



Providing fair, flexible and inclusive services

- a business perspective

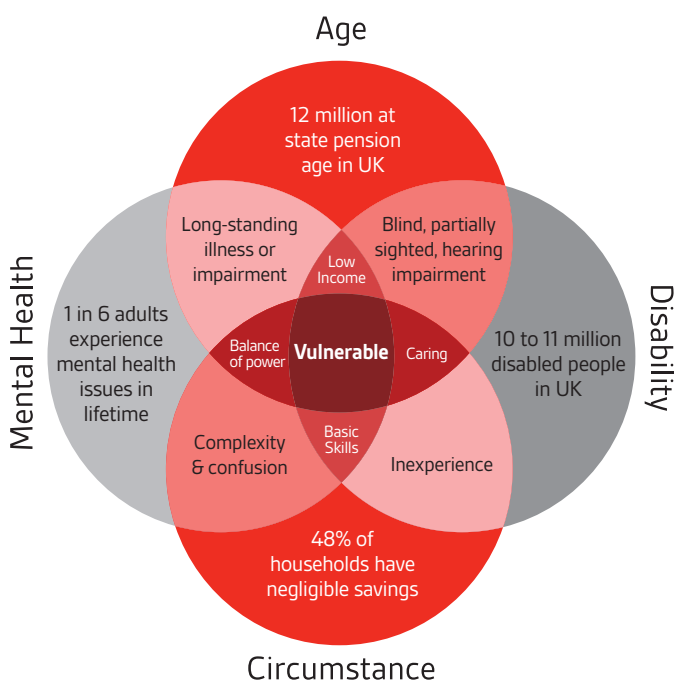
Tackling consumer vulnerabilities – why it’s important

Consumer regulation and legislation will often - as a minimum - aim to prevent consumers from suffering detriment when purchasing goods and services in a marketplace and ensure that regulated companies and organizations treat their customers fairly.

Consumers can be particularly at risk of financial detriment or even physical harm when vulnerable. A vulnerable consumer may be someone who is disadvantaged when they are either unable to access the product or service they require, or they are required to expend a disproportionate amount of effort to access the product or service. Consumers may experience a specific vulnerability throughout their lifetime or at specific times in their lives, such as being vulnerable due to financial hardship or illness. Of course, some consumers may also experience a range of vulnerabilities at the same time.¹

The Vulnerability Landscape

Survey data: BS 18477: 2010



The voluntary standard BS 18477: 2010 Inclusive service provision was developed to help organizations better design, market, assist and deliver services to all consumers. The underlying theme of the standard is identifying and responding to consumer vulnerability but the standard also tackles issues such as providing responsible business practices and accessible systems, such as websites and contact centres.

Of course, most companies and organizations don't deliberately discriminate against or exploit those consumers that may be experiencing vulnerabilities during their lives. But organizations may not fully consider the potential impact of a new product or service or assess the most appropriate approach to anticipate and meet the needs of their customers (see the Financial Ombudsman Service case study for practical examples).

Everyone will accept the moral obligation to treat customers fairly and to deliver services that are flexible and capable of meeting the needs and demands of all customers.

¹ Access for all. The importance of inclusive services, Citizens Advice (March 2011)

What are the actual business benefits for organizations?

A series of informal and formal discussions with a variety of regulators and businesses to explore the potential benefits of an inclusive approach to service delivery led to an industry roundtable in July 2012.

Discussions with business

At the roundtable, BSI consulted with representatives from industry sectors such as telecommunications, energy, water and financial services. The objective was to further examine not only any potential benefits but also current awareness of the standard and the practical realities that any organization faces when attempting to address consumer vulnerabilities.

The regulatory landscape

Sometimes, an approach is defined by legislation or regulation. The Equality Act 2010 and the Consumer Protection from Unfair Trading Regulations 2008 are relatively recent laws that have made specific attempts to encourage organizations to improve access to their products and services and prevent vulnerable consumers from being treated unfairly.

The Equality Act 2010 places a duty on all service providers - public or private - to make reasonable adjustments and amendments to any policies and practices that are identified as creating any "substantial disadvantages" for disabled people when they are accessing goods, facilities and services.

Consumer protection regulations such as the Consumer Protection from Unfair Trading Regulations 2008 define practices that are unfair and allow action to be taken to enforce the regulations. The Unfair Trading Regulations also specifically prevent organizations from carrying out trading practices that impair a consumer's ability to make an informed commercial decision and cause a consumer to make a decision they would not otherwise have made. The regulations require organizations to take steps to make sure that identifiable groups of consumers that are particularly vulnerable due to circumstances such as age, health or literacy difficulties are not adversely affected. For example, consumers that may have a hearing impairment could be particularly vulnerable to an advertising campaign that claims that a mobile phone is "hearing aid compatible".

Industry regulators and trade bodies have also acted to protect the interests of specific groups of vulnerable customers. Priority Services Register schemes make available a range of free services to gas, electricity, water and sewerage consumers who are of pensionable age, have a disability, a hearing and/or visual impairment and/or have long-term ill-health.

Energy UK has also developed safety net guidelines to prevent the disconnection of vulnerable consumers and sets out a common definition of vulnerability for all energy suppliers.

The Financial Services Authority developed the Treating Customers Fairly initiative which delivers six outcomes that regulated financial services providers are expected to meet. The outcomes not only require that all customers are treated fairly but also provide specific outcomes that require consideration to be given to the different groups of consumers. For example, Outcome 2 requires that service providers market and sell products and services that are designed to meet the needs of identified consumer groups and are targeted accordingly.



Why is identifying vulnerability difficult?

The July 2012 roundtable examined some of the approaches that organizations can use to improve how they approach consumer vulnerability - and naturally highlighted some of the challenges faced:

Fluid consumer circumstances: A consumer's circumstances can change over time. For example, during the sales process, a customer may have been fully capable of making an informed decision but may, at a later date, experience ill health that results in financial hardship. Organizations may face difficulties in identifying and addressing the impact of these changes in a consumer's circumstances.

Identifying vulnerability at the point of sale: A consumer may be reluctant to share information about vulnerability at the point of sale. Therefore, the consumer may not inform the organization of a vulnerability until the organization either gains their trust or an interaction between the consumer and organization highlights the vulnerability.

Resources: Organizations expressed concerns about the resources that might be required to effectively tackle consumer vulnerabilities. Some considered, based on the products and services that they provided in the marketplace, that a specialist unit might be needed to support customers that had been identified as experiencing a vulnerability. However, even this would require training to be delivered more widely to make sure that those staff having contact with customers were able to recognise vulnerability triggers and refer as appropriate.

Regulation: Although organizations considered that regulation could assist their approaches to tackling consumer vulnerabilities, concerns were also raised about the potential for regulation to constrict and negatively affect the solution that could be offered. Organizations were also concerned that specific regulatory mechanisms might also impair their ability to provide innovative solutions to meet the needs of vulnerable consumers.

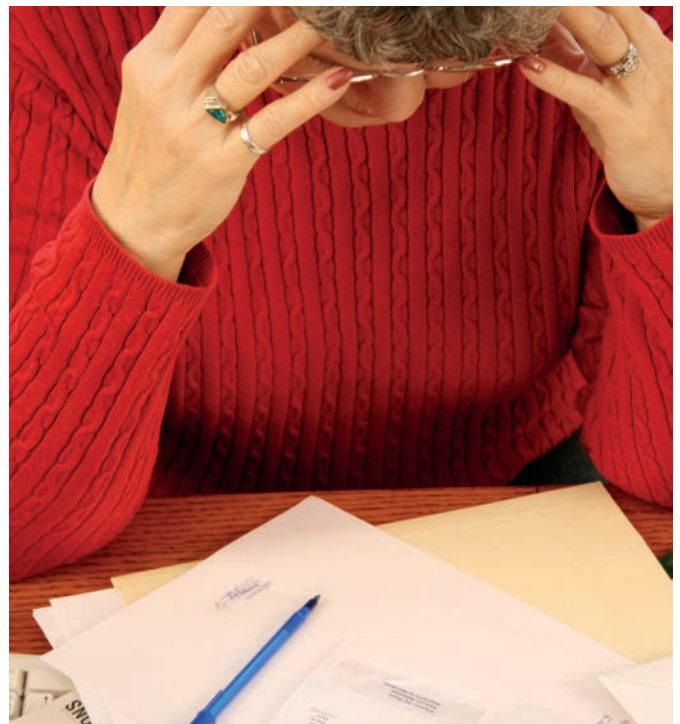
Customer data: Organizations recognised the value and importance of data sharing - especially with public agencies that may be knowledgeable about individual consumers and their vulnerability. However, organizations were concerned about potential data protection restrictions and how data related to vulnerabilities might be collected from a customer, where that data should be stored and the potential limits on sharing more widely within the organization.

Demonstrating success: Organizations debated what improvement and success within inclusive service provision might look like. They wanted to know the criteria that can be applied to measure improvements that may have been made on the path to success, but were concerned with potential difficulties in defining those criteria. Organizations also wanted to be able to evaluate the impact of promotional offers that might be available for new customers as opposed to existing customers and whether this potentially causes detriment to those experiencing specific vulnerabilities.

Making the right business decisions

A finance organization reviewed template letters in an attempt to reduce printing overheads. They decided to reduce the font used to a smaller one which would compact the amount of content on a page and therefore reduce the number of pages printed across the business. However, consumers experiencing vulnerabilities such as impaired sight or literacy difficulties might find the reduced font size harder to read and possibly reduce their potential to understand the content to make an informed decision (if related to a sales activity). This could also impact negatively on the organization by causing more customers to make contact to ask questions about the correspondence received.

Alternatively, the organization could have reviewed the content of the templates in use and considered whether or not the clarity could have been improved - potentially reducing printing costs but also more likely to reduce queries and complaints. Some groups of customers may also have preferred to receive certain correspondence by email. Correspondence could also have been tested with a representative group of customers to assess the effectiveness and clarity of the language used.



Good practices in inclusive service

Of course, the July 2012 roundtable did not only focus on the challenges faced by organizations. The event also usefully explored the good practices that organizations are introducing to help meet the needs of all consumers more effectively.

Assessing the impact of products and services: Organizations discussed the benefits, during the service design process or whilst preparing new policies or procedures, of assessing the potential impact on the targeted group of consumers and the vulnerabilities that might be faced by consumers within each group. One energy company, for example, set-up a consumer panel - with membership representative of all customers - that visits contact centres and operational sites but also provides feedback on particular service and product offerings together with insight of the changing needs and demands of differing groups of customers.

Supporting employees: Organizations understood the value of supporting employees in their interactions with vulnerable consumers. The trigger factors detailed in the standard were widely welcomed and considered to provide best practice in supporting employees in their attempts to both identify consumer vulnerabilities and provide appropriate assistance.

Working in partnership: Organizations recognised the limitations of commercial organizations in tackling a consumer's vulnerabilities beyond the delivery of the relevant product or service. Those organizations also recognised the limits of their expertise and understood that developing effective partnerships with expert organizations in the voluntary or public sectors could allow effective referrals to be made at an early stage and assist in helping a consumer to better address the impact of their vulnerability.

Getting the basics right: Organizations recognised that a well-designed, good quality product or service is beneficial for everyone including those experiencing a vulnerability at the point of sale (or service). It was also clearly accepted that organizations seeking to deliver great customer care can only achieve this by meeting the principles of inclusive service provision.

Simplified products and services: Organizations sometimes, for the best intentions, develop products, services and fee tariffs that are complex and difficult for consumers to understand.

