Saving the customer

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Customer Experience
Excellence Centre

Contents

The financial services industry can only help close the savings gap if it engages customers around its long-term savings, wealth and investment products. KPMG Nunwood's exclusive research into customer experience shows some financial businesses already have a platform to deliver that engagement – but there is work to be done.

Introduction

Are you experienced?

The saving challenges facing people as they move through their lives are in many ways mirrored by those currently confronting the financial services industry itself. Confusion and uncertainty over the future are stymying efforts to develop a long-term approach to advising customers, designing products and offering appropriate services.

Regulation, developments in technology, uncertain market conditions and changing customer habits are combining to produce a savings, wealth and investment management landscape that is variable at best. A disengaged and poorly-informed customer base complicates the picture.

But although there are challenges, the sector is also rich with opportunities. For the first time in a generation, providers have a chance to redefine their offering. Digitally-empowered, well-informed (if not well-advised) customers want clarity, simplicity and efficiency. And the platforms now exist to offer it to them.

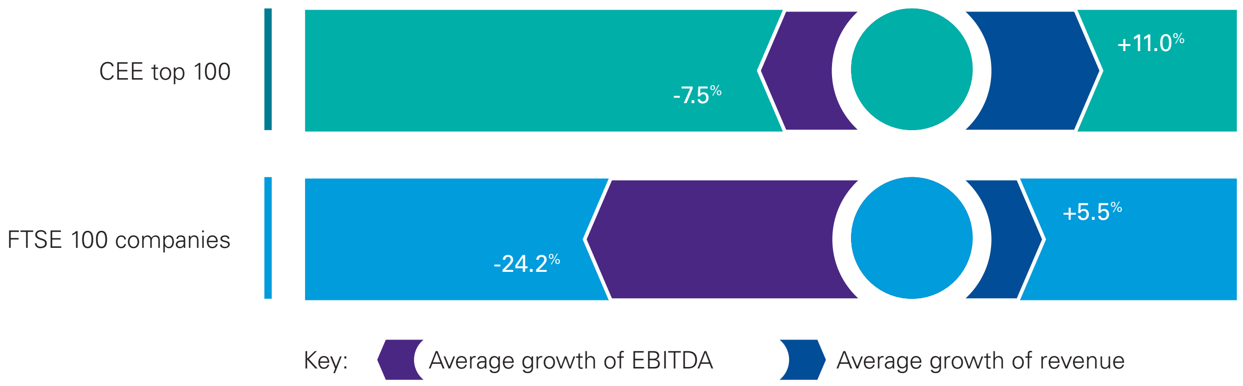
Addressing the "customer experience gap" is a vital step on the road to closing the savings gap. Today's consumers do not resignedly bear poor customer interactions. They share their displeasure with their peers – and then move their business.

Now in its sixth year, the annual KPMG Nunwood *Customer Experience Excellence Centre* analysis has surveyed over 900 brands using more than one million customer evaluations to understand what drives both good and bad experiences. The difference in performance of the Customer Experience Excellence (CEE) top 100 brands and the variation across sectors is striking (see chart).

As the UK savings gap grows ever larger – Office for National Statistics data says the savings rate is the lowest it's been for 30 years – and the prospect of under-funded retirement looms for a growing proportion of the population, we've used this year's CEE research to do three things:

- Outline the customer challenge facing savings and investment businesses in a changing market.
- Look at the emerging Customer Experience (CE) trends in FTSE 100 companies
- Highlight businesses that have begun to meet the challenge – and explain what they're doing to engage and delight their customers.

Average growth of revenue and earnings before interest tax, depreciation and amortisation – last five years[1]:



[1] Only those companies have been covered which reported financials in 2014 or 2015. Source: FAME database accessed on 25 August 2015; FTSE 100 Constituents, London Stock Exchange Website, accessed on 27 August 2015.

Headline findings

Financial services: a mixed bag for customers

While the industry as a whole is delivering reasonably strong customer experience, the overwhelming message for savings and investment businesses is that customer expectations are changing. Innovative businesses and those placing a premium on new platforms as well as simpler products are winning out.

UK financial services businesses might usefully look at their peers in the US, global and local retailers, and home grown alternatives such as Hargreaves Lansdown for opportunities to improve. Financial services as an industry needs to kick-start previous years' progress on customer experience that, for the sector in aggregate, has stalled this year.

- Financial services (FS) ranks third among the sectors, ahead of leisure, telecoms and fast food.
- But the sector still lags behind retailers in customer experience excellence.
- UK FS businesses average score is 7.39, just behind the US score of 7.59 (the transatlantic gap is bigger in retail, logistics and utilities).
- Three FS businesses are in the top ten, but only one – Skipton Building Society – has a strong presence in the long-term savings and investment arena.
- First Direct – which has only ever dealt with customers online or on the phone – comes second across all sectors.
- Hargreaves Lansdown is the biggest climber – up 166 places in one year.
- Co-op Bank and Santander also made enormous strides.
- The mutuals continue to lead the way on FS customer experience improvement. Coventry, Nationwide, Yorkshire and Skipton are all in the top 30.
- Standard Life is another big mover, up 88 places in three years.

There are a variety of reasons for the big movers. "Santander, for example, has done extremely well, and one reason for that is that it was much less burdened with the legacy reputational issues from the financial crisis of 2008 than many other retail banks," explains Carol McCreadie, Customer Experience Director at KPMG Nunwood.

That gives the company a boost around integrity – which, as we'll see, is one of the cornerstones of great customer experience. That reputational aspect also helps explain the strong showing of the mutual building societies. But it's not the only force at work.

"Nationwide is also doing really well, largely thanks to investment in core systems and processes," adds David Conway, who oversees KPMG Nunwood's *Customer Experience Excellence Centre*. "But it's also invested heavily in its people. And the culture of the organisation is critical – there's a real focus on customer outcomes."

The 2015 UK CEE analysis

The Six Pillars of great customer experience

After six years of research across three continents, KPMG Nunwood has developed a model of the foundations of great customer experience. It's based around Six Pillars, and brands in the savings, wealth and investment management industry that have only focused on one or two of these pillars risk undermining their entire business model.

Technology is creating new opportunities in some of the pillars. In Personalisation and Time & Effort, for example, digital platforms can help customers navigate the complex and often stressful savings decisions more easily.

But this sector faces unique challenges around Integrity, Expectations and Empathy. That's partly thanks to the fall-out from the financial crisis of 2008 and the various mis-selling scandals. And it's also down to widespread customer inattention to their long-term savings needs.

"We're seeing perceptions of customer experience being influenced by perceptions of a group's Integrity in this arena," explains KPMG Nunwood's David Conway. "The Six Pillars work in a kind of hierarchy of needs – Integrity is the foundation, it's the most basic. Then it's Resolution – where too many banks still don't fix problems quickly. Next is Expectations, followed by Time & Effort – where providers have made ground, especially with their digital offerings. But it's still not easy enough to control things such as your pension. Personalisation and Empathy are the higher-level pillars."

The Six Pillars - the goals for customer transformation

Personalisation
Using individualised attention to drive an emotional connection.

Integrity
Being trustworthy and engendering trust.

Expectations
Managing, meeting and exceeding customer expectations.

Resolution
Turning a poor experience into a great one.

Time & Effort
Minimising customer effort and creating frictionless processes.

Empathy
Achieving an understanding of the customer's circumstances to drive deep rapport.

Key lessons

Look beyond financial services

Customer expectations are no longer ring-fenced by industry or product type. Savings and investment brands must benchmark against the very best if they're to win out – delivering growth, profitability and social good.

Despite their desire to create a customer-centric approach, too many businesses offering long-term savings and investment services still don't design their business models around that objective.

"As much as financial services leaders talk about customer focus, the environment doesn't often lend itself to building their proposition around them," explains McCreadie. "More usually, their approach starts with a technology shift, or a competitor action, or a regulatory change – and then the customer experience is retro-fitted."

That's changing. The CEE analysis shows that many savings and investment businesses are starting to think about customers first – prioritising simple products, easy-to-access platforms and a customer service ethos that enhance their experience and create a firmer platform for the long-term relationships that products such as pensions and insurance demand.

Four of KPMG Nunwood's key emerging themes from this year's research should form the basis of strategic conversations across the saving and investment market: creating meaning; humanisation; insight into the customer; and omnichannel service provision.

Brand is about meaning, not marketing

In a crowded and confused market, the importance of a trusted brand cannot be overstated. Only businesses that can successfully develop and define their brand in the market will rise above the noise and confusion of product pitches and paperwork. "Savings and investment companies do seem to struggle to connect to customers and build conversations around their optimum outcomes," says McCreadie.

Many are starting to look outside their sector to see how best to build their brand. A great example for them is the number one brand for customer experience in the KPMG Nunwood research: cosmetics retailer Lush.

> "Savings and investment companies do seem to struggle to connect to customers and build conversations around their optimum outcomes."

"Lush eschews advertising in favour of experience," says the analysis. "It is a beacon brand, fuelled by word of mouth, which in turn, is driven by day-to-day experiences." None of those attributes should be alien to a long-term savings provider.

"You might like or dislike Lush, but the point is that they clearly stand for something," explains Conway. "They have a moral position. They have a set of principles that they live by."

How might that translate to the long-term savings industry? Conway says it hinges on brand positioning and trust. "In the past financial services has taken a caveat emptor approach," he says. "But the research shows that people don't want to buy things from organisations that just make profits for shareholders. The question for financial businesses is, do they have a message beyond that? The successful brand leaders may be heading in that direction, talking about the contribution they make to the world."

That goes some way to explain the strength of the mutual societies in the CEE analysis. And it's telling that the new TSB has branded itself as a local bank that seeks to help communities prosper.

Retail is intrinsically related to customer experience, of course. One of the key lessons to be learnt from organisations such as Lush, John Lewis and Marks & Spencer is that people want more from the businesses they deal with. They reward and stay loyal to organisations that clearly think about more than just their shareholders.

This chimes with research into banking culture that KPMG undertook with the British Bankers' Association in July. That report concluded, "The key challenge for leaders is to identify the dilemmas that impact different stakeholder groups in the banking ecosystem, to develop a model that enables an optimal balance to be achieved between the needs of all groups, including customers and clients, staff, shareholders, regulators and society overall."

Customer experience must be human (even when it's digital)

One of the big differences between the long-term savings industry and, say, retail is that its various stakeholders have often been compartmentalised by its historic structure. Asset management businesses had little contact with consumers; the companies packaging pensions, say, or life policies for consumers were less exposed to wholesale market pressures.

As those lines are blurring – demonstrated by the emergence of vertically integrated savings businesses – the need for a more holistic approach to customer engagement has risen. Some of the historic curbs persist: regulation still, to a great extent, prescribes customer communications. It's still hard to sell the idea of deferred gratification, especially to young people. But there are forces challenging those barriers.

Technology, for example, has affected customer experience in every sector. Where once a branch network served as the main customer contact point for a bank, digital is now the principle channel. Insurance, investment and pensions companies are all racing to develop and exploit transparent, responsive digital platforms.

These allow financial services businesses to automate processes, gather information on customer habits and reduce back office costs. The new challenge here is to avoid alienating the customers who feel nervous using technology to interact with their providers.

That requires savings and investment businesses to prioritise two of The Six Pillars, Personalisation and Empathy, in order to ensure their digital offerings humanise the customer experience.

It's clear from the analysis which financial brands already understand this. First Direct, for example (see case study), employs call centre staff who are empathetic, understanding, competent and intuitive – often drawn from the caring professions – and they're instructed to see individual customer situations right through to resolution themselves.

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“Prudential has been improving customer experience solidly for ten years,” says Conway. “A decade ago, there were 526 different phone numbers to reach Prudential on. Now, it’s one. That business has been throwing away the metrics from the old world, too. It used to evaluate customer contact centres based on call volumes. But customers don’t care about that. They want a friendly human voice, someone who takes an interest in them, who makes them feel good about the interaction. Prudential is now starting to see the fruits of those labours.”

And Hargreaves Lansdown, the big financial services riser this year, has worked hard to simplify the complex choices consumers have to make around savings, making them more relevant to customer life situations. “When you visit the website, there are just three choices on offer,” says Conway. “An ISA, share dealing, and pensions – it makes the initial customer decision a lot easier.”

That’s important: “humanisation” is not simply about human interaction. There are numerous examples of consumer businesses that successfully harness digital channels to improve the “human experience”. Take Amazon.com – which, the analysis says, “has led the customer experience revolution. It continues to deliver an outstanding service.”

> “It is no exaggeration to say that at Santander our customers mean everything to us, and at every level we aspire to put our customers at the heart of everything we do. We also place a huge emphasis on listening to our customers.”
>
> Sue Willis, Managing Director of Customer Experience and Channels, Santander, which has risen 141 places in the CEE Survey since 2013.

