

APPG on Customer Service: Upskilling workers in the UK: Tackling skills shortages through professionalising customer service

Tuesday 29th November 2022

This meeting was an in-person meeting, held in Room W1, Westminster Hall, Houses of Parliament

In attendance:

- Philip Davies MP, Chair (Conservative, Shipley)
- Liz Twist MP, Vice Chair (Labour, Blaydon)
- Steven Bonnar MP, Vice Chair (SNP, Coatbridge, Chryston and Bellshill)
- Bill Esterson MP (Labour, Sefton Central & Shadow Minister for Business and Industrial Strategy)
- Chris Pitt – Chief Executive of first direct
- Hayley Barker – first direct
- Peter Cross – Consumer expert
- David Dagger – Marketing & Communications Director, Institute of Customer Service
- Oliver Hazