

# Complaints: Going for Gold



Simplify Consulting

**Simplify Consulting**  
**World Class**  
**Complaints**  
**Handling**  
**How are you doing?**

**Root Cause**

Captured at the earliest possible point  
Informs trend analysis  
Promotes underlying problem analysis and resolution  
Is owned by everyone  
Drives continual improvement

**Complaints Strategy**

Clearly defined and understood  
Covers 3 days, 4 week and 8 week targets  
Recognises focus on prevention rather than cure  
Defines the Organisational Structure  
Defines the Technology Enablers

**Technology & AI**

Purpose-built or off the shelf  
Complaints Management tooling  
Integrated into workflow and admin systems  
User friendly and intuitive  
Enables effective MI analysis  
AI enabled

**MI & Reporting**

Exception focused  
Enables period vs period  
Supports trend comparisons  
Is real-time  
Provides configurable dashboard reporting for a variety of audiences

**People & Performance**

Problem solver mindset  
Outcome focused  
Commercially aware  
Diligent and thorough  
Strong communicator

**Culture**

Collective responsibility across teams  
Complaints are everyone's problem  
Relentless pursuit of problem resolution  
Customer-oriented  
Teamwork focused  
Continual improvement

**Customer Proposition**










Multi-channel complaints proposition  
Signed up & visible  
Regular communication  
Empathetic tone and language  
Vulnerability-friendly  
Expectations managed

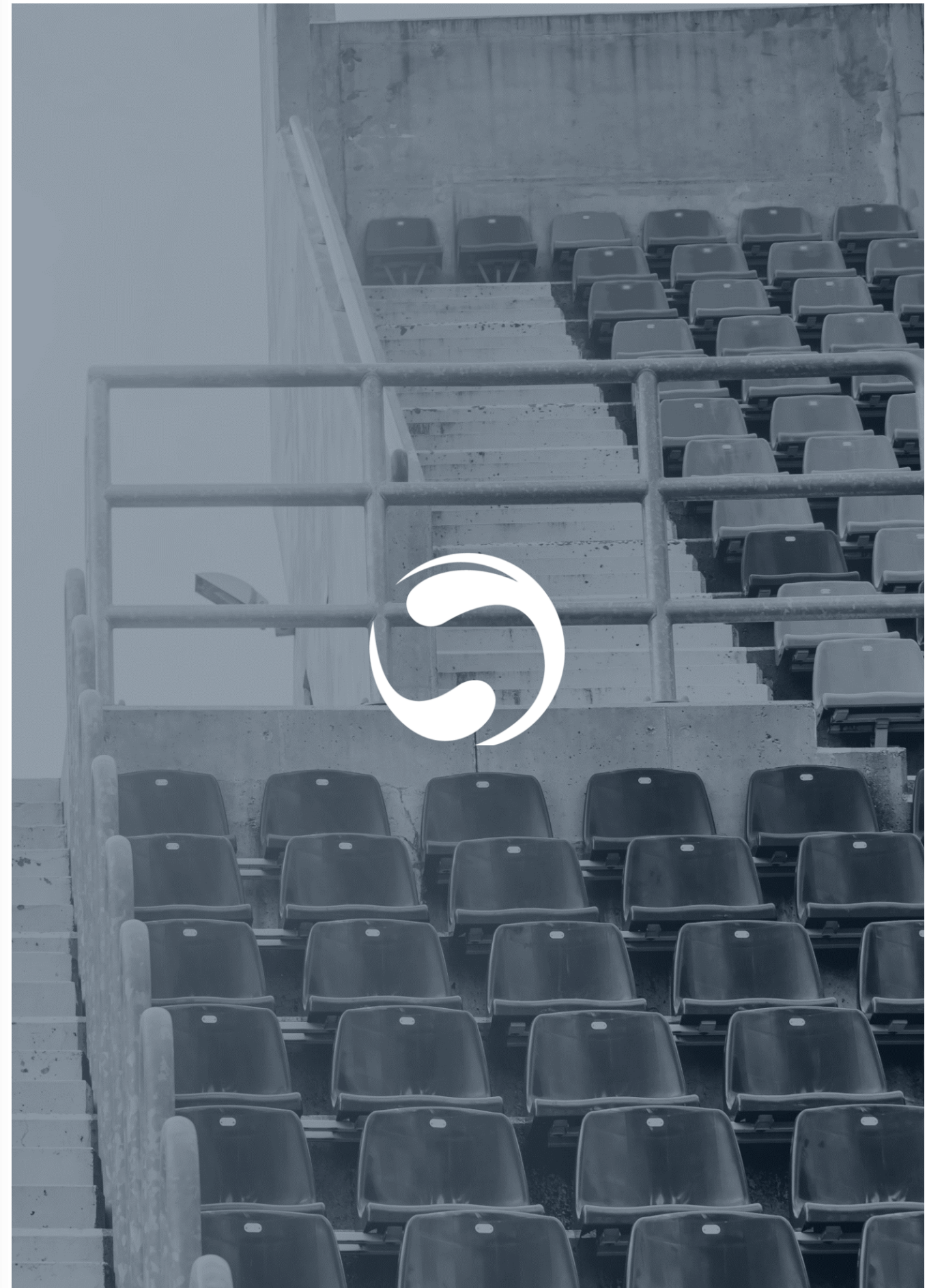
**Process**

Efficient triage, allocation and sizing  
Fast-track model  
Resolution at first receipt  
Controlled & risk appetite aligned  
Repeatable  
Blends technology and human expertise



# Schedule of Games

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# “Most other competitions are individual achievements, but the Olympic Games is something that belongs to everybody.”

Scott Hamilton  
USA Figure Skating,  
Olympic gold medalist

With so many other challenges facing the wealth management sector, from legacy technology to difficult market conditions, to developing compelling products and services that deliver on the needs of the modern consumer, why are firms turning their attention to complaints?

By leveraging the insight from complaints in the right way, we are seeing how complaints can be transformed from a necessary, but low-key must-have for most firms, into a vital mechanism to understand where, and why things have gone wrong for customers. Consumer Duty has given complaints a much-needed lift in terms of visibility and importance for firms at all levels, but crucially at Board level. Whilst complaints have always provided important metrics for firms, it is now mandated that firms understand where outcomes haven't been right for customers, and complaints are the most direct way of identifying that.

The long-term trends also show an industry that still hasn't managed to move the dial significantly on complaints. We still see Complaints across all FCA regulated firms increasing over the last 10 years, even if they have come down from the PPI and Covid peaks. For wealth management firms, investments and pension related complaints have risen by 20% and 24% respectively between 2014 and 2023.

New digital technologies have provided customers with more choice and autonomy, but while automated systems and integrations have decreased the volumes of cases needing manual intervention, customer perception of where things have gone wrong has increased. It may be that new technologies don't necessarily increase satisfaction, but actually raise customer expectations.

It could be that the modern consumer is more likely to complain than previous generations. Or, with firms trying to do more with less, technology has not provided a net improvement to customers. Whatever the reason, more and more firms are recognising that complaints cannot sit on the sidelines anymore, as a necessary but unglamorous aspect of wealth management

## What do the consumers say?

When firms lift the lid on complaints, they see that often, beyond simple metrics relating to number of complaints, upheld and redress rates, the overall function has not been given the investment it deserves. Whether that relates to the systems and processes in place, the productivity and culture of the function, or the level of Root Cause Analysis and insight that is being delivered by complaints, there are significant improvements that can be made. Artificial Intelligence (AI) alone is going to prove to be a game-changer in how complaints are managed and resolved; but also how they can be prevented in the first place.

As we watch in awe at the stories, feats and achievements in the Olympics being held this summer, we should remember that those athletes are harnessing technology, data and processes to deliver their strategy. Even in individual sports, they will have a team of coaches, nutritionists, physiotherapists, and financial backers that need to work together towards a shared goal.

For Olympic athletes it will be the feedback on where the performance did not meet expectations, and understanding why that was the case, that will be most important.

When customers critique a company they provide direct insight into where they feel they have been let down, either by the product they have received, or the service that has been offered.

## An Olympic standard complaints proposition demands collective accountability.

In a world more driven by data than ever before, complaints are often undervalued, and companies do not always sufficiently investigate the true reason and underlying cause of customer dissatisfaction. As 5-time Olympic Gold Medallist speed skater Bonnie Blair, said, “Winning doesn't always mean being first. Winning means you're doing better than you've ever done before.”

Wealth management providers need to do better in how they prevent, identify, resolve and communicate complaints with their customers.

We know that some resolutions can take time. Yet, is it acceptable in 2024 to be responding to a customer complaint eight weeks after the complaint was raised, simply to inform them the investigation is ongoing? Does this kind of timescale win gold medals and meet the expectations of 21<sup>st</sup> Century consumers? And does it meet the new Consumer Duty principles and standards?



Simplify Consulting conducted a survey of more than 100 consumers of wealth products to determine why people complain and how this can shape a world class complaints service.

Our research indicated that 25% of the complaints raised were not dealt with to the customer's satisfaction.

This shows there is still an urgent need for firms to improve customer service and complaint handling and meet or exceed customer expectations. It is crucial for firms to focus on overall customer satisfaction and experience, ensuring they go for gold, rather than just doing what is required to comply with regulation.

Moreover, we found that over half of complaints derive from failure to act on instructions and delays in processing. Consumers told us:



To make matters worse, 31% of respondents claimed that they were not kept up to date throughout their complaints process. It seems like we still have a way to go in ensuring that wealth management providers step onto the podium when it comes to a gold standard service offering.

For the full set of survey results, please see the Appendix.

# Going for Gold...

In this paper, we compete at five key Olympic events, which will shape how to deliver a gold standard Complaints Service Proposition.

Wealth Management providers need to be clear on their strategy, and how they ensure they are delivering both good outcomes and avoiding foreseeable harm for their customers. Developing a clear understanding of the nature of the complaints being received and, crucially, why they occurred in the first place, is vital.

Equally, firms need to be aware of how this goes beyond strategy and Management Information (MI) and embedding the right culture in the values and behaviours of their teams. Adopting a change mindset throughout the organisation so that where something has gone wrong, it is not only resolved to the satisfaction of the customer, but the necessary actions and controls are put in place to prevent future occurrence.

Moving forward this can be combined with other key customer metrics to develop a holistic view of the customer and how the products and services they receive can be continuously improved. This is even more important as more and more interactions are taking place digitally or through automated means.



“In baseball and in business, there are three types of people. Those who make it happen, those who watch it happen, and those who wonder what happened.”  
Tommy Lasorda, US Baseball Manager

Which one will you be?



# Hitting The Target

## Strategy

"It's not just a physical sport, it's a mental challenge that requires focus and concentration."

Ki Bo-Bae  
South Korean Gold Medallist

To hit the target, an Olympic Archer must perfect several skills. They must make sure their equipment is up to the task in hand – that the bow is to the right specifications, checking the shot is made with the proper spine for the bow and have a good understanding of its timing. Arrows should be of the best quality, and consistency is key – without a focus on all of these components, there will be a variation in performance.

Out of all the sports at the Olympics this summer, Archery is the one where each competitor is striving for perfection, to hit the bullseye with every shot, even if achieving this is almost impossible. The very existence of a Complaints function in any firm is a recognition that perfection will never be achieved. There will always be customers who feel that the service or product that they receive has not met their expectations.

Firms need to choose how they manage their complaints and what they should

focus on. The decisions are not always clear, for example, whether to devote valuable resources to closing cases as early as possible, or to divert them to meeting regulatory deadlines. Equally, how much time should be devoted to resolving existing complaints, rather than preventing new ones?

Whilst Complaints as a function may appear to sit alone, **we find that the most effective firms are able to use complaints alongside a wider perspective of customer experience.**

This integrates the learnings of complaints with the rest of the business, whether from a product, marketing or operational perspective. Companies that use complaints to their advantage – by understanding how they can improve – also see significant improvements in the number of complaints received. They also see better customer satisfaction and loyalty.

## So, how can firms learn from the parallels with archery in order to maximise their performance?

Underpinning a world class complaints function should be a comprehensive complaint management strategy, that sets the intent and purpose of an organisation. When going for gold, firms need to excel in all the following disciplines:



Firms need to be laser-focussed on what their 'bullseye' is going to be, and what constitutes success for them. Different approaches are often required for different companies. Not every firm needs to focus all their attention on closing cases at the first point of resolution. Indeed, many firms may choose to perform a more thorough investigation, which may in turn lead to a lower upheld rate. This is not necessarily any better or worse than an opposing strategy that targets early resolution, as long as regulatory requirements are met, good customer outcomes are delivered and Root Cause Analysis (RCA) is recorded and leveraged to drive improvements. Firms need to be clear on what they want their Complaints function to target and ensure consistency

If a team of archers were provided multiple targets, and nobody is sure which one is the right one, then they will be less effective than a strategy where team members all aim at the same point.

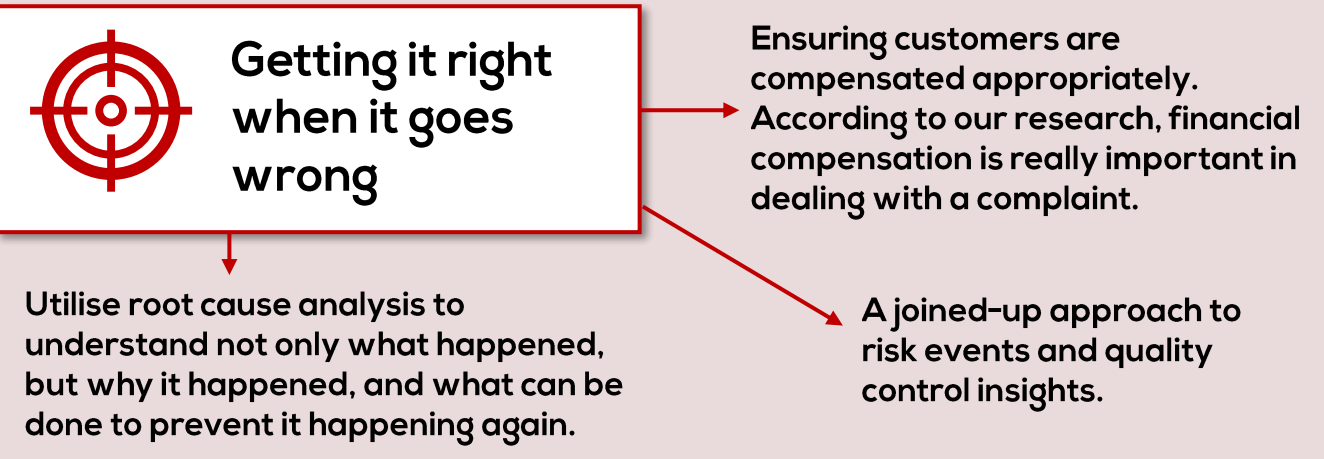
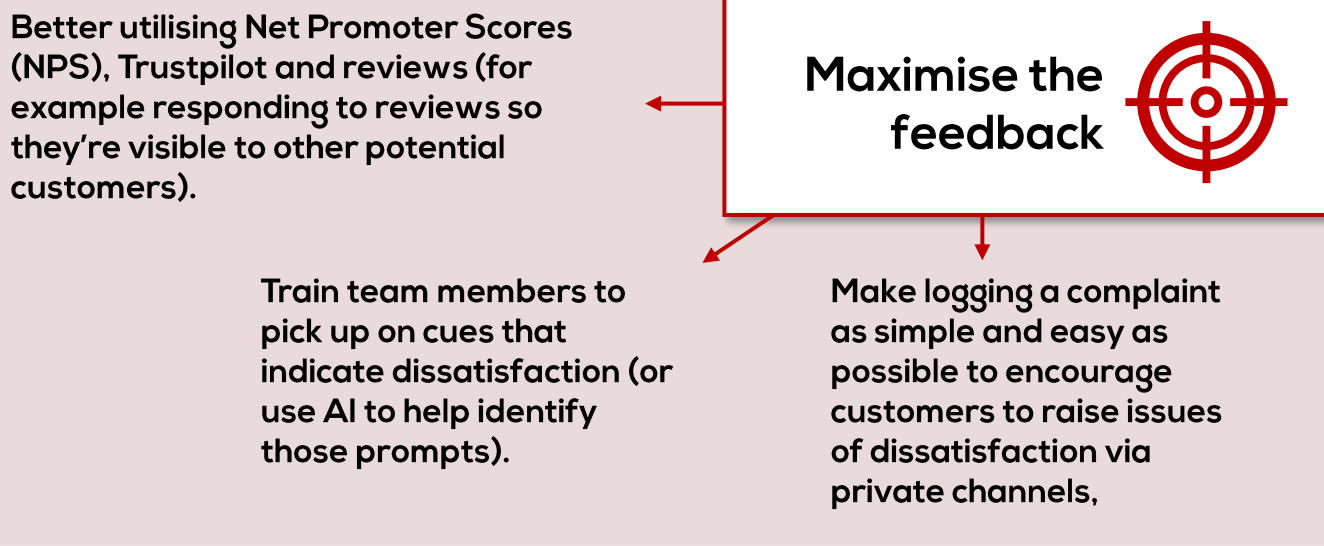
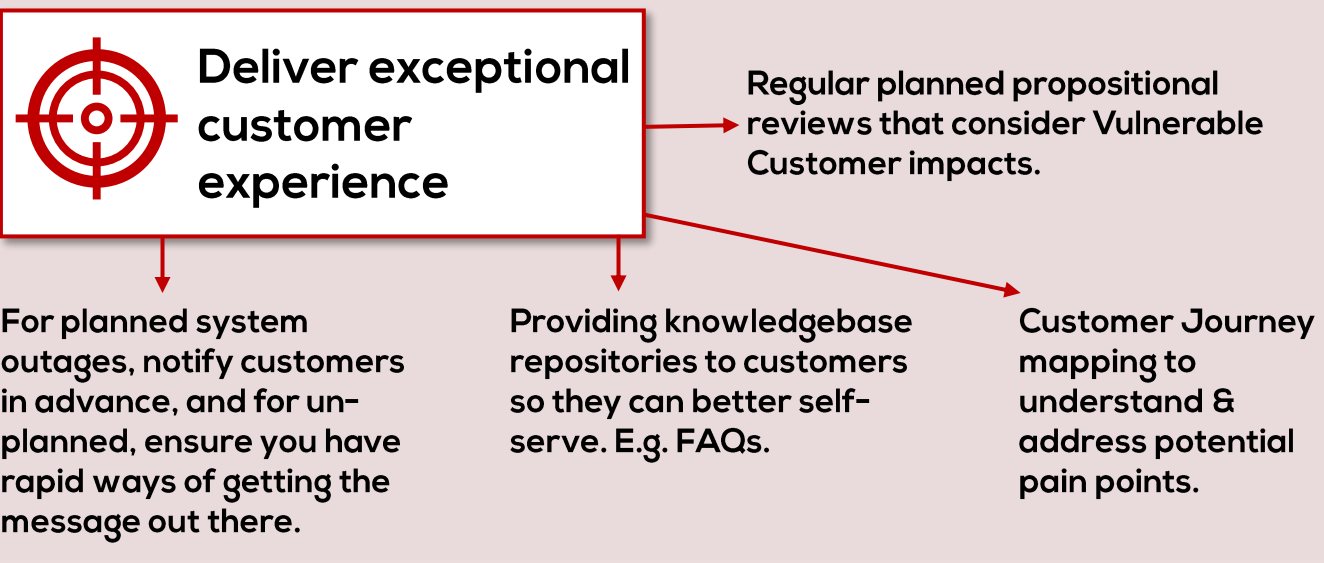


While a focus must be on how to best deal with complaints when they come in, firms must also consider how best to prevent complaints being received in the first place. The Root Causes of the complaints themselves are key and there must be a relentless focus on pre-emptive actions that reduce the risk of an interaction resulting in a complaints.

**"A good archer is known not by his arrows but by his aim."**

Thomas Fuller

The following are some tools and techniques for achieving a world class complaints strategy:



**Based on our findings, 44% of respondents expressed difficulty in complaining to their provider.**

This suggests a large proportion of customers continue to face barriers to voicing and expressing dissatisfaction. It is crucial that firms make it easy for the customer to be able to raise a complaint, via their preferred channel of choice, as customers will likely become even more frustrated – reducing customer loyalty as well as leading to reputational damage.

**Our survey results also show that 19% of respondents said that they had moved providers because of their complaint.** Who can afford to lose 19% of their complainant population to competitors?

Based on the above findings, tactics for equipping complaint handlers, case managers and those undertaking corrective actions with the right skills to resolve complaints when they arise is fundamental to an effective complaints' strategy.

Robust training and competency frameworks, accompanied by comprehensive soft skills training and regular refreshers, establish the importance of communication skills and how to identify and manage complaints

when they inevitably occur.

In archery, the archer must ensure their bow hand has as little contact with the bow as possible. A relaxed bow grip enables a smooth shot and reduces the influence of the non-dominant hand's impact on accuracy.

In complaints, the parallels are clear: it is important to make getting in touch a frictionless experience. It is crucial that customers with cause for complaint do not feel even more frustrated if there are barriers to making themselves heard. **Whilst email has rapidly become the complaint channel of choice, we urge providers to make it easy for customers to get in touch via their preferred channel.**

This means phone calls, emails, webforms, WhatsApp, texts and chatbots. While disenfranchised customers may revert to social media to voice their dissatisfaction, any strategy must focus on two objectives: firstly, making it as easy as possible to raise complaints via internal channels (to avoid the risk of complaints being voiced publicly) and secondly to have a mechanism for responding to those complaints that are inevitably raised externally in a way that shows that the company is listening and reacting.

**Did you know the FCA Handbook states...**

**"The internal complaint handling procedures should enable complainants to make a complaint by any reasonable means (for example, letter, telephone, e-mail or in person)."**



# Calls to Action:

## Get your complaints strategy right.

Firms should challenge themselves to implement a wider customer excellence strategy, inclusive of the complaints strategy. It must look at end-to-end customer journeys and take every opportunity to support customers by deploying the right tools and support structures to drive better outcomes and reduce complaint volumes in the longer term. The strategy should cover three distinct areas of the complaints journey:



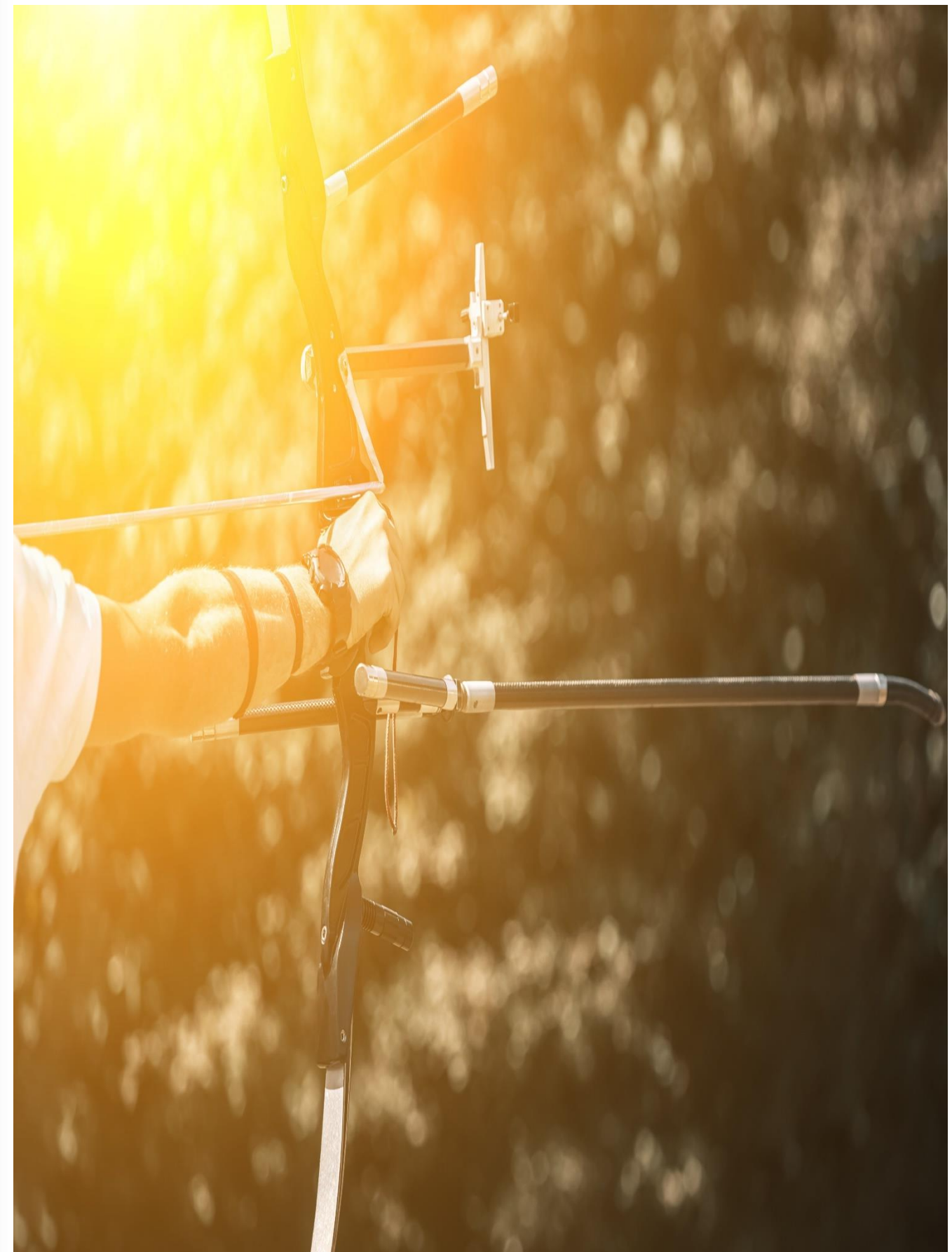
How to identify triggers for dissatisfaction and manage issues before they become complaints.



How to monitor and react to how complaints are received, responded to and investigated.



How to capture root cause, drive a culture of continual improvement and incentivise teams across servicing functions to focus on addressing dissatisfaction at the earliest point possible.





# "Oarsome" RCA

## Root Cause Analysis

Root Cause Analysis (RCA) from complaints is a key component to understanding the customer experience and how to influence it in future. In this chapter we explore how firms can use RCA to their advantage. How do they capture, analyse and utilise RCA to drive better outcomes within the organisation as well as for the customer and what does good look like?

From what we have encountered, complaints are often caused by delays, rather than systems, products or marketing.

This insight was supported at a recent Financial Ombudsman Service (FOS) complaints webinar where it was suggested the most common complaint root cause is **'administrative issues'**.

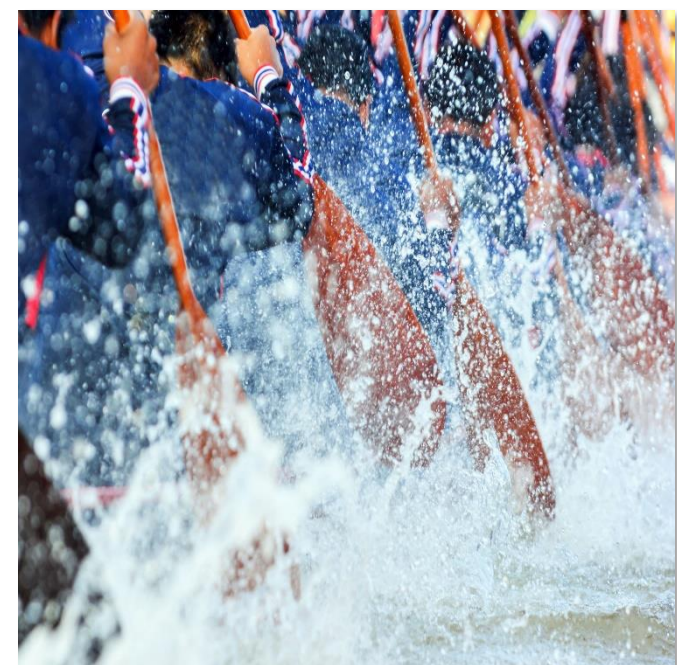
What this omits, is whether a discrete element of a process, an employee behaviour, a training issue or a procedure that caused administrative issues created the delays in question.

To make the most of RCA, firms must leverage all available information, consider all influencing factors and apply the findings to their organisation with purpose. Then, follow up to ensure the changes made make the positive difference expected. Parallels to this can be found in the Olympic discipline of rowing.

Olympic rowers must go through several rounds of qualifying before they successfully earn a seat in the boat. To be selected involves so much more than just how fast they can row! They need to know where their performance limits are, and what they need to change to improve - they must have strength, endurance, and technique to be successful.

Once they've earned that seat on the boat, an Olympic rower must adapt to changeable conditions on the water - these could be immediately obvious or developing over the course of the race.

To be world class in the complaints field, organisations must perfect and execute the same skills - strength, endurance and adaptability, supported by solid techniques and ongoing review and analysis to drive optimal performance.



## Data Quality

How is RCA captured within the organisation and what is being captured? If the data is not good enough, firms are neither likely to identify what is going wrong, nor prevent things going wrong in future.

**There should be an effective hierarchy of RCA reasons, with a top-level set of classifications that break down into more granular reasons to trace the cause down to its atomic root. The data collated from RCA should help in identifying trends and aid both regulatory and internal reporting.**

Firms need to be careful not to overcomplicate their root cause categorisation. There must be enough flexibility to get to the proximate cause, but not so much focus on who or what is to blame that they lose visibility of the opportunity to make positive changes to processes or ways of working.

## Business Buy-in

The findings should be deployed to fix the underlying issues, forming a key part of feedback to the relevant business areas to ensure relevant teams take ownership, supporting continual improvement and preventing reoccurrence.

**RCA requires a team effort – the whole crew needs to work together, rowing in the same direction, or the outcomes expected won't be delivered.**

This commitment doesn't end at the point of implementation. The cycle of monitoring and reporting the impact of improvements should be evidenced to assure the wider business that appropriate and effective action has resolved issues and prevented recurrence in the long-term. An ethos of continual improvement can support effective RCA. The wider culture across the business must be underpinned by a sense of collective responsibility, empowerment and accountability – with customer satisfaction sitting at the heart of the organisation's mission.

## Data Structure

RCA needs to be structured in such a way that it is possible to complete a detailed and methodical analysis of what is causing the complaint. Without doing this, there is a risk of not fully understanding what's gone wrong and why, and whether the issues identified represent a problem that affect multiple customers.

**To maximise the benefit of RCA, firms need to be reviewing the data through several lenses – not least where the 'fault' relates to product, process, people or technology. RCA should also be used to challenge the status quo as laid out in terms and conditions, product literature or correspondence.**

Even for cases not upheld or classified as non-reportable, there will likely be golden opportunities for improvement to the employee and customer experience. These must be captured and analysed so they can be acted upon.

The analysis also needs to identify how to 'turn off the tap' to ensure problems do not reoccur. Inadequate or ineffective RCA could lead to changes that result in further negative impacts to the business or the customer experience.

## Adaptability

It will never be possible to completely eradicate complaints from a business, there are always things that can be improved. Conditions on the water can change for rowers – and so can customer expectations and their tolerance levels.

**Firms must have the ability to adapt to these changing needs, whether this relates to how customers communicate with them or how customer expectations differ when completing transactions.** The right data capture, analysis and culture surrounding RCA will provide this flexibility and ensure the organisation can focus on delivering solutions as and when problems arise.

## Solution Orientation

RCA rarely goes far enough in driving the right outcomes in an organisation. Capturing and categorising themes can be useful – but if firms do nothing with this information, there may seem little point in doing it at all. **Firms need to ensure that their RCA methodology identifies the correct areas for focus, developing and implementing actions, and then monitoring the success (or otherwise) of those actions so that further improvements can be made.**

# Calls to Action:



### Structure Root Cause capture and analysis for the wider business benefit, not just for regulatory reporting

Ensure RCA classifications are set at the right level of detail for your business, with enough flexibility to truly understand what's driving dissatisfaction, without losing the sentiment of the issues being raised.



### Use Root Cause to drive change in the organisation

RCA data should be used alongside other insights to build and implement improvement initiatives around thematic concerns raised by customers.



### Create a team culture of improvement

RCA should be prioritised across the organisation, with a cross-team collaboration to find solutions to the problems identified. Create a culture of improvement including accountability within business teams to reduce complaints and improve customer experience and outcomes.



# The Smooth Transition of the Baton Process

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In the relay race, the difference between success and 'also ran' is how well the team work together to ensure the whole race runs as smoothly as possible. The skills of each individual runner, when combined effectively, deliver the medal-winning performance. If the transition between runners isn't smooth when handing off the baton, the next runner will lose the advantage and it can change the whole outcome.

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Similarly, when looking at the process design for complaint management, **firms need to apply a holistic approach**. They should design, implement and maintain an end-to-end complaints process free of waste, with limited 'wait time' and which drives quick and effective investigations and decisions.

The ultimate complaints proposition should focus on maximising resolution at the first point of contact, completing any corrective actions in real-time and avoiding any downstream delay and dissatisfaction. This of course isn't always feasible.

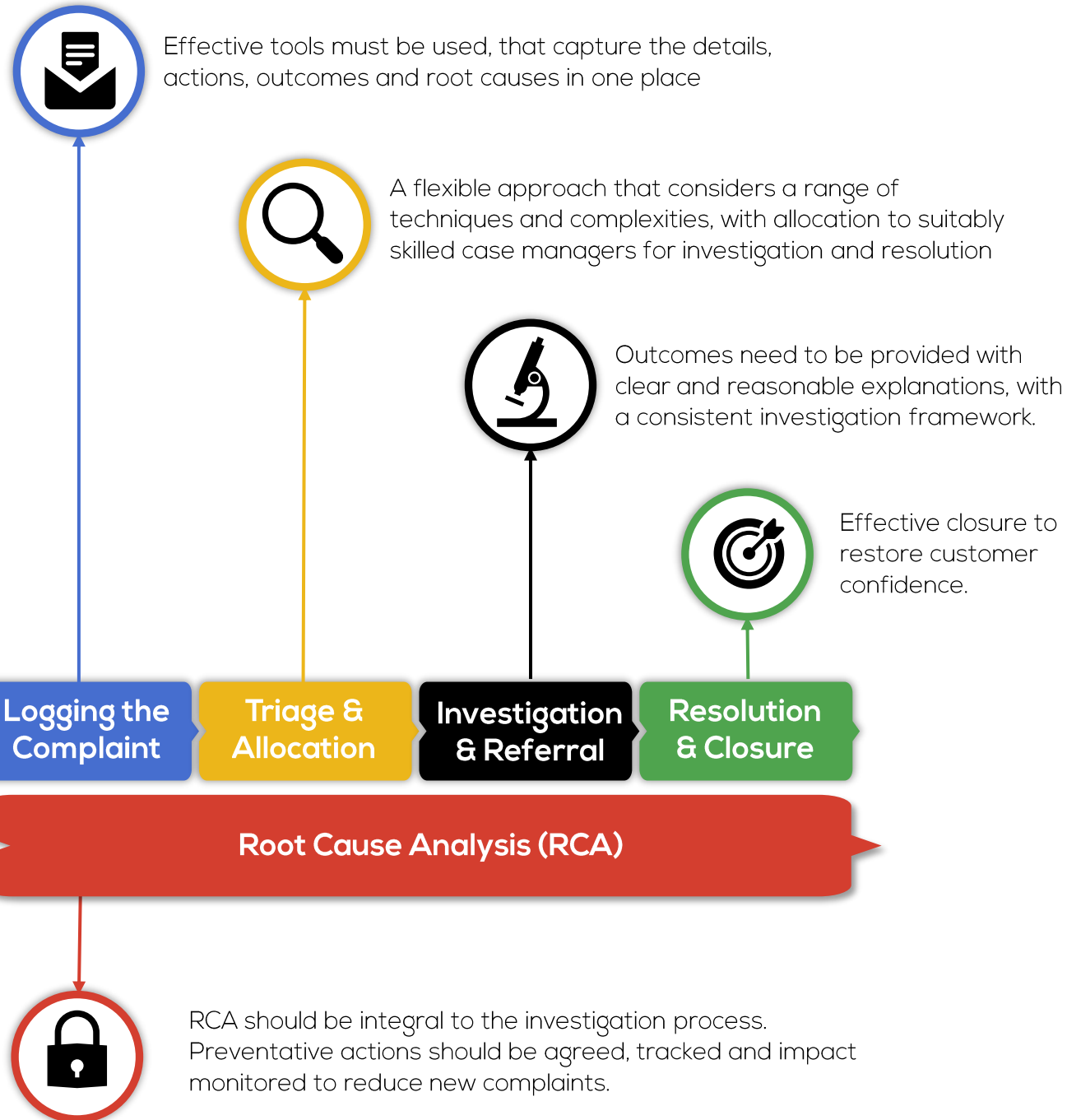
Whilst it may not be possible to eliminate hand-offs in the complaints journey, our experience working across the industry tells us that **effective complaint management relies on the smoothness of the transition between the multiple business lines working together across the full lifecycle of complaints**. All participants need access to technology that works cohesively to deliver an inclusive, seamless end-to-end journey, supported by the wider culture of the business that has fair customer outcomes at the heart of every processing journey and interaction.

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**75%** of respondents stated complaints took longer than anticipated to resolve

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## A world class process for complaints must include the following design elements:



## Calls to Action:

Delivery of a world leading complaints process requires the ability to accurately and adequately capture complaints as they are raised; the ability to understand what caused the complaint through effective access to records and systems; the ability to resolve the complaint and deliver the right outcome for the customer, and the ability to prevent the complaint occurring in the future.

To ensure the process can withstand any hurdles that come its way, our calls to action would be:



### Invest in your Capture and Triage processes:

Capturing the right level of detail upfront will enable more rapid investigation and resolution – strong foundations and discipline in these key starting blocks will deliver better results, more quickly!



### Use handoffs only where it is necessary

Hand-offs mean that each person has to understand the complaint and the history of what happened to cause the complaint. Handoffs should be used effectively so that they are only required where certain expertise or actions are needed to help resolve the complaint.



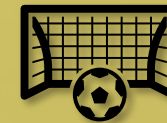


# Tackling Teamwork

People & Culture

**Effective complaints management** starts and ends with people. And just as a successful football team depends on the co-ordinated efforts of its players to execute strategies and score goals, complaints are not the sole responsibility of the complaints team but a challenge the business must address across teams to successfully meet the FCA rules and principles aligned to Consumer Duty and fair customer outcomes.

## The Winning Formula:



### The Club:

Positive Culture - Effective Communication - Common Goals - Shared Vision - Mutual Support



### The Team:

Sense of Company Identity - Domain Experience - Empathy - Assertiveness - Commercial Awareness - Decision Making Skills - Logical - Resilient



### The Leadership:

Set The Tone - Clear Vision - Inspiring Confidence - Creating a Positive Working Environment - Motivating - Analyse Performance - Adjust Tactics

Experience shows us that best practice starts in the servicing teams. The expertise and experience of the core processing teams are critical factors in successfully embracing complaint prevention and resolution.

Traditionally, complaints management functions are structured around hand-offs to specialist complaints handlers for investigation and resolution. There is a common skill-set between those who handle the initial logging of the complaint and those who ultimately respond to the complaint. This is usually where organisations focus their attention for harnessing the appropriate skills and behaviours to manage complaints effectively.

Ensuring firms have the right people to create an all-star team for handling complaints will require a different approach to recruitment as well as in-house training and support. Firms will need to look for people with more life experience alongside commercial awareness who can adapt and respond empathetically, logically, balancing the business needs with those of the customer. Firms should provide training and support helping employees develop and upskill them to better handle complaints. This means handling the customer interaction with empathy, helping build their confidence and resilience.

Complaint handlers should have sufficient time to act upon customer requests or investigate something which could be crucial to preventing a future complaint. Equally, firms should check on their call handlers when they are dealing with difficult calls to assess how they are feeling, ensuring they can take a break between calls or to switch tasks if need be.

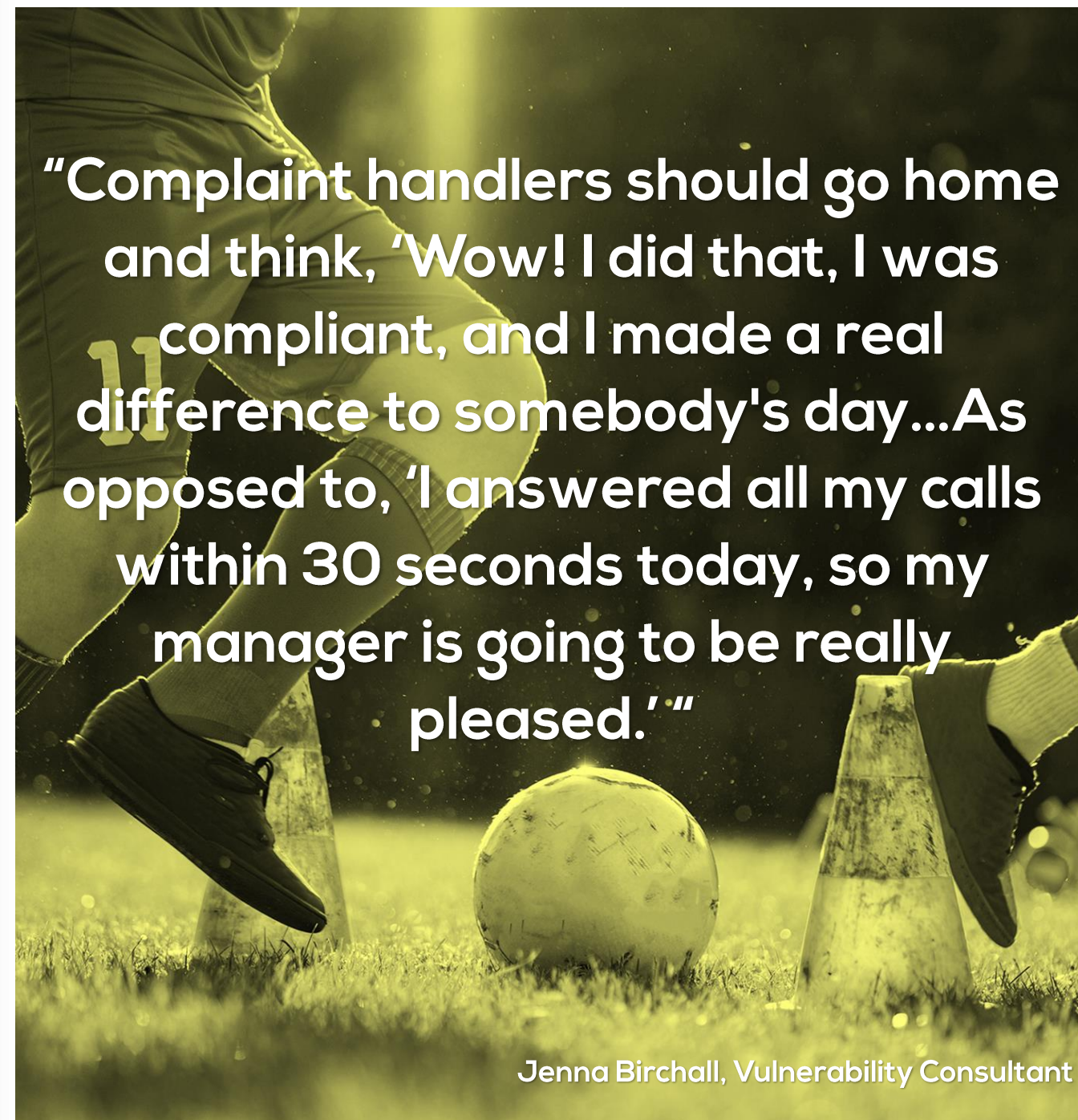
The core complaints management team must be appropriately staffed, skilled and capable, with experience in the complaint handling position, alongside an awareness of the other roles in service delivery activities. Only by developing this level of competency can companies drive genuine understanding of how to overcome the issues encountered and facilitate rapid resolution.

The ability to adopt different techniques when dealing with different complaint reasons (the opposition), identifying exactly what needs to be done and then passing to the right players to deliver the next steps.

There also needs to be an understanding of the relative cost of a complaint and how this may influence how a complaint is handled. This takes skill and awareness. Firms need to embed complaint metrics within objectives and balanced scorecards for all employees, that contain a focus on complaints prevention, as well as resolution. This way, organisations will be working together for a shared future, with all employees motivated to deliver both quality and speed.

**“[We] do quite a lot with new starters. They have a technical Complaints Module that they do but they also have a 3-hour complaints session with a Complaints Handler where they go through different scenarios with them, facts and figures to make it real and what to look out for with complaints. We try to get them to understand that complaints are everybody's responsibility.”**

Treca Legg,  
Customer Resolution and Care  
Manager at LV=



**“Complaint handlers should go home and think, ‘Wow! I did that, I was compliant, and I made a real difference to somebody's day...As opposed to, ‘I answered all my calls within 30 seconds today, so my manager is going to be really pleased.’”**

Jenna Birchall, Vulnerability Consultant

Overseeing all of this, the team managers should be constantly monitoring performance to ensure cases are allocated sensibly, all players are playing to their strengths and putting in a shift on the pitch. This should not only focus on the volume and speed of cases actioned, but also on quality assurance of case outcomes to ensure fair outcomes for customers. A useful tool to enhance performance is incentivisation – but it must be balanced against the risk of encouraging haste and high productivity over taking time to achieve the right outcome for the customer.

“My experience is that the culture around complaints is very regulatory, and the words and language used is ultimately against the customer – the unconscious bias is that the customer's not going to get through the complaints process – ‘We will not uphold as many as we possibly can’. That’s the current culture. Whether that will change with Consumer Duty – who knows.”

Helen Pettifer  
Vulnerable Customer Trainer and Consultant

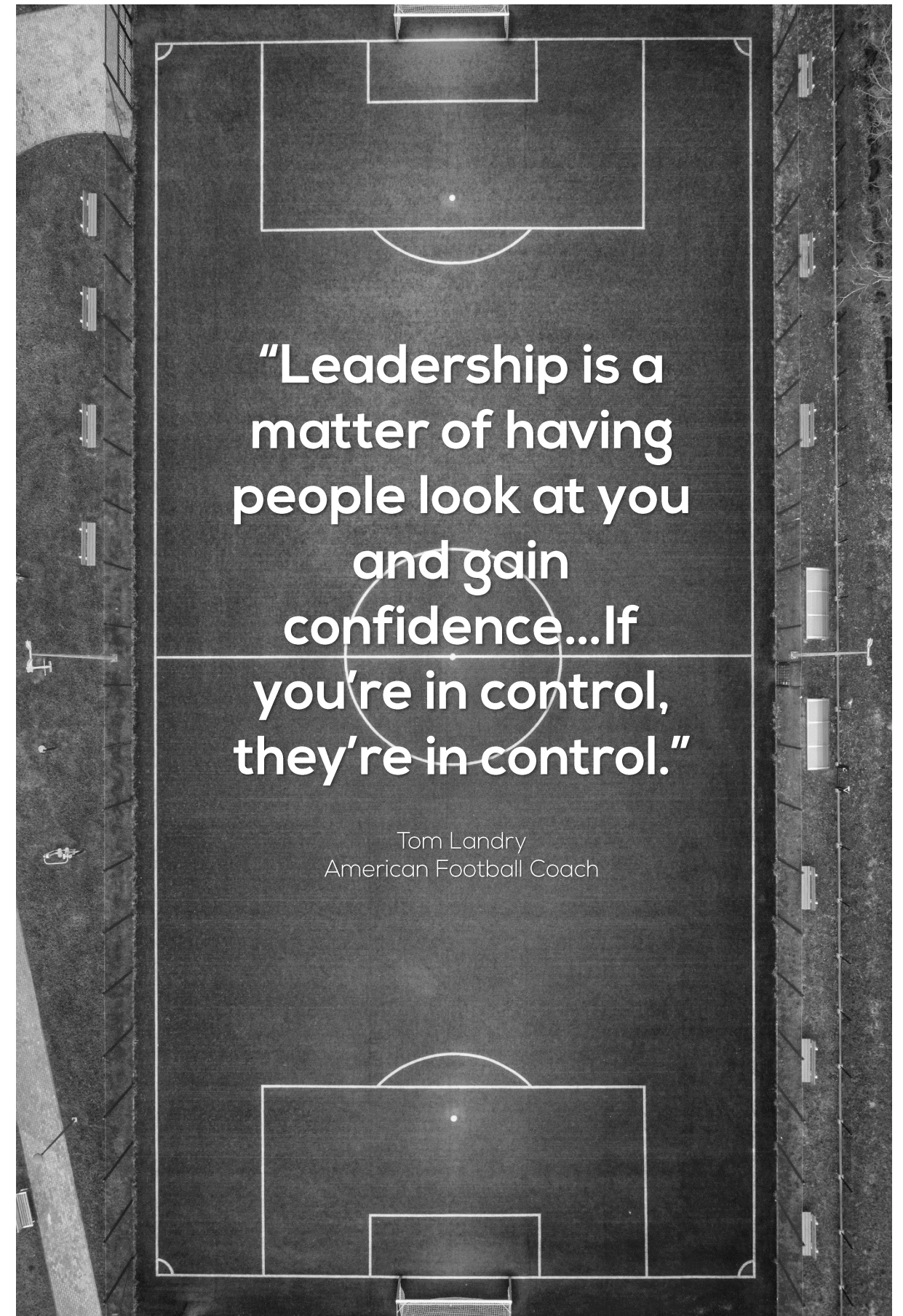
## Calls to Action:



Ensure that employees are holistically trained and have the right tools and ongoing support to manage and resolve complaints effectively - in one touch as often as possible.



Make change a core discipline within the organisation – focus on innovation and solutions that have customer outcomes, ease of processing and prevention of errors at the heart of all actions and decisions. This will help to minimise complaints and deliver service excellence more consistently







# Race To The Finish

Technology

**If you turn up to the start of the 100 metres Olympic final having not stretched or warmed up, don't be surprised if you get to the end of the race with an injury; that's if you even make it to the end. Don't also be surprised if you end up in last place.**

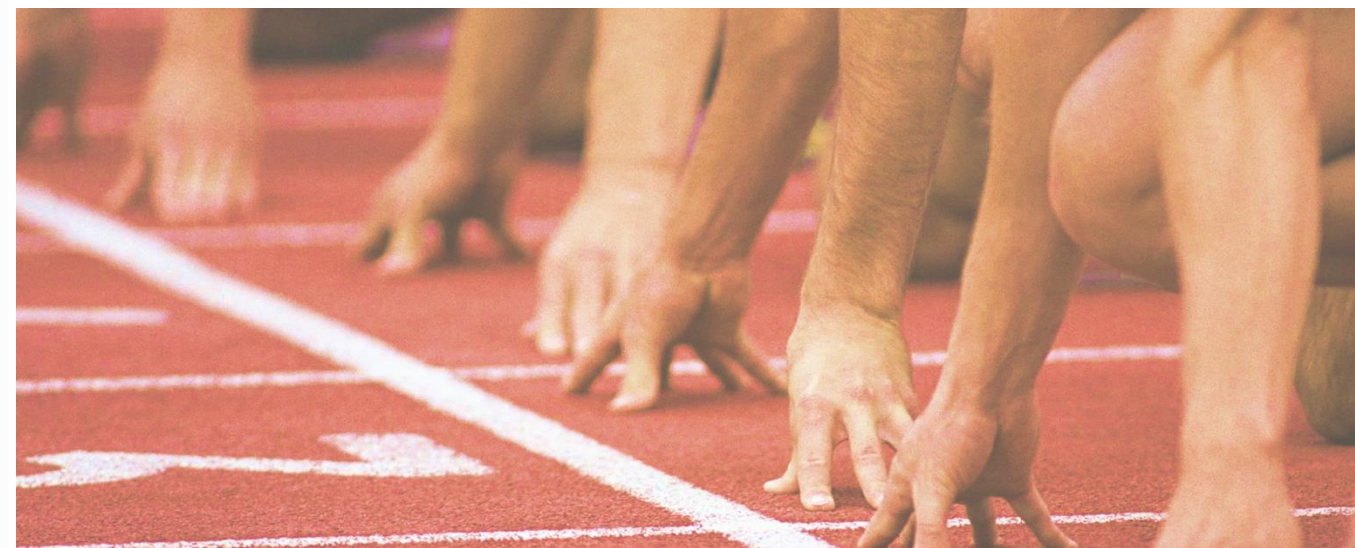
Olympic runners are well-prepared, elite athletes, who place as much emphasis on their readiness for the race as they do the race itself. Every single marginal gain, from nutrition to mental wellbeing, is crucial to gaining an advantage. Strapping an ice pack to that torn hamstring after the event is over may aid in recovery, but the damage was done by not focussing on an avoidable and preventable issue.

Yet, in financial services we continue to treat complaints handling as the sticking plaster to the issues that have already occurred and likely, could have been prevented.

**We need to shift the focus; prevention is almost always better than cure.**

We are beginning to see the first signs that a mindset shift, alongside technology enablement, can have a truly transformational effect on the way complaints are managed and, most importantly, avoided.

Companies are starting to see that real-time data analytics and AI can help identify compliant triggers that may otherwise lead to costly investigations, redress and consumer harm or detriment. Now, more than ever, the interactions that customers have with their providers offer insight into those moments in time that could lead to a complaint being raised. If a customer phones in repeatedly in a short period or is left waiting for a response for a long period, or doesn't have their expectations managed appropriately, there is a good chance they will be dissatisfied, perhaps compounded by the complaints process that follows.



## So how are companies able to address the causes of dissatisfaction before they materialise into a complaint?

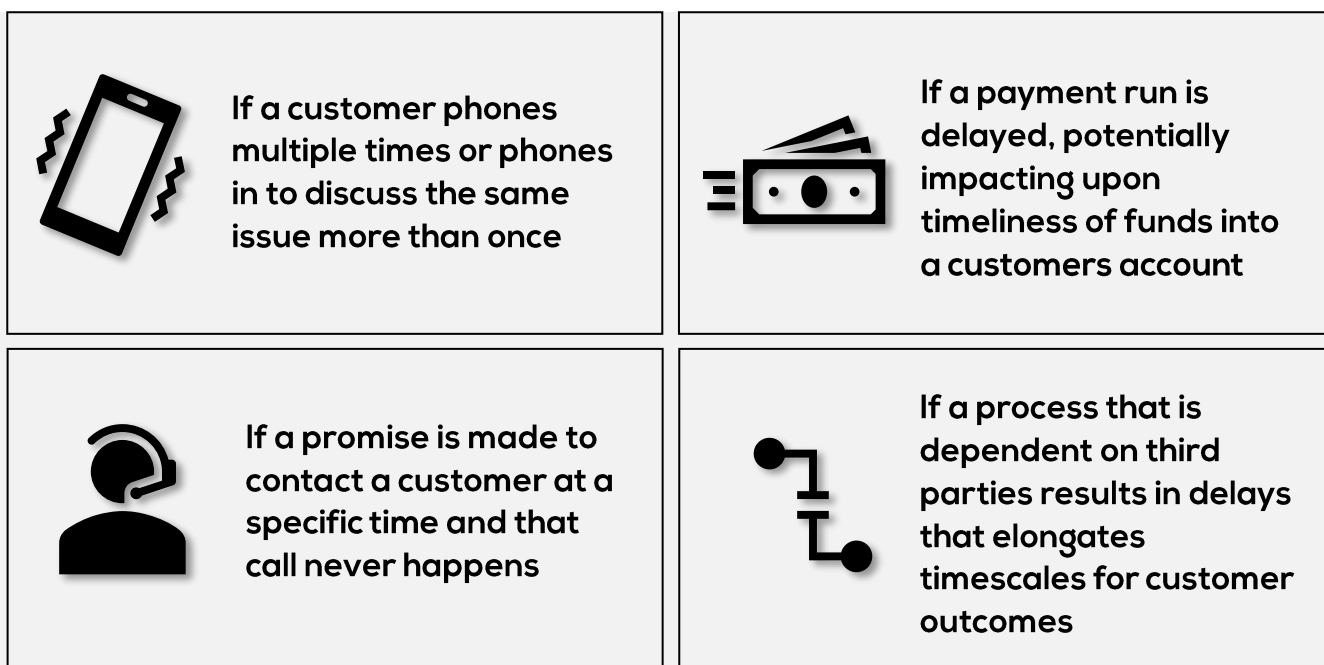
Triggers broadly fall into three categories:

1. Events that the provider instigates. These could be system failings/downtime, communications, market-side events or propositional changes which, if not fully thought through, could result in failure demand driving customer dissatisfaction.
2. Interactions initiated by the customer. Those instances where a customer engages with their provider to achieve a desired outcome, but experiences delay or misinformation leading to repeated interactions that are both unnecessary and time-consuming.
3. External events outside of the control of both parties. These include legislative changes and other situations that may result in unexpected or unplanned for disruption.

## How can technology enable a more pro-active approach?

In the first two categories, the common theme is that the provider is aware of those events as they have either triggered them or been made advised of them by the customer. The third is less visible, but good business continuity planning and testing should provide a degree of preparedness.

So how can technology leverage known information to identify complaint triggers and mitigate the risk of them materialising? Let's look at some practical examples of potential 'distress indicators':



**Pre-emptive intervention in the form of an apology, a resolution and/or a gesture of goodwill not only demonstrates proactive management of any potential issue, but also avoids downstream impacts** – additional costs/re-work, compensation, reputational damage and worse of all, lost custom.

The irony in all of this is that technology is simply an enabler for more efficient handling of customer experiences and to facilitate scale. The very basics of proactive communication can be delivered independent of AI and complex algorithms or large language models. However, carefully configured and deployed AI capabilities can achieve something at scale that no humans can replicate en masse.

AI can, in the customer services space:

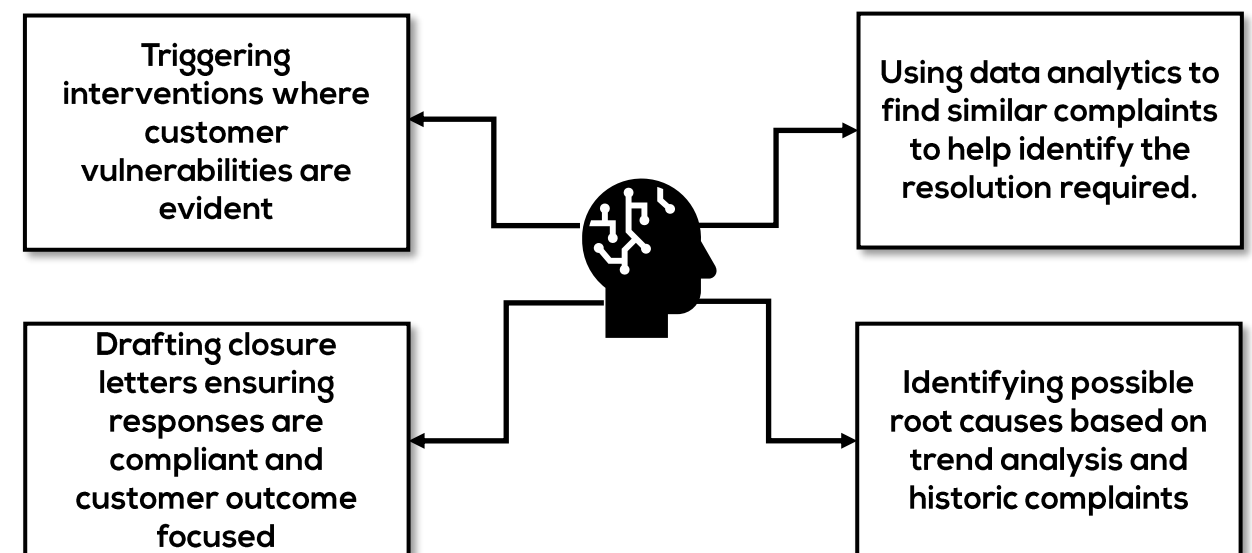
**Learn how customers react to scheduled events, e.g. mass mailings, annual statements, company announcements.**

**Look at customer interactions, the nature and tone of conversations and written communications using voice analytics and machine translation capabilities.**

**Mine data to understand the common threads of complaints, the root causes that drive poor outcomes and dissatisfaction and help direct solutions in the areas that offer the most benefit.**

**Provide prompts and nudges to contact centre agents in real-time to help increase understanding (e.g. of regional dialects) and guide the conversations quickly towards positive customer outcomes.**

It can also add significant value in capturing, managing and resolving complaints:



Now, more than ever, it is possible to achieve real benefits from AI implementation without the need for extensive change projects or a complex re-architecture of the technology estate. AI is often at its most effective when data models are in disarray, when unstructured data is prevalent, when the volume of data held is simply too great for any human to interpret or when data resides across multiple technology solutions. It can achieve real business benefit accompanied by customer benefit in rapid time.

## What are some of the pitfalls to avoid?

Chatbots have their place. The reality is that they aren't universally liked, but they still have their place as part of a broad customer service proposition. As a tool for replacing FAQs and more rudimentary customer enquiries, they can help accelerate answers to questions and over time increase their ability to address more complex queries as they learn some of the patterns. But they are just one tool and should not become the first port of call and used as a deterrent to prevent customers in need from talking to someone. Especially vulnerable customers. Speaking to someone and having a one-to-one conversation is often fundamental when frustration is brewing, but we need to provide our complaints handlers with the tools to manage those situations in an informed and co-ordinated way.

We would also apply caution in how much autonomy AI has in interacting with customers based on events and history. Manual intervention should complement AI recommendations and suggestions, not least because a human interaction is often valued, especially in specific scenarios. There are few examples of wealth businesses directly using AI to engage customers and we understand the reticence; in such a highly regulated environment and in the context of consumer duty, it is incumbent upon providers to ensure they are using a blend of technology and people to provide service.

We recommend being clear about where the value of AI can be deployed and to ensure it achieves a desired outcome, rather than simply being used as a tool to reduce cost. It would be unhelpful to see a repeat of the impact of blockchain and robotics – which both promised a great deal but failed to deliver transformative change. Sticking plasters are rarely the right answer for athletes' injuries, as much as they are not the answer for businesses.

Of course, all of this is avoidable, if there is a relentless focus on servicing customers efficiently

What does it truly cost to address an avoidable complaint? Our analysis shows that the effort expended by complaints handlers and the average cost of compensation, could result in the average complaint costing well over £300. That's if the case doesn't make it to the Ombudsman, which charges £750 for its investigation. Remember it costs absolutely nothing to raise a complaint – so, factoring in general dissatisfaction, lost custom and reputational damage, there is a compelling business case to drive operational excellence at source. We would rather see businesses building a world-class operation, than just a world-class complaints function (though investing in both would be preferable!). Hand-in-hand, they reduce the risk of things going wrong, but together they ensure that when

they do, the situation is recoverable.

Of course, not all complaints are avoidable and even the very best organisations make mistakes now and again; limiting them and proactively managing them could be a real game-changer.

**In our research, we found that “over 25% of customers remained dissatisfied with how their complaint was handled,”** no doubt leaving the customer with a low opinion of their provider. This is avoidable if firms focus on the issues at source: not only in maximising customer retention and growth, but also in doing the right thing to manage customer outcomes in the most efficient way possible. There is now no excuse. Technology innovation is the enabler for providing scalable solutions that put customer service at the forefront of strategy in a cost effective and compelling way, like never before.

## Calls to Action:



**Focus your technology investment on prevention; understand customer behaviours, intercept trends that lead to dissatisfaction and complaints.**



**Invest in capturing root cause using AI to get to the root of underlying triggers and motivate and incentivise pro-active resolution of those root causes.**




**Leverage AI to help learn about interactions that lead to complaints and then to assist with complaints themselves; capturing the issue, investigating the problem and documenting the evidence and closure letter.**


# Going for Gold - Calls to Action:



1. Decide on your Complaints Strategy and embed across the organisation




2. Carry out Root Cause Analysis throughout the process to drive change and continuous improvement



3. Create an optimised and value add process



4. Ensure Employees are effectively trained in the skills required



5. Leverage technology & AI in particular, in preventing complaints



“Acknowledge all of your small victories. They will eventually add up to something great.”

Kara Goucher (USA Track & Field, 2-time Olympian)

# We are Simplify Consulting

We're not your traditional consultancy. We are known for simplicity, professionalism and tenacious delivery. We bring domain expertise, practical hands-on experience and thought-leadership to our engagements and strive to provide maximum value to our clients.

Our personalised consulting approach results in tailored support designed to address the problem statement. We utilise our own SimplifyDNA Wealth capability model to support our engagements and accelerate delivery, to drive rapid benefit realisation.

At the heart of our business is a passionate, high performing, client-focused team who go the extra mile in everything they do. When you buy Simplify, you don't just get great people, you get integrity, desire and the will to succeed and make a difference.

We have a broad range of Consultancy Services, which are underpinned by our tools, frameworks and methodologies and that enable us to deliver efficiently and effectively to our clients, to accelerate benefits realisation.



# Where we operate

By operating across the Wealth Management 'value chain' we are exposed to the challenges and opportunities facing all stakeholders.

Our flexibility and willingness to work with clients of all shapes and sizes in the UK and Europe and in offering a diverse set of consultancy services enables us to bring unparalleled insight to our engagements and a 'whole of market' perspective.

We maintain relationships with business and technology providers across the value chain, so we have our finger on the pulse of innovation and market-side developments. We are members of TISA and work closely with industry bodies to input into and influence regulatory change.

We bring a team of practitioners who have lived and breathed Wealth businesses, so come with first-hand experience of the challenges those businesses face and the solutions to help address them. Our team have all worked 'on the ground' and have the expertise and real-world experience to supplement their professional qualifications in their key disciplines.

When you engage Simplify, we bring a team of practitioners to a domain where we are experienced, credible and understand the problem statement. Our tenacious delivery and focus on client value sit at the heart of our consulting proposition.

E: [info@simplifyconsulting.co.uk](mailto:info@simplifyconsulting.co.uk)

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Tenacious Delivery – Professionalism  
Teamwork – Integrity – Simplicity

# Meet the Simplify Authors

Thank you to our Simplify authors and external contributors for their expert knowledge and valuable insights in this whitepaper.



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# White Papers by Simplify Consulting

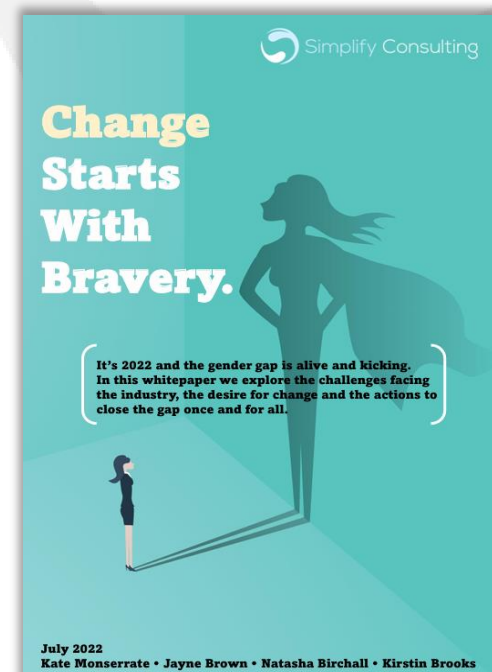
Explore other White Papers by Simplify Consulting with our wealth-oriented thought-leadership.

[:https://www.simplifyconsulting.co.uk/](https://www.simplifyconsulting.co.uk/)

## Making Waves: Exploring the Future of Wealth Operations



## The Gender Gap: Change Starts with Bravery



## Re-inventing Annuities: 'Mix and Match' innovative retirement income



## Consumer Duty and the Correspondence Crisis





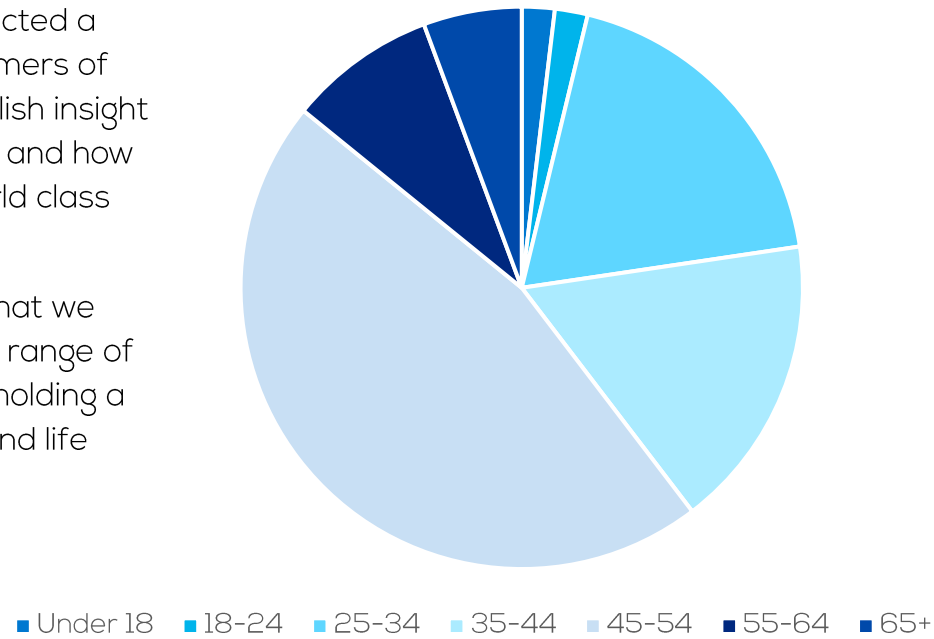
# Appendix: Our Customer Research



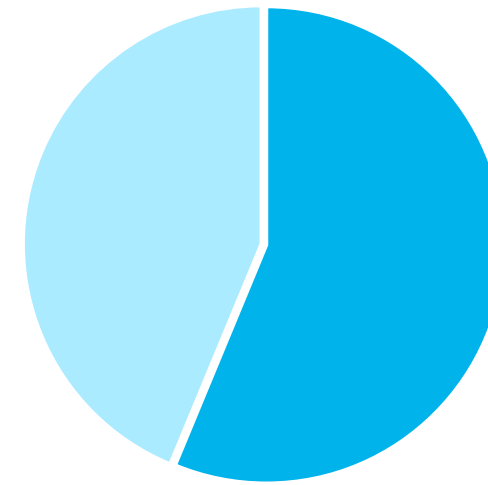
## Survey Demographic

Simplify Consulting conducted a survey of over 100 consumers of wealth products to establish insight into why people complain and how this can help shape a world class Complaints service.

65% of the participants that we surveyed were in the age range of 35-54, with the majority holding a workplace pension, ISA, and life insurance product.



## Was it "easy" for you to complain?

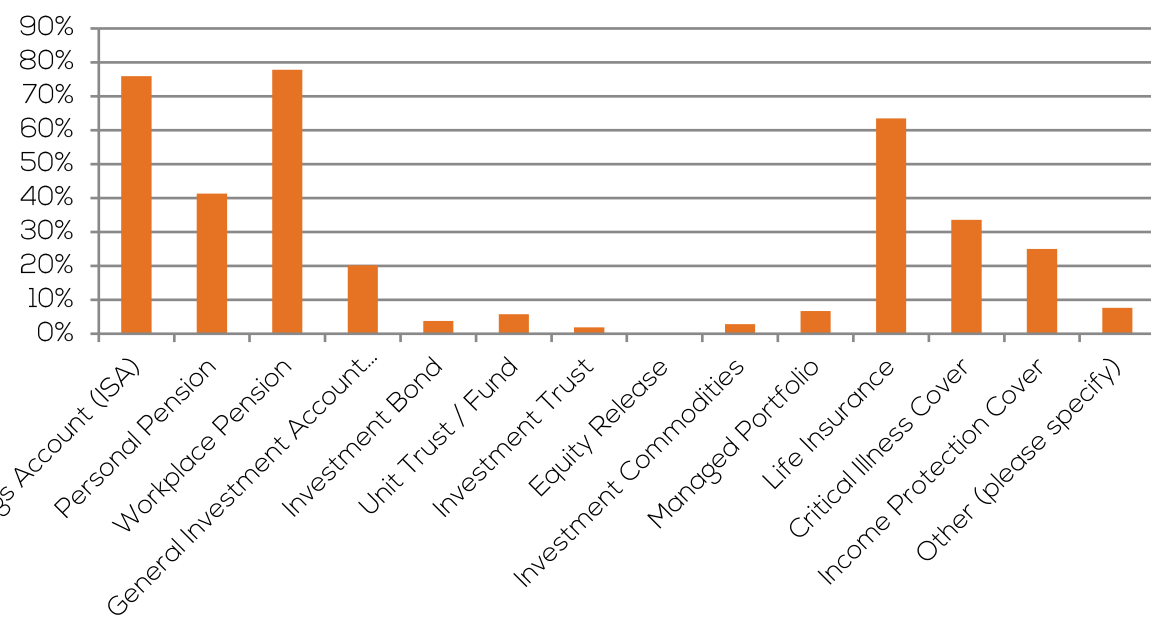


# 44%

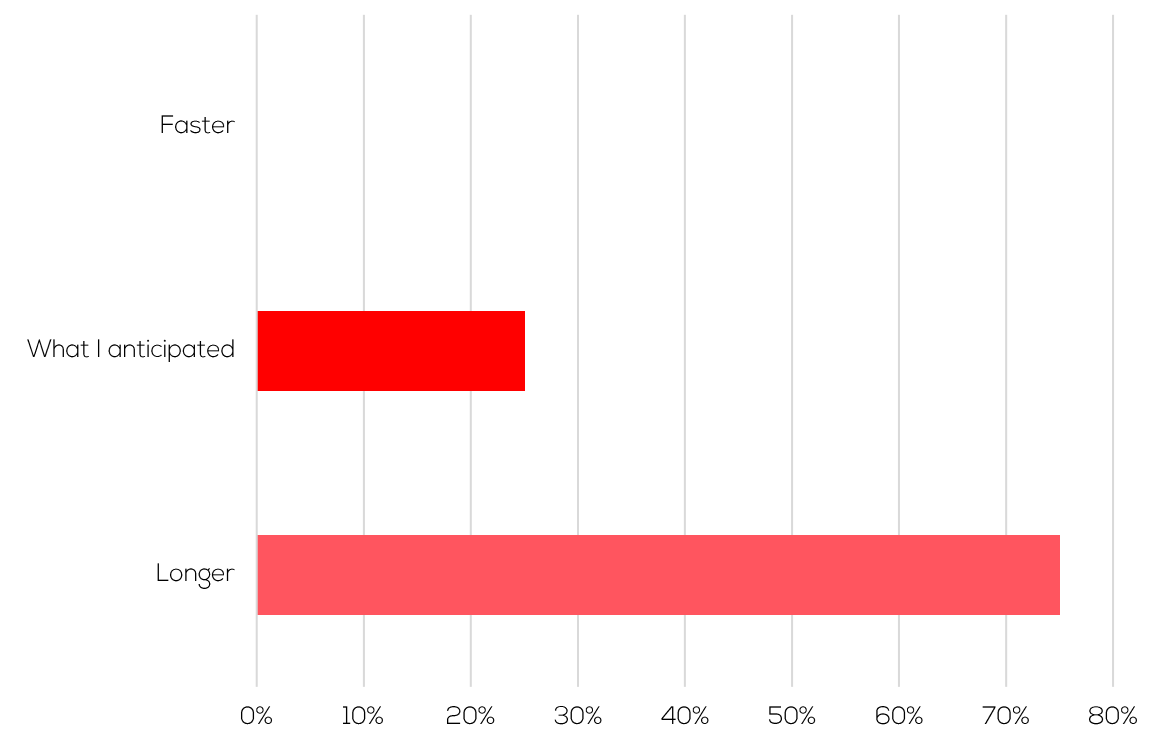
Expressed difficulty in complaining to their provider.

■ Yes ■ No

## Which Financial Services products do you currently hold?

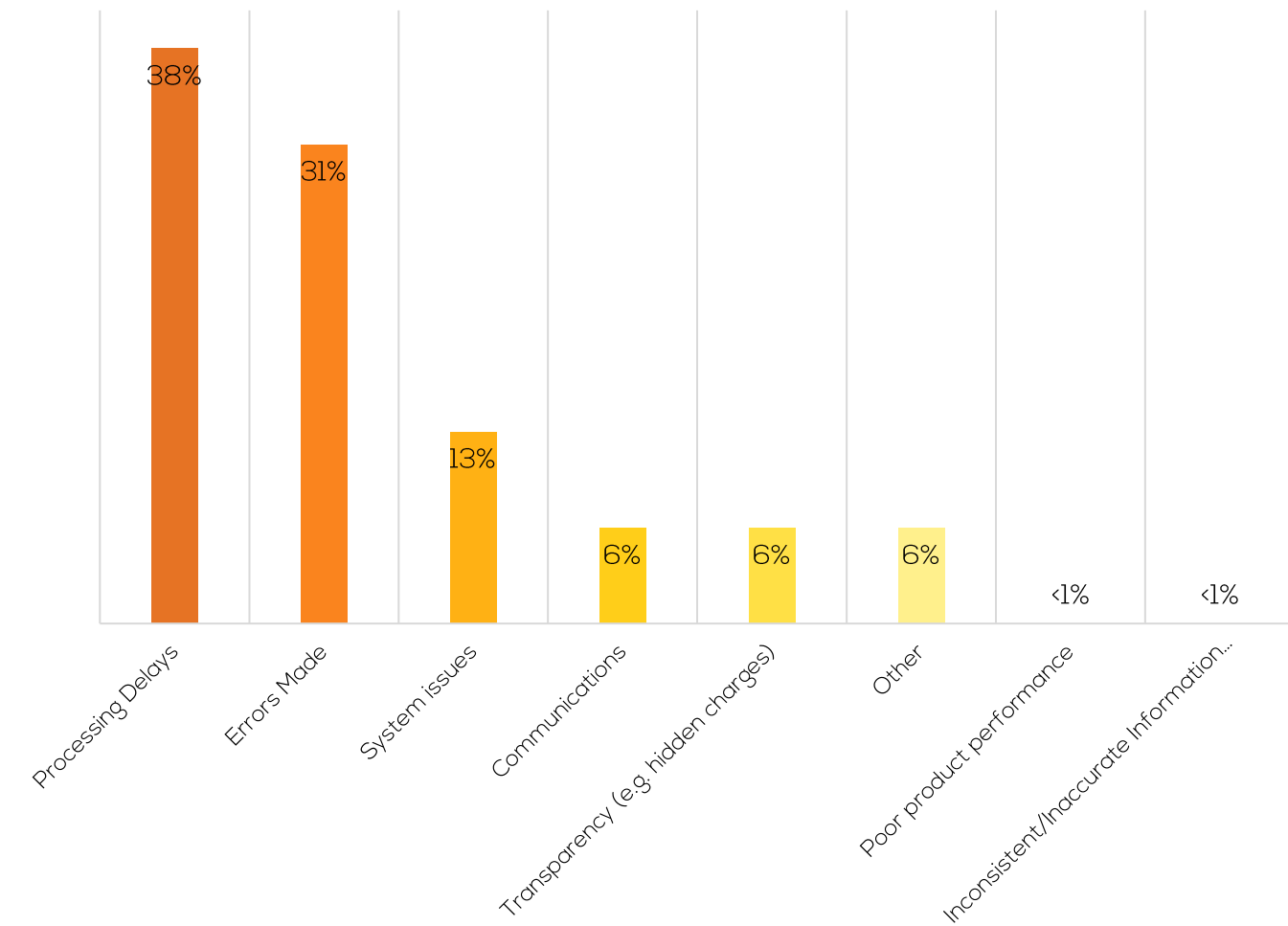


## Did the outcome of your complaint take longer or faster than you anticipated?





## What was the main reason for your complaint?

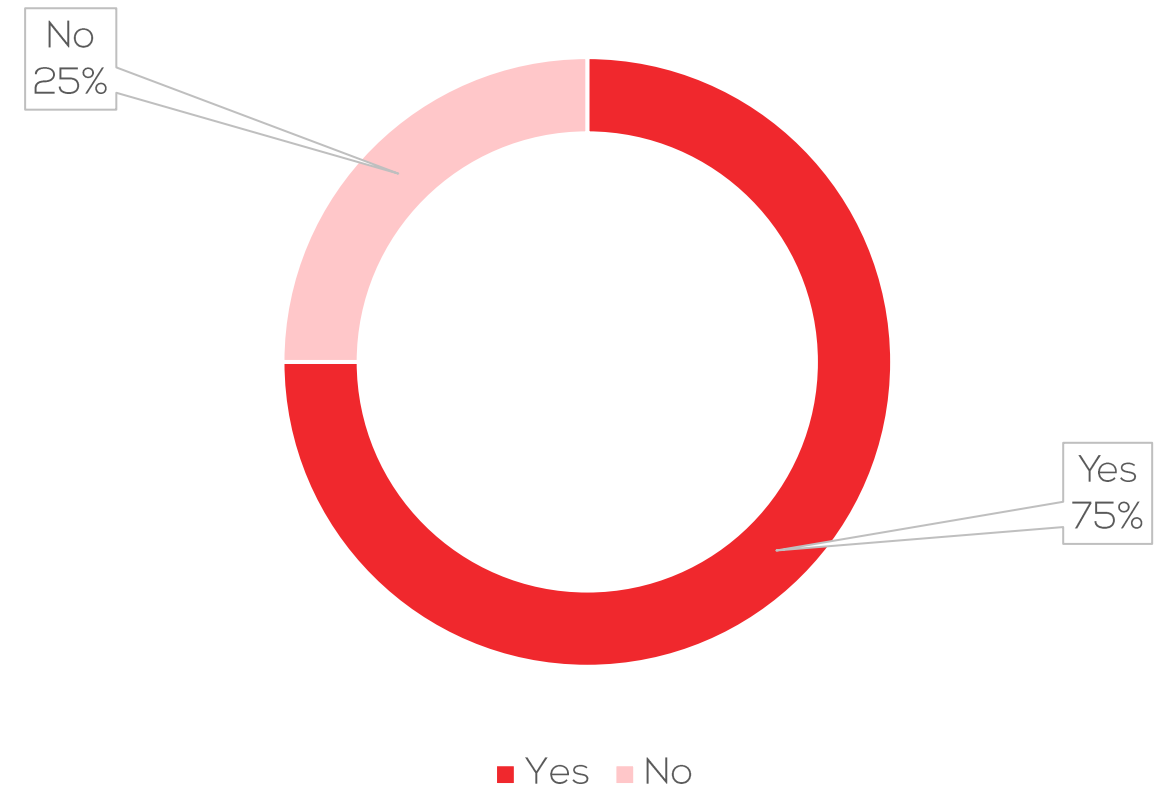


"Timing of an instruction led to market loss."

"Instruction to amend bank details was incorrect, which caused bank charges and further calls to resolve."

"Too much written communication after requested paperless comms."

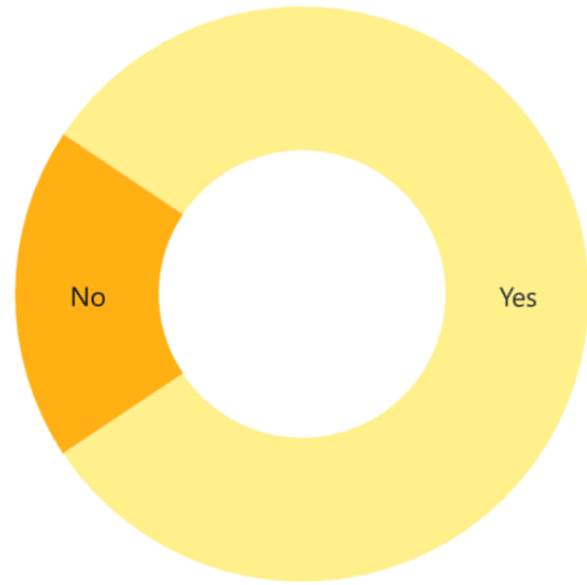
## Was your complaint dealt with to your satisfaction?



# 25%

Of complaints raised were not dealt with to the customer's satisfaction

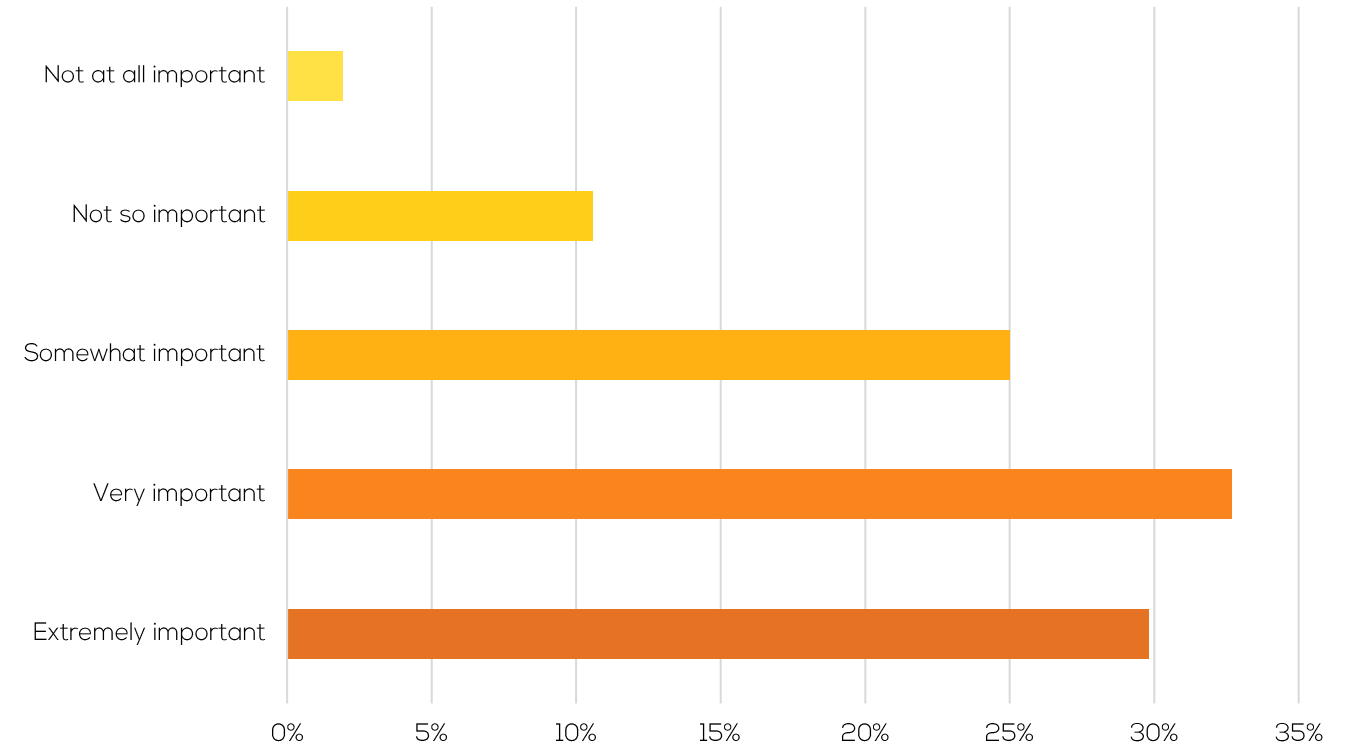
## Were you compensated?



# 80%

Of complainants were compensated as a result of their complaint.

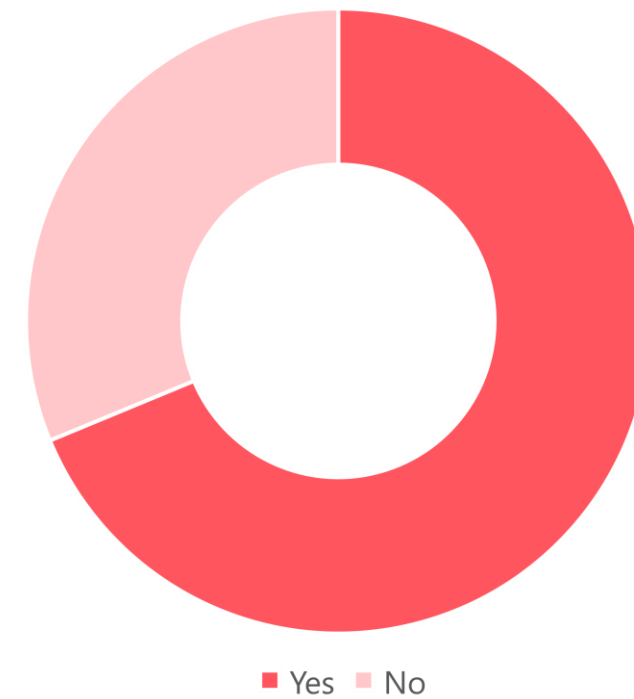
## How important would it be that you are financially compensated as a result of your complaint?



## How much were you compensated?



## Were you kept up to date during your complaint?



31%  
of  
complainants  
were not kept  
up to date

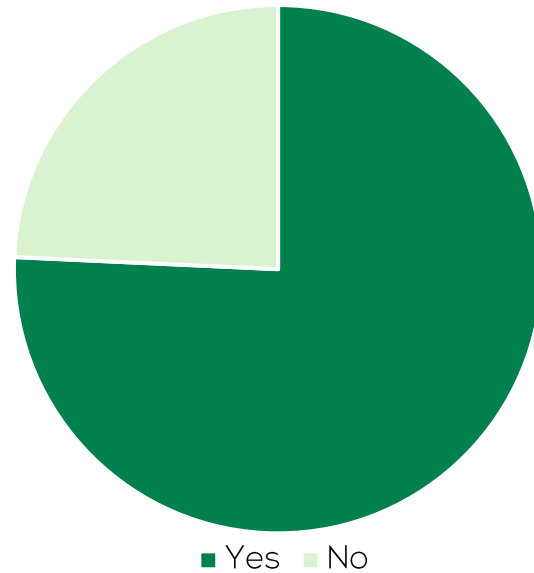
■ Yes ■ No

Would the fact you have complained impact the loyalty to your provider?

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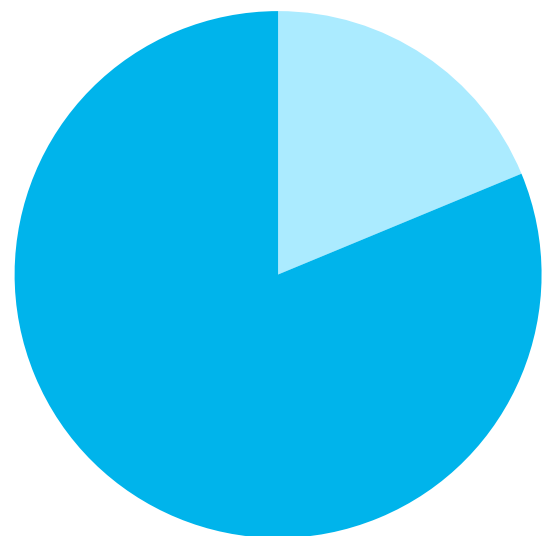
76%

Said that their complaint would impact the loyalty to their provider



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Have you ever moved providers as a result of complaining?



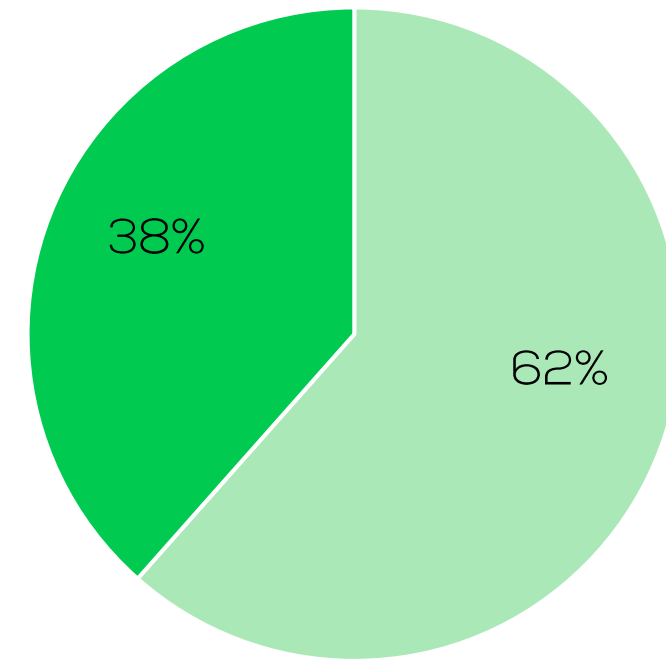
19%

Moved provider as a result of their complaint

■ Yes ■ No

Are you aware of the Financial Conduct Authority?

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■ Yes ■ No

Have you ever felt discouraged to escalate your complaint to the Financial Ombudsman Service?

25%

Felt discouraged to escalate their complaint to the Financial Ombudsman Service