Back in 2001, the supermarket, Tesco, launched the Tesco Access website that was specifically designed to meet the needs of blind customers. The site was a big success and not only made their home grocery service more accessible to blind customers but also resulted in "revenues in excess of £13m per annum". The accessible design work conducted during this project was later used to help Tesco deliver a single website that improved accessibility for all customers.³

Social tariffs and other simplified products can protect the most vulnerable. A failure to deliver easy-to-understand products and services can also damage consumer trust in an organization and/or industry sector. A 2012 consumer survey identified that almost half (47 per cent) of consumers do not trust banks to act in their best interests and, out of all European countries, confidence in financial providers was lowest in the UK. The most common concerns were the inability of financial providers to share consumers' own values and to offer them clear and simple policies, products and services².

Customer segmentation: Organizations that segmented customer data were often more able to better understand customer need and target the marketing of suitable products and services. It can also help to tackle consumer vulnerability. The Financial Ombudsman Service, for example, segments consumer groups and conducts awareness and outreach activities to meet specific needs.



The Financial Ombudsman Service has formed partnerships with debt advice charities and also specialist support charities such as MacMillan Cancer Care, Samaritans, MIND and Age UK. The debt advice partnerships allow the ombudsman to promptly signpost consumers facing financial hardship and make sure that they receive the support and advice that they need. The specialist support partnerships have often involved those charities providing specialist training to ombudsman staff - helping them to handle difficult situations confidently and effectively.



² Consumer Financial Monitor, CEB (2012)

³ Tesco launches visionary website. Marketing Week (31 May 2001)

How can BS 18477 help organizations?

Evaluating the potential return on investment to be gained from delivering inclusive services is complex. This white paper has raised several questions that currently remain unanswered and may well need to be considered in any future revisions of the standard. However, the organizations that participated in this informal research activity were able to identify six real business benefits that can be gained through the use of BS 18477:

- 1. Reputation and trust:** Organizations with good reputations are trusted by consumers, they retain the loyalty of their customers and generate sustainable revenues and profits. Organizations lose the trust and forgiveness of their customers when they are perceived to have mistreated customers - especially those who are vulnerable. BS 18477 enables organizations to protect their reputations and build the trust of consumers in what they do.
- 2. Competitive advantage:** Quality development processes and technological advances have resulted in products and services in a marketplace becoming increasingly difficult to differentiate. However, good customer service does allow an organization to differentiate their service proposition and inclusive service provision, as defined by BS 18477, provides an additional opportunity to make sure that services and products meet the needs of individual customers.
- 3. Compliance:** The consumer protection role of regulators will often result in a myriad of regulatory rules and guidance notes to prevent detriment being caused to consumers, especially those who are vulnerable within the marketplace. However, BS 18477 allows organizations to more widely demonstrate that the needs of specific groups of consumers are being actively considered and, where identified, action is taken to minimise the impact that any vulnerabilities may have on a consumer in their interactions with an organization.
- 4. Employee engagement:** Employees do experience stress when handling difficult situations but may also struggle to identify with the difficulties being experienced by a consumer (such as when a young customer service agent may be serving an older customer who is dealing with the death of a parent). BS 18477 supports employees in identifying potential vulnerabilities and provides them with the ability to handle contacts more confidently and successfully - positively impacting on their well-being and productivity.
- 5. Doing the right thing:** Organizations want to be seen to be doing the right thing. The concept of Corporate Social Responsibility has seen many large organizations initiate actions to aid the delivery of social justice and support disadvantaged communities. However, BS 18477 also allows those organizations to do the right thing by their own customers and provide more inclusive services.
- 6. Financial:** Organizations that are able to promptly identify consumer vulnerabilities are able to reduce costs. Both unwanted repeat calls and unnecessary collections activities can be prevented if customers' circumstances are fully understood by staff. BS 18477 also helps staff to feel more supported and gives them greater confidence in handling customer contact - reducing employee attrition rates.

How are organizations being inclusive?

A major insurance group with an aging customer demographic has emphasised the importance of understanding customer vulnerabilities across the business, including:

- providing information in larger print
 - audio enhancement
 - helping employees to understand the reasons why an older customer might make repeat calls about the same question
 - delivering yearly refreshers on vulnerability issues for staff
 - developing specialist products
 - simplifying websites to deliver greater accessibility
 - providing well-being sessions for employees and supporting them with counselling
 - de-stress and relaxation assistance
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Conclusion

It is clear that consumers can benefit as a result of organizations responding more effectively to their needs by acting fairly and flexibly.

Vulnerability is complex. For businesses, being able to identify and respond to consumers in vulnerable situations can be equally complex and involve additional resources and a new approach. Many organizations are now tackling vulnerability as part of their customer service or in their commitment to Corporate Social Responsibility.

BS 18477 Inclusive service provision can show organizations how to adopt practices, processes and values that will in turn help them design and deliver more flexible, responsive services that meet the needs of their customers.

As can be seen in the case study below, BS 18477 has helped the Financial Ombudsman Service to enhance the support provided to staff and improved their well-being and confidence in talking to customers. In late 2012, Ofgem, in their proposed strategy for consumer vulnerability, is encouraging energy providers and distributors to look at BS 18477 as one option towards implementing a practical approach to tackling vulnerability.

By providing fairer, more inclusive services business may see benefits such as improved customer satisfaction, reduced complaints, reputational benefits and the ability to identify issues earlier.

A case study on adopting BS 18477: 2010 Inclusive service provision

The Financial Ombudsman Service is the largest ombudsman scheme in the world. It is a needs-based organization as consumers access the ombudsman only when they have a specific need - an unresolved complaint about a financial services firm.



The ombudsman was one of the first organizations to adopt BS 18477 and has already identified several key business benefits. Caroline Wells, Head of Outreach, says that BS 18477 allowed the service to work beyond some of the specific equalities and diversity initiatives, and to "identify areas where even more could be done".

The ombudsman understands that people experience changing needs throughout their lives and that vulnerability is not just about people with disabilities. The service has a diverse and expanding workforce with a variety of life experiences and the standard has been - and continues to be - an important tool in helping ombudsman staff connect with people going through significant life experiences. Caroline Wells explained that staff members are also now encouraged to read more between the lines and be alert to the triggers that might indicate that a customer is experiencing a vulnerability. Partnerships with charities such as MIND and Samaritans has also resulted in specialist training being delivered to staff to assist them in building their confidence to deal with difficult situations.

A key learning point from the use of BS 18477 was that customers are unlikely to indicate that they need help, due to a vulnerability, during their initial contact with the organization. However, the customer will be more likely, once they have confidence and trust in the organization, to indicate that they may need assistance (whether this is requiring information in a particular format or the contact details of a debt advice charity).

The ombudsman also developed a charter for their employees that encourages staff to initiate the right behaviours when dealing with consumer vulnerability and consider what they might be able to do differently. Caroline Wells explains that the charter encourages staff to ask a customer: "Is there anything else that I can do for you?" This helps staff to handle customer calls more effectively and the improved approach to tackling consumer vulnerability reduced the number of repetitive calls that the service previously received - because the need for assistance is being identified at a much earlier stage in the process.

However, the charter also defines clear boundaries of behaviours and the action that can be taken when a boundary is crossed by a consumer (such as when a consumer's behaviour might result in racially abusing a staff member).

BS 18477 has helped the ombudsman to enhance the support provided to staff and improved their well-being and confidence in talking to customers. Customer satisfaction has increased and support for staff and the number of repeat calls have been reduced. The ombudsman uses an inquisitorial approach to handling complaints and seeks to deliver outcomes that are fair and reasonable. Caroline Wells usefully advises that "You can treat people as individuals and also fairly but to treat people fairly you have to sometimes treat people differently".

BS 18477 helps organizations, in any sector, to achieve this.



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