

WHITE PAPER

CONVERTING COMPLAINTS TO CUSTOMER EXPERIENCE

A Framework to Redefine the Complaint Management Process in Banks



Deficiency in the current Complaints Management process

A seamless and consistent customer experience at every point of customer interaction is an absolute necessity for sustainable business growth in financial services sector. A superior customer experience is delivered when customers are emotionally engaged. This is only possible when even a negative experience is transformed into a pleasant and memorable one.

Unfortunately, complaints in most banks are dealt with lower priority and viewed as an overhead.

In 2015-2016, the Financial Ombudsman Services in the UK investigated 340,899 complaints with a 3.5% increase compared to the previous year. 51% of these were upheld by FOS in 2015-2016.

This number could have been much less if complaints were handled efficiently starting from the first point of contact. Key issues and challenges that banks face in Complaints Management are:

- Complaint handling takes a backseat in banks. A recent FCA survey found that customers are not satisfied with the way complaints are dealt in banks.
- Many banks are unable to foresee the long-term effect and reluctant to invest in the complaints area.
- There is limited information captured by the bank's first point of contact resulting in slower response times.
- Huge number of complaints remain unresolved and land in the turf of Banking Ombudsman.
- Regulators in each country closely monitor customer complaints from banks.
- Dissatisfied customers with emotionally negative experience have a major impact in long run.
- Ignoring customer complaints can cause compliance breaches resulting in millions of dollars in regulatory fines.

Complaint is one of the most sensitive contact points in the customer experience lifecycle. Customer experience resulting from complaints can either improve customer loyalty or cause customer churn.

It is critical for banks to establish a framework around these anomalies in Complaints Management process. In this paper a framework has been laid out for efficient Complaints Management that proposes a 4Ps evaluation model and demands that each area be treated with a specific approach. Some key approaches talk about specialized first point of contact, 360° visibility, real-time tracking, knowledge retention, automated complaint analysis, automated routing and artificial intelligence. Framework ensures that banks adhere to regulatory needs and at the same time deliver best-in-class customer experience.



Framework for a seamless Complaint Management solution

This paper provides a framework to assess the current state of Complaints Management process in banks, thereby providing an insight into how customers can be provided better outcomes.

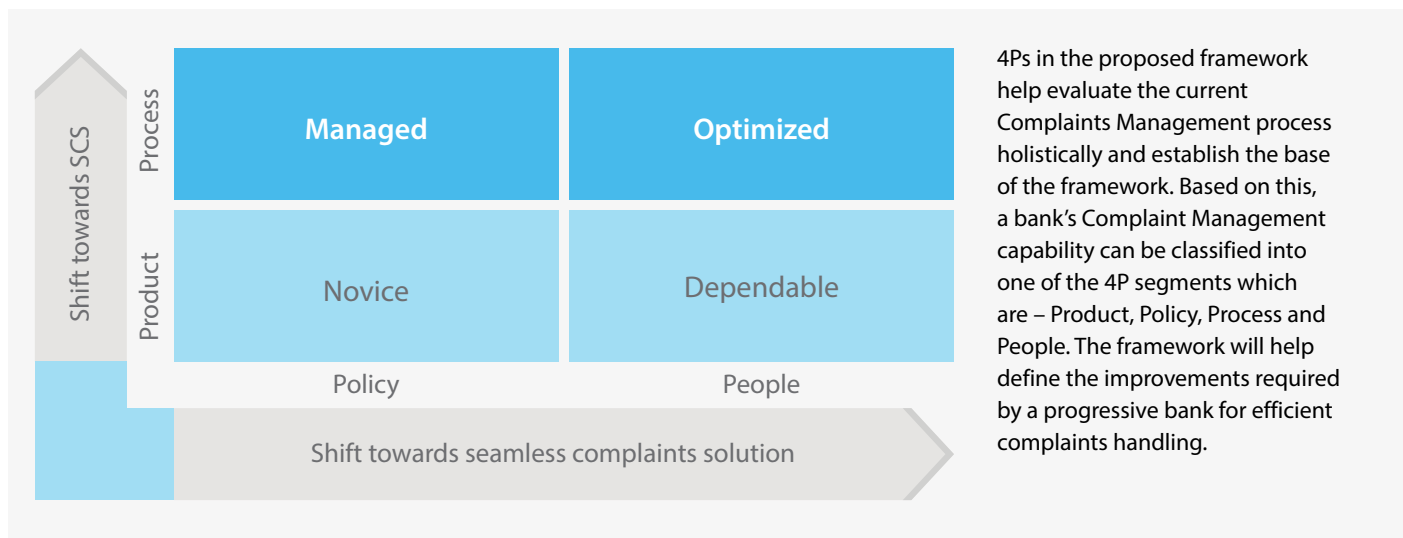
The seamless Complaint Management solution proposed here is a robust framework that identifies areas of improvement in a bank's complaints

handling process. As the name suggests, the primary goal of the framework is to gain a seamless process along with speed and accuracy in the end-to-end complaint handling process.

The framework begins with an evaluation of the current state of bank's Complaint Management process followed by clear steps that define and implement

a self-sufficient complaint solution to capture, investigate and resolve customer complaints seamlessly with satisfaction. The framework defines a structured way of implementing improvements in different underlying areas of the complaints process – business, technology and process. This framework is easily adaptable to both existing and new banks.

Evaluation model – The 4Ps



Novice:

Have initiated a shift towards a future Complaints Management solution. Started building product and policy knowledge but lacks on process and people front. It is challenging for these banks to respond in time to handle complaints efficiently and meet regulatory compliance.

Dependable:

Are evolving but currently dependent on employee knowledge for capturing and resolving complaints. These banks are able to provide quality resolution and satisfy customers but may or may not be able to resolve complaints faster.

Managed:

Have an efficient process backed by updated technology but lack quality people and their knowledge or attitude. They mostly respond to complaints faster but the quality of response often triggers escalation or leaves the customer with a level of dissatisfaction.

Optimized:

Have established 4Ps in an optimized fashion. Rely on cutting-edge technology and efficient people with knowledge of products and policies. They are able to satisfy customers with efficiency, speed and a quality response. They deliver best-in-class customer experience.

Below is a sample business architecture of the framework which consists of several functions of Complaints Management process in a bank:



The framework ensures that scope of solution is applicable to complaints handling across lines of business (LOB) at banks like retail, corporate and capital & investment banking. However, banks should prioritize complaints based on business goals of LOB keeping in mind products and services offered by LOB.

Core of the framework and its benefits

The framework helps banks enhance their Complaints Management process in three dimensions – Customer, Product and Process.

It is an opportunity for banks to evaluate their current abilities and create capabilities to handle complaints and related processes in a better way.

Steps banks should follow to adopt the seamless Complaints Management solution framework:

Establish specialized first point of contact: Banks must identify and establish a specialized first point of contact workforce and map the right complaint type to the right first contact based on their specialty and knowledge. This requires that right candidate is carefully selected and the right mapping is done so complaint is automatically routed and resolved at the first contact. Automated complaint routing combined with specialized first point of contact can address complaints in an optimized time and efficient way.

Essential skills and attitude for the first point of contact to handle complaints with efficiency and speed are:



Specialized knowledge on banking products and the area of operation	Complete understanding of the policy and process	Proactive and diligent	Ability to handle pressure
Understanding and cooperative	Good listener	Open to feedback	Empathetic
	Ability to make decisions	Thoughtful	

360° visibility on the customer, product and complaint:

Uncover the possibility of resolving customer grievances with the bank's own

wealth of stored data. The framework will introduce open APIs to integrate with bank's multiple systems. Building multi-interface capability using API will enable

the bank to select strategic products that would fetch not just complete data on complaint but also the customer.



Develop omnichannel experience:

Omnichannel experience will promote and encourage customers to submit complaints through the most convenient and accessible channel. It will enable customers to log complaints at the branch or by phone, email, smartphones, tablets, Web chat, or from social media channels such as Facebook, Twitter or WhatsApp with ease and consistent experience.

Real-time tracking: Enable real-time complaints tracking by the complainant for complete transparency. It will also help

develop a response with utmost care by virtue of data integrity and data security.

Flexible, scalable and

parameterized: Ensure that Complaints Management solution remains flexible and parameterized. It should support multilanguage scenarios. Given the scale of a bank, there is a possibility of exponential growth of data. Hence, the solution must be scalable, easily maintainable, and should have flexible workflows.

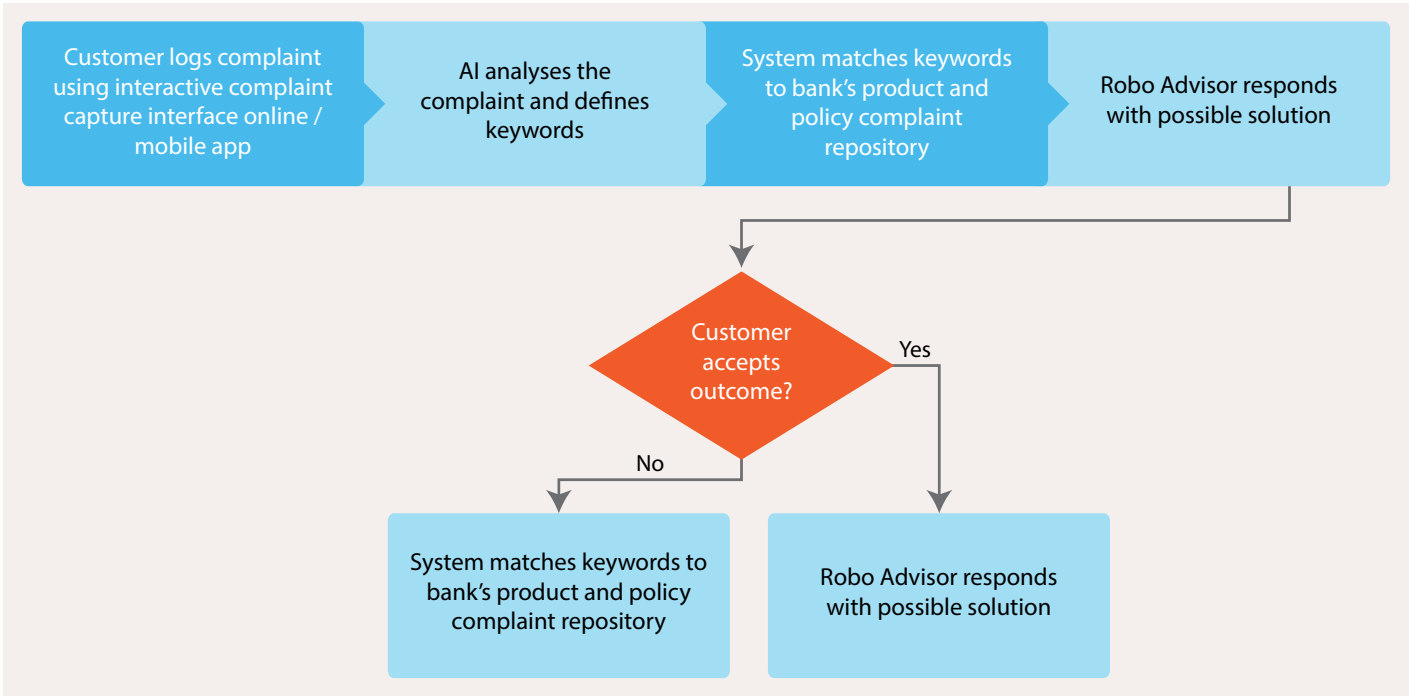
Self-enriching complaint ecosystem:

Develop a mechanism for building a progressive knowledge repository from new complaints logged. The framework must encompass dynamic diagnosis and automated keyword-driven analysis of complaint data. Any new keyword should go through the defined data flow before it can be added to the repository.

A mature and efficient self-enriching complaint solution will help complaint handler and support automation.

Automated complaint analysis and Robo advisor:

Finally, banks need to speed up capturing of complaints without missing the key points such as root cause identification, investigation and resolution of a complaint. Banks need to implement artificial intelligence to ensure intelligent keyword-driven analysis. Robo Advisor attempts to resolve the complaint even before the case reaches first point of contact. This can be optimized with an interactive and fully automated user interface.



In a nutshell, the key benefits of implementing a seamless Complaint Management solution framework are:

- Process optimization
- Reduced turnaround time leading to cost benefits
- Better customer outcomes
- Improved relationship management
- Delivery of best-in-class customer experience yielding customer loyalty
- Increase in the Net Promoter Score (NPS)
- Enhanced brand value
- Adherence to compliance and reporting and avoidance of regulatory fines

Customer complaints are an opportunity for banks to revamp their Complaints Management process. Complaint handling represents a valuable opportunity for banks to rebuild and enhance their relationship with customers. Effective complaint handling can deliver a pleasant customer experience and builds a long lasting customer loyalty.

Complaint is not just another compliance item, rather it's an opportunity for banks to gain a competitive edge.

In future, complaints in banks will be treated more stringently. Customer expectations will also be higher. Banks will be expected to report complaint data to regulators accurately and will have no choice but to respond to a regulation change in a given timeframe. Against this backdrop, banks will need to rethink and restructure their current strategies and start prioritizing complaints to a higher level. They will need to work towards adapting the proposed framework and invest in people, process, technology, and reviving their current Complaints Management systems.

Platforms like Mana from Infosys built on artificial intelligence can enrich such seamless complaint management solution. Building on the data and knowledge reuse capability, Mana unlocks the value through data analytics and process automation thus creating a competitive differentiator for banks.

Our strong domain expertise and exposure to large programs in area of Complaints Management in Retail can help banks drive and reach the desired state. We have a 360 degree approach and have ability to address Complaints Management from a domain, technology, product, and process perspective. We can help in assessment of current state, assist in designing a framework and redrafting the complaint handling policy & procedures and analysis & implementation of vendor / in-house solutions.

Last but not the least, we advise firms in development and production of Management Information (MI), data enabled Continuous Improvement and benchmarking against industry peers in the area of complaint handling.



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