Know your customers inside out

Amazon.com’s interface mimics human cues – using the customer’s name, as well remembering their preferences and interests. Its recommendation engine cleverly mimics the behaviours that humans like about each other.

That also emphasises the value of knowing customers in depth – both as groups and as individuals. The best customer experience organisations show that they know their customer at a deep level – collecting and interpreting previous customer behaviours and offering a service based around these behaviours and preferences.

“Many financial services businesses – despite having incredible amounts of data – have struggled to do the same,” says McCreadie. “Again, the regulatory environment does, in part, dictate their options. But there is room for improvement.”

Great use of data enables companies like Amazon.com and British Airways to build out from the Personalisation pillar to achieve Empathy, another of the six core drivers of customer experience excellence. Empathy in this context means “achieving an understanding of the customer’s circumstances to drive deep rapport.”

Equally, deeper knowledge of the customer’s life stage, prior experiences and preferred outcomes will help businesses address the Resolution pillar. “Retailers have almost universally adopted a no-quibble approach to refunds,” says McCreadie. “The consumer is broadly trusted. In financial services, companies tend to put a burden of proof on the customer to prove there’s been a problem. That’s partly a way of managing conduct risk – but it’s also cultural.”

Even at the start of a customer journey, that combination of regulation and complexity is hurting long-term savings businesses. For example, in KPMG’s recent report Freeing The Future, written in association with the ABI, it was calculated that the typical minimum time to get a quote for a retirement investment package is 30 minutes – the complexity of the options, but also to the mandatory warnings and caveats savings businesses need to read out to callers. However, applying for a new credit card takes less than two minutes.

Using customer data more coherently ought to help savings and investment providers resolve this kind of negative customer experience more quickly.

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Who is doing this well? Saga’s three businesses (financial services, travel and health) all exhibit customer experience excellence by smart targeting of groups (its mission is to “truly understand the needs of the UK’s over 50s better than anyone else and design unique and better services for them”) and exploit customer knowledge.

The message is clear: "show me you know me; enable me to know you". It is a two-way street: customers do want to know more about the businesses that support them, how they operate and what they stand for, as well as their products and services.

Deliver an omnichannel service

Digital with a human touch. Detail on demand, but simplicity of choice. Layers of information, guidance and advice. This all adds up to an omnichannel experience, where savings and investment providers make it easy for customers to interact on their own level, any time and in any way.

Omnichannel goes beyond multi-channel, which simply increases the number of ways customers can buy products and services. Now, they want total flexibility around every kind of interaction. They might begin a transaction with a bank on the web, only to access relevant third-party information via their smartphone, before deciding to seek advice in a branch.

"There is now a direct link between overall customer experience satisfaction and omnichannel delivery," David Conway confirms. "Customers use channels situationally, not exclusively. They want to be able to move easily between modes of engagement, without having to repeat details or enter the same information. They are looking for a consistent personalised experience, regardless of the combination of channels they use to achieve an objective."

What does that mean for savings and investment businesses? The good news is that as customers become accustomed to making buying decisions around long-term savings products using different channels, there are better opportunities to tailor messaging. A pension, for instance, is a complex product where consumers will benefit from general information, more specific guidance and personal advice at different stages - advice will no longer be the default option and instead customers will be able to choose to pay for it as an additional feature as and when they choose. For providers with a genuine omnichannel offering, it's a perfect match.

(KPMG Nunwood's research actually includes an "omnichannel index". Only QVC ranks higher than First Direct. Skipton is the only other financial services business in the top ten.)

However, an omnichannel model poses a significant question over compliance with advice and guidance rules. Are savings and investment businesses sufficiently aware of the conduct risk around the provision of advice? Are they set up to differentiate and train staff to handle this? How stringent are their data privacy and protection protocols around those key concepts of customer knowledge and omnichannel interactions? What role does 'robo-advice' have in this environment?

What the analysis means in practice

Customer experience capabilities are often highly fragmented – all the more in a heavily regulated market such as long-term savings and investment. Few firms offer genuine end-to-end services to their customers – tending to emphasise a specific product or approach – when we're increasingly seeing that as the definition of customer satisfaction.

The consequence is that many brands' customer transformation efforts stall due to a failure to execute, or an undue emphasis on 'silver bullet' solutions. But we do see some common practical steps by the class leaders in customer service that offer a roadmap for building customer excellence:

Vision and strategy

- Clear articulation of the controlling idea, derived from the main brand, owned by all.
- Practical, granular design principles and tools for omnichannel experiences.
- Realistic and honest appreciation of internal risk factors, maturity and capability gaps.
- Ownership at C-suite, ideally with the CEO championing customer experience.

Financial decision model

- Explicit and confident understanding of the link between customer and growth.
- Prioritisation of customer journeys vs change portfolios, based on value and cost.
- Unified data analytics capability, combining operational data and feedback.
- Predictive modelling, allowing financial return to be simulated based on customer improvements.

Journey design capability

- In-house capability, tied to an omnichannel permanent group with clear governance.
- Codified in-house approach to journey mapping and design, linked to governance.
- Clear emphasis on balancing customer (emotional), process (rational), cost and employee factors.
- Agile implementation capability, allowing rapid test, deploy and rollout across markets.

Voice of the customer

- Unified, real-time feedback technology, linking all operational managers to daily issues.
- Decision-making model, drawing together relationship-level and event-level feedback.
- Incorporation of operational data and digital analytics, allowing a fully rounded view.
- Relentless focus on action planning, both at the operational and strategic level.

Customer culture

- Understanding of the target culture and employee experience needed for customer centricity.
- Seamless engagement of HR and L&D staff within customer experience governance.
- Formal customer closeness programme, engaging top management with real customers.
- Incorporation of voice of the employee analysis, alongside voice of the customer.

Operational excellence

- Absolute focus on granular implementation of customer principles via micro journeys.
- Continuous focus on checking customer vision against operational reality.
- Omnichannel scope, across traditional and digital dimensions, without internal silos.
- Clear approaches to identifying and propagating emerging best practices.

Case studies

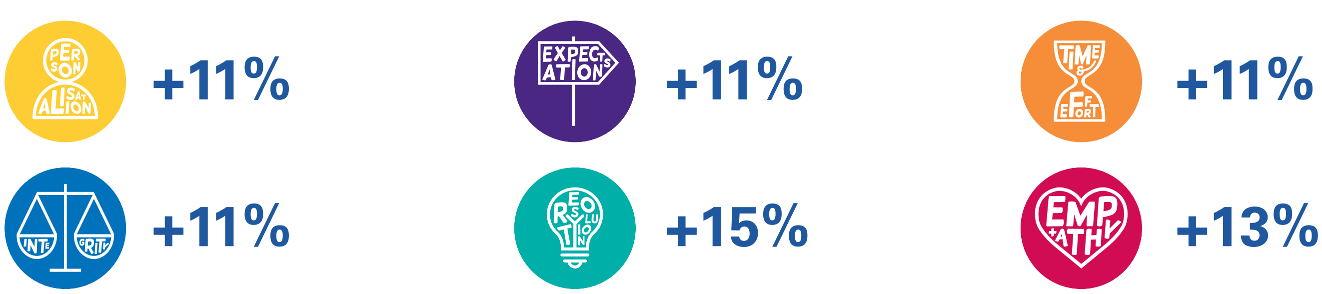
The tale of three leaders

The KPMG Nunwood analysis picks out three financial services businesses for special focus. While First Direct doesn't offer long-term saving and investing products, its status as a consistent leader across sector in customer experience makes it a valuable case study.

Santander is a half-way house – offering financial advice services and some investment products, while not offering a comprehensive suite of long-term savings products. But innovation in products such as the 1|2|3 Current Account demonstrate that serving customers' holistic needs is a path to improved customer experience.

Finally, Hargreaves Lansdown, the most complete savings and investment management business of the three – a perfect example of tailoring products around market and customer knowledge to make decision-making simpler and faster.

First Direct: Making good makes you great



Note: Data represents The Six Pillar scores vs Industry Average

The 2015 CEE analysis confirmed First Direct as the financial services leader for customer experience – even though it lost out on the top spot for all brands to Lush. The bank's Personalisation, Integrity and Time & Effort scores are all survey-leading. Three elements drive this performance.

First, dealing with the bank is a fundamentally human experience. Every piece of customer research KPMG Nunwood has conducted on First Direct can be summed up by the comment: "when I phone the bank, I get straight through to a human being. I don't go through to a computer."

Second, a focus on Empathy. For example, First Direct recruit people from the caring professions, so staff are good at building rapport and showing Empathy over the phone – vital given the lack of a branch network.

Third is a determination to deliver strong Resolution. Staff take personal ownership of any customer's issue: they resolve it themselves and get back to the customer to report on progress.

And of course, First Direct leads the way in effective branding: "Memorable, quirky advertising reinforces the brand identity and sets an agenda of being a different type of bank: one focused on the customer," the analysis notes.

Santander: The power of change

+3%	+2%	+3%
+1%	+2%	+2%

Note: Data represents The Six Pillar scores vs Industry Average

Largely unsullied by the fallout of the financial crisis, Santander still faced grave customer service issues created by integrating four disparate financial services brands. For a bank that three years ago had serious credibility issues (and was bottom of every poll for customer experience), Santander's emergence as a customer experience champion is breathtaking. The bank rose 84 places in the 2015 rankings. How?

First, it developed a "hero" product that has changed customer perceptions not just of the business, but the industry: the 1|2|3 Current Account. This made it easier for customers to access credit cards, loans and mortgages. It's omnichannel addresses The Six Pillars of Expectations and Time & Effort.

Second, its focus on systems. It has taken years to amalgamate the platforms of the acquisitions that make up the bank in the UK. But now that is complete, Santander is reaping the benefits in terms of streamlined interactions and customer knowledge.

Third is staff training. The emphasis here is on Empathy, and 14,000 people have now been trained on how to treat customers better.

Last, brand: Santander decided three years ago to use celebrity brand ambassadors to neutralise any integrity issues. Why wouldn't you go to a bank, it reasoned, that's recommended by Jessica Ennis-Hill with all that she stands for?

Hargreaves Lansdown: Simplicity pays

+5%	+6%	+5%
+7%	+4%	+2%

Note: Data represents The Six Pillar scores vs Industry Average

Hargreaves Lansdown (HL) climbed an astonishing 166 places in the 2015 analysis. It scored particularly highly in the pillars of Personalisation, Time & Effort and Integrity.

In common with other 'challenger' brands, HL has an advantage in not carrying baggage from previous crises and missteps. It is using that freedom to offer a seamless experience, hinting at a genuine omnichannel future for the brand.

One customer was particularly impressed with the ease with which they could conduct business. "I have recently opened an account with them and have been most impressed with their attention, speed, and efficiency," they told KPMG Nunwood.

But the analysis points out that its cutting complexity has been critical to improving customer experience in the long-term savings business. Not only does it ensure minimal Time & Effort for the customer, but the resultant impact on customer trust and perceptions of Integrity are clear.

"Companies like Nutmeg and Hargreaves Lansdown have simplified the whole world of long-term savings and investments," says Conway "Hargreaves Lansdown has just three options for long-term saving, for example, tailored around what the company knows out our needs at different life stages."

Case studies

Lessons from the leaders

Some UK financial services businesses are delivering the kind of outstanding customer experience needed to help bridge the savings gap. But UK savings and investment businesses can benchmark themselves against the best in other countries and sectors to gain a market-leading in the UK.

Looking at KPMG Nunwood's analysis in the US and in the leading sector, retail, offers some clear guidance for savings, wealth and investment management businesses.

USAA: A study in Empathy

+12%	+19%	+12%
+17%	+15%	+17%

Note: Data represents The Six Pillar scores vs Industry Average

The KPMG Nunwood analysis covers the UK, US and Australia. And as David Conway, Director at KPMG Nunwood points out, "the US is at least five years ahead of the UK. The average US consumer is ten times more likely to have an excellent customer experience across all sectors."

Not only is the number one organisation in the US a financial services business – it also sells insurance, long-term savings and investment products. It's USAA, whose customers are predominantly serving and former members of the US military. "Across each of The Six Pillars, USAA do something extraordinary, and this is recognised in the scores they achieve, leading in four out of The Six Pillars (Expectations, Integrity, Resolution, Empathy)," says KPMG Nunwood's analysis.

The entire business is geared towards Empathy and a clear understanding of the customer. Its advertising slogan sums up this approach: "Every insurance policy has a number – but there's only one insurer that understands the life behind the number."

While many financial businesses in the UK are focusing on using their data to sell more to their customers, USAA makes that a two-way process, asking "how do we equip our customers with the knowledge to improve the way they purchase?" For example, it offers an app which allows members to check on the typical price of new and used cars to drive a better bargain on the forecourt – then insure their new vehicle at the touch of a button so they can drive it away.

USAA is a genuine omnichannel business, operating a 'down-sell' model, "ensuring the customer only gets exactly what they need". Its superb technological approach gives it a Time & Effort score way ahead of the competition. As one customer says, "I can link my savings account from my other bank to the USAA App and I can directly pay my bill without having to transfer money – which is awesome."

Ocado: Responsiveness in retail

+5%	+5%	+3%
+6%	+5%	+7%

Note: Data represents The Six Pillar scores vs Industry Average

The many CEE champions in UK retail – from cosmetics, electronics and supermarkets, to online and department stores – share certain traits: a customer-first approach; a relentless drive for Personalisation; and a humanised customer service.

Ocado has an Integrity score that stands out. Ocado sets its green credentials out very clearly, but also adheres to basic customer interactions that transcend online shopping to become trusted, transparent and easy. Ocado, says KPMG Nunwood, “provides a masterclass in experience branding.” So what are the lessons for savings and investment providers?

First, the little things count. Ocado sends text messages to customers with information about the delivery vehicle, its colour, driver name and contact details, for example. This information builds customer trust.

Second, it’s an online brand that strives to be human. Ocado drivers are carefully chosen for their personality traits and ability to build relationships. They are empowered to deal with customer issues on the spot, using their judgement to arrive at the best outcomes. The net result is a high trust relationship that drives advocacy and loyalty.

These feed into the pillars for any business: empower staff (boosting the Resolution pillar); focus on trust as a differentiator (building Empathy); place honesty at the heart of everything you do (demonstrating Integrity); and put customer convenience before everything else (Time & Effort).

“The Six Pillars are intertwined,” adds Conway. “The reality is that the best organisations in the world get all six right. That’s why customer experience is so difficult to nail: it’s multi-faceted.”

Conclusions

What do financial services companies need to focus on in order to improve their CEE scores? If financial services businesses have a 'hierarchy of needs' what does that look like in practice?

Integrity

Integrity: fundamental to any customer-centric strategy. Financial services as a sector scores relatively poorly on this metric, thanks to mis-selling, the financial crisis and other scandals. Repairing and improving customer perceptions of financial services businesses has to be the first port of call – including addressing fee structures and value for money in historically high-cost areas such as life assurance. The success of Hargreaves Lansdown and the UK mutual sector illustrate how important this is.

Resolution

Resolution: complaints in the UK financial services space are going up every year, despite heavy investment in staff training and systems. Savings, wealth and investment management businesses have to look at their hiring practices, staff empowerment, systems and processes to make sure that customers get the help they need in the way they want it. Resolving customer issues quickly without raising conduct risks and meeting regulatory demands remains a challenge.

Expectations

Expectations: delivering on a brand promise is tough. A lot of time & effort has gone into re-shaping savings, wealth and investment management brands. Long-term savings businesses, by definition, don't deliver a final outcome for decades, however. So the challenge becomes meeting expectations along the way with great customer interface, transparency and clarity.

Personalisation

Personalisation: it's a two way street. The number of customer touch points has increased rapidly over the last few years, and companies such as Hargreaves Lansdown are succeeding because they have been proactive to adapt. Technology is crucial: companies can use it to develop a deeper understanding of customer needs and habits – and tailor their offerings to life stage and circumstance, not simply bombard customers with sales messages.

Empathy

Empathy: some real progress, but there's a long way to go. Only First Direct really hit the mark with their Empathy score. The analysis suggests financial services businesses need to answer some key questions: how do we manage our own behaviour? How do we build rapport in a way that transfers our passion, our values, to the customer? How do we show that we care? Communicating the practical expression of these sentiments – especially advice – remains a significant regulatory challenge.

Time & Effort

Time & Effort: is the business set up to handle customers in a smooth way? An integrated omnichannel approach is critical here. USAA and others prove that complicated financial services products and services can be delivered seamlessly across a range of channels with minimal customer stress. One reason banks may have shied away from long-term savings is the challenge of progressing customers from a current account to more complex products. Even established savings businesses need to work out how to shift customers between products and channels while staying compliant with regulations.

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