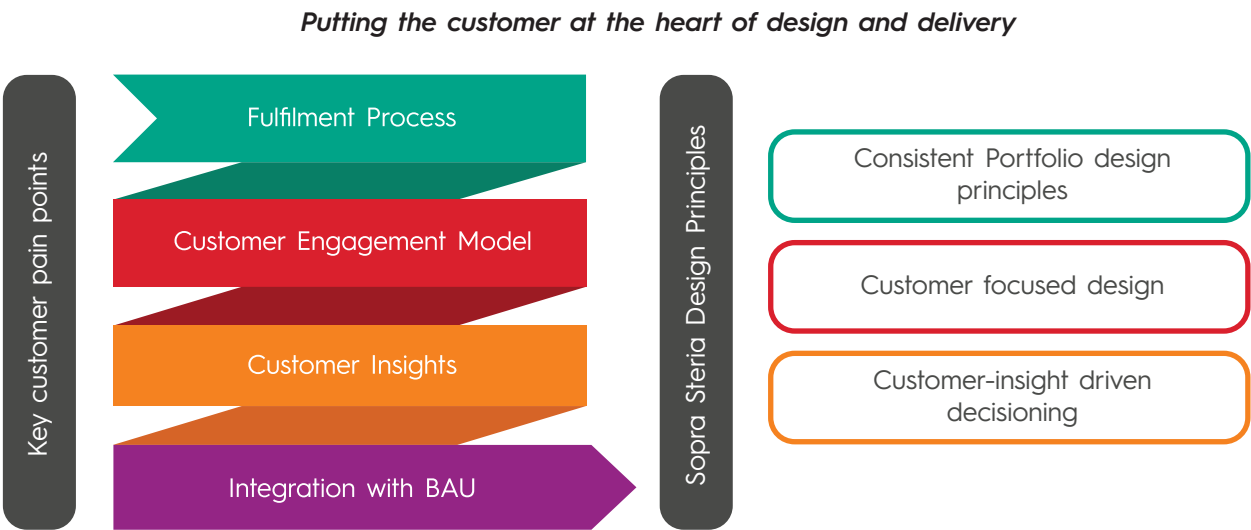


Figure 2 - Example of a customer engagement model in the redress process

Ongoing journey management is prioritised through customer focused design that utilises both voice of the customer and voice of the employee to identify multiple customer touch-points, segmenting your customer base to define both the experience and personalisation required to ensure customer service is optimised and delegation of resource can be managed.

Through managed workshops and the application of UX and CX specialists, the customer is put at the heart of the redress delivery mechanism. This is further enhanced through our unique partnership with leading Customer Journey Orchestration companies. It also removes customer journey mapping from a purely impressionistic approach to the detailed use of data mapping, ensuring an always on live journey interrogation is built and delivered to product design and customer facing support teams.

Customer-insight driven decisioning through the use of Customer Journey Orchestration and insights dashboards are maintained through staff optimisation and skill enhancement with a focus on data-led designs principles. This makes sure the redress process is constantly optimised and maintained in an Agile manner, errors are minimised, and management are in the loop and empowered through a robust D&A Quality Assurance framework.

Furthermore the delivery of a data-led design process will facilitate the identification of procedures within the customer journey that are ripe for automation to be applied. At Sopra Steria it is evident to us that the redress function struggle to keep costs contained due to data mismanagement, utilise skilled resources as effectively as they can be, make informed decisions quickly, and simplify what can often be a 'traditional' and inflexible process.

Whether as an exercise in itself or integral to a Transformation or Change Programme, Sopra Steria helps financial services organisations to examine their existing redress function and re-imagine, shape, and run the underpinning processes through the ongoing enhancement afforded by Customer Experience.



Why should you use Sopra Steria customer experience services for redress

Sopra Steria has a significant track record in guiding financial services clients through their end-to-end redress journey.

We understand each financial services organisation is unique and a 'one size fits all' approach to redress is not the answer. When you engage with Sopra Steria to help overcome your redress challenges we take the time to identify your unique aspirations, objectives, and challenges, and to produce realistic outcomes using the most effective means possible.

Our DigiX consultancy team will work directly with you to optimise the customer journey, implement defined voice of the customer and employee programmes, ensuring a consistency of communication across all the touchpoints identified in the redress process.

At the same time, we can deliver tailored customer insight analytics through our Customer Journey Orchestration partnerships, allowing your employees to continually improve the customer experience and gain valuable skills in data-led design processes that gives them the insight to apply lessons learnt in to the wider redress portfolio, test new redress outcomes and apply a level of personalisation to your segmented customer base.

The customer is put at the heart of the redress programme ensuring quality and speed of execution are optimised, risk assessments are prioritised to ensure redress errors are minimised and root cause analysis is continually optimised.

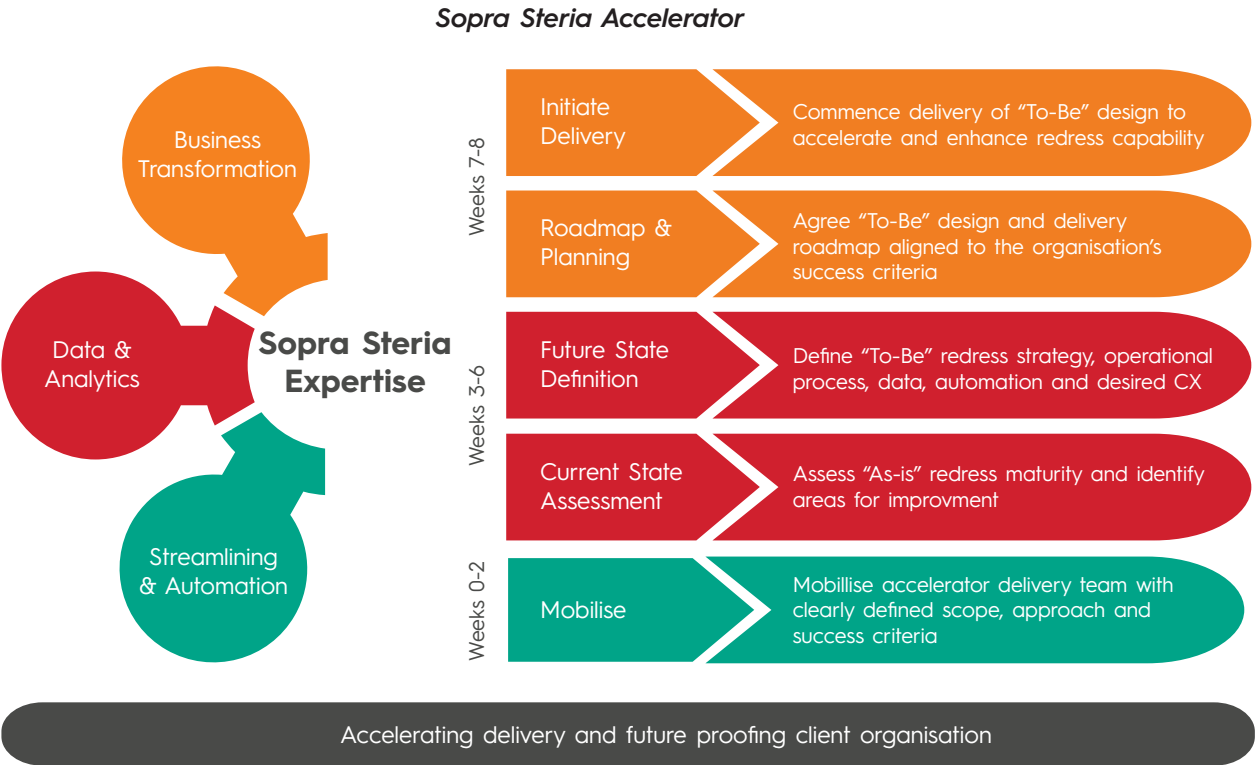


Figure 3 – Sopra Steria’s redress accelerator process

How the Sopra Steria customer experience team can help you with your redress strategy

Sopra Steria's DigiX approach to customer experience can give financial services organisations confidence in their redress programmes:

We have lived and breathed redress – Our customers value our experience, they welcome our ability to inject real-life insight, and recognise we have lived through similar pain points to themselves.

We know how to put customers at the heart of your processes – Business Transformation and Change is what we do. Supporting clients to grow and remain relevant is our mission. Understanding the customer point of view is vital.

We are valued technology partners – Whether Customer Journey Orchestration or Intelligent Analytics, we partner with the best in the market.

We see pace and value as inseparable – Our data-led design process is a proven success in ensuring constant optimisation is maintained and Agile ways of working become second nature.

We support and empower – Our customers appreciate a long-term partner ethos and desire to hand back knowledge and ability to them.

Final thoughts

As we have identified in this paper putting the customer at the heart of the redress function will ensure better outcomes for the current redress programme, but more importantly guard against the future possibility of redress. As part of a larger redress programme, or as a continuous improvement initiative, Sopra Steria recommends that financial services organisations work to design around the customer and maximise the value of the people, processes, and data they have nurtured for many years.

By working with a wide range of financial services clients we have developed a set of tools and methodologies to enable a defined CX approach. We know where risks may be hiding and how an effective redress function should work. In summary, our recommendation to financial services organisations for redress is to keep it simple in terms of process, understand what your business is responsible for and act with a customer-first frame of mind. The key points the reader should take away from this paper are:

- **Understand and map the customer journey** – utilising knowledge from your customer service department, internal stakeholders and customers themselves map the journey with a focus on removing pain points, maintaining a defined and consistent tone across all the channels available. Customers want to gain redress in as quick and frictionless manner possible, your business wants to ensure customers are treated fairly and ethically, whilst ensuring risk is mitigated and minimised.
- **Use technology to fully leverage the data** – once a journey had been manually mapped use Customer Journey Orchestration technology to turn that map into an always on feedback loop on what is working for your customer, but more importantly, what is not. Use the data you have to segment and define journeys that work at the individual level, prioritising high risk cases and ensuring flow is maintained. Data should never be lost or be left to rot in data silos due to legacy issues.
- **Implement Data-Led Design to maximise insight** – with all the new data points at your fingertips, reorganise your teams and empower them with the skills to turn data into insight. Allow them to deliver constant optimisation which in turn feeds through to your KPIs and senior manager reporting on how well the customer engagement model is working for each and every customer and meets the requirement of your departmental and business CX strategy.

For more information about our customer experience
consultancy services please email
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and one of our redress experts will be in touch.