

Wescot™

Consumer Duty

An Opportunity to
Strengthen Engagement

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Background

Financial Conduct Authority (FCA)

The UK's financial regulator (FCA) Consumer Duty regulation comes into effect on the 31st July 2023, with the core objective to set Higher expectations for the standards of care firms provide to customers. In addition to this, the FCA want to ensure firms are proactively acting in a way that delivers good outcomes for customers across 4 key areas; the governance of products and services, price and value, consumer understanding and consumer support.

Critical to delivery of the 4 customer outcomes is effective communication with customers throughout their relationship with a firm and beyond.

Throughout a firm / consumer relationship, contact can be lost, for example when contact information is not kept up to date or a customer changes their contact details such as address, telephone number or email.

In the past 12 months we have seen large increases in the demand for customer data and re-engagement strategies however, the requests are generally in support of remediation or an asset reunification project, at times under the instruction of a skilled person.

We have identified an opportunity to improve treatments where there are gaps or even implement new ones, specifically around KYC, gone-away, lost contact or remediation type campaigns to ensuring companies can demonstrate to the regulator that they have done everything they can in either a pro-active or re-active fashion to maintain a relationship or reconnect with customers where required.

Rather than utilising our services reactively as part of a remediation process, we wanted to outline areas of contact and communication that could be strengthened by using our products and services proactively; whether re-establishing contact or strengthening and or broadening contact channels, preventing the need for a remediation programme and supporting good outcomes for customers.



Customer Engagement

Addressing a wide range of business challenges

Helping you Improve

- **Responses** to lettering or attempted outbound contact
- Enhance missing or invalid **customer contact data** (address, landline or mobile)
- **Reduce returned mail** or 3rd party gone-away notification levels
- **Deceased or probate** document sourcing capabilities
- Specific project support for **credit balance / asset reunification or remediation projects** subject to FCA requirements
- **Maintain customer records** and supporting businesses with their KYC requirements

Potential Consequences of Poor Practice

- Leads to making **bad / wrong decisions** not based on the customer's latest circumstances / correct details
- Incur **unnecessary or waste significant costs** attempting to make contact with a customer at incorrect / invalid details
- **Customer harm** caused where incorrect or out of date customer contact data is used
- **Fall foul of regulatory requirements** through deploying inappropriate treatments or not exhausting all available suitable treatments when attempt to engage with a customer
- **Action** could be taken where firms aren't able to demonstrate they are able to support all customer circumstances / situations and offer appropriate treatments
- Firms making decisions around appropriate treatments purely on commercial grounds face **stiff penalties**
- Firms not able to demonstrate to the regulator they have good practices / treatments in place or are working towards these, will potentially face **further investigation / action**

Improvement Benefits

- Drastically **increases right party customer** contact rates / performance levels
- **Reduces** the number of **lost customers relationships**
- Enables more **tailored engagement strategies** to be deployed, including more digitally focused campaigns
- **Reduces cost**
- **Reduces complaints** from attempted contact at either an invalid or out of date customer contact point
- **Minimises risks** to firms through working with a trusted and regulated partner
- **One stop shop** for all customer engagement services



What can we do to help?

Working in partnership with firms providing bespoke engagement services for consumer and business customers

A flexible and scalable approach to engagement



How have we helped other businesses so far?



95%

Overall Success Rate

0.001%

False / positive rate post
all confirmed results



65%

New customer digital
contact details verified

99.7%

Volume of accounts
completed within the
agreed timescales

6 Partnerships

The number of unique 3rd party
data suppliers working with us
supplying consumer and
business data

1 Week

The average time taken to set
up a new project where we
have an existing contract with
the client

£2.5 billion

Value of the assets
traced up to today

£7m

Estimated costs we have helped
clients save with their
engagement campaigns

35%

The average number of new
addresses located for the
customers placed with us

Summary

Potential Opportunities

Through working with specialist firms such as ours, the challenges Consumer Duty presents can be turned into an opportunity by tapping into existing products and services or collaborating to create new and bespoke solutions as the regulatory landscape continues to change, creating good outcomes for customers and ensuring compliance with regulatory standards.

Thank you for taking the time to read this document and should you wish to discuss how we can help you and your business, then please contact our Customer Engagement Solution Lead Simon Armitage today.

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**Customer Engagement
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