

Vulnerability Campaign

Utilising technology and AI in the management of Vulnerable Customers

As the evolution of technology and AI solutions across multiple industries continue to grow and spark debate within Wealth, we explore what problems technology and AI might be able to solve in how Wealth firms identify and respond to potentially vulnerable customers.

In this article, Natasha Bridgewater has been speaking with Dom House and Tom Shearwood to find out their views.



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Lead Wealth Consultant

Head of the Solutions and Architect team, Dom leads multiple engagements ranging from large-scale transformation to delivering strategic change initiatives.



Tom Shearwood
Wealth Consultant

A Junior Consultant in Simplify's Academy Programme, Tom has 8 years of Wealth Operations and Process Optimisation experience.



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Natasha has 10 years of experience in Wealth delivering and implementing regulatory change and improving customer outcomes.

When it comes to identifying potentially vulnerable customers, what are some of the challenges operations face today in understanding this and where further support might be required?



Some of the challenges faced by providers are going to be that ultimately, we're moving away from a view of vulnerability being a static thing that needs to be marked on an account and a set of actions needing to take place based on the marker. What providers need to think about is different types of vulnerability; the vulnerability could be present for a long period or even for the life cycle of a product, but it can also be transient in nature because of people's circumstances. So, people may be vulnerable for some time, but that doesn't mean that they're always going to be vulnerable.

Different types of vulnerability lead to different outcomes based on what that vulnerability is which means providers can't just put in place a simple 'yes' or 'no' to being vulnerable. They need to consider what actions are going to be required depending on the vulnerability.



An additional challenge with that transient nature is if the customer

is disclosing any vulnerabilities or changes to vulnerabilities. Are they going to make you aware of a bereavement or a divorce for example, that they may be financially struggling or have a learning disability and disclose it on each call? Identifying vulnerability is a challenge and understanding where there's a vulnerability isn't always obvious. Then how do you record and ensure that you're keeping up to date with whether that vulnerability is still present as it may come and go over time? Vulnerability becomes more complex, and you need to make sure that customer-facing staff understand that and have the training and the knowledge to make informed decisions as there's not a one-size-fits-all.



And we've probably spent a long time over the last 10 or 20 years trying to build systems which can perform a lot of automatic functions to standardise processes. It's not that we're trying to remove human interaction and make everything 100% Straight Through Processing, but vulnerability poses a challenge to firms who are trying to deliver automation and reduce processing costs. Firms need to be aware of customer needs and consider how they're going to do that within their processes.



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When firms do identify that customers need additional support, how should firms be responding to ensure that customer still receives outcomes as good as any customer? And how might operations struggle with this today?



Something we sometimes see is when firms respond to a disclosed vulnerability by handing off the case to another team that's been adequately trained to assist or to tailor correspondence for the vulnerable customer. In reality, that handoff is going to cause a processing delay which is a poor outcome and can put in place a blocker, so consideration needs to be given to how in practice you allow for vulnerability to be dealt with. The word 'outcome' is important here and good outcomes for vulnerable customers don't mean that they must go through the same process as a customer who isn't vulnerable or even have the same outcomes. Firms need to be able to employ that flexibility to ensure that they don't just see good outcomes in a binary manner.



There needs to be a process which allows for different customers to go through the journey and still receive the right information at the right time. This empowers customers to make their own decisions where practical and get the additional support they may need it. The firm should be facilitating the process rather than trying to own and determine what the outcome is.

We also need to have joined-up journeys, so a customer may very well want to self-serve via a portal or another channel up to a certain point or for certain transactions. But they may get to a point where they may need that additional support and want to seek guidance through a different channel. So, there's no reason why a portal journey can't be linked to a web chat or telephone journey and in theory why you can't complete the same transaction or same journey through multiple channels.



What opportunities can technology and AI bring to operations to try and deal with some of these challenges?



One thing that new technologies are going to allow is for far better or more comprehensive identification of vulnerability. You can have technology that allows for vulnerability to be identified when someone is doing a self-serve journey because it can assess someone's behaviour and identify if there are traits of vulnerability that may mean they need some assistance. It could also mean that someone on a telephone call could be identified as potentially vulnerable and prompt the customer-facing staff to ask some questions to confirm that. AI can be very powerful in terms of identification and vulnerability confirmation.

The real danger is how we develop that. If that is going to be the solution, it is open to bias and incorrect assumptions being made. If it's done incorrectly, it could put a lot of control over how we treat and view customers in the hands of a machine and that could have some large negative consequences.



There also needs to be consideration about privacy and having customers going through journeys where AI is in effect, taking a much wider view of behaviour, both past and present and accessing much more about the person than they may be comfortable with. Giving technology the power to make decisions, or prompt the customer towards certain actions, potentially without the customer's knowledge. In the next 5, 10, or 15 years, we may see that AI is being used in this way across multiple industries, but we must think about if there is a greater duty for consumers in Financial Services.



AI can also look at correspondence received from a customer, and it could complete an assessment of vulnerability based on the literacy levels of that person. A logical next step is then the tailoring of correspondence back to that same customer. But again, it's open to that same interpretation and bias of the AI and would need to be carefully managed.

You can get quite excited when you look at some of the use cases that could be there. So, for example, if someone is on a self-serve portal and they get to the point where they're going to submit a form or they go back and forth between particular screens, there's potential to intervene with say a pop up message to ask if help is needed, or provide a phone number if the customer wants to phone in. It doesn't have to be intrusive or make decisions on behalf of customers, so it could be really good if it's done the right way.



We also need to make sure there's a human element to vulnerability and how we treat customers because at the end of the day, vulnerability requires human traits and skills that AI and technology don't have right now.

Dom House

Earlier on we mentioned joined up customer journeys, so a customer might start a transaction through a self-serve portal but after completing so many screens, might decide they need to speak to someone. What can technology and AI offer today to switch between channels seamlessly?



Ideally, the customer could pick up the phone and speak to customer service who'd already have the 8 pages for example, that they'd completed online, so switching between channels should be seamless and customers don't end up with the frustration of having to go through the same journey all over again. It would be ideal that you can navigate directly from one journey to another.

But I think we're still probably behind the curve in Wealth compared to other industries in that regard.



If you have a customer who had completed that initial due diligence

during an online journey or had that correct oversight of the AI, you should be able to speak to that customer on the phone as part of the same journey and be operating within the business rules. It's the art of the possible at the moment rather than what's realistic today and I agree we're a little way off some of this and should focus on where today's AI and other technology can add value to journeys.



We also need to make sure there's a human element to vulnerability and how we treat customers because at the end of the day, vulnerability requires human traits and skills that AI and technology don't have right now and may not ever have, such as empathy, adaptability and flexibility. So whilst we can harness that technology and look at how we make journeys seamless and prompt customers when they need some additional support, we should be focusing on making sure that they can speak to a human who can simply and easily answer the questions and give them the information that they are looking for, but also take them through a process that's right for them so that they can get those good outcomes.

Contact Simplify Consulting today to see how we can help you better recognise, respond to and support Vulnerable Customers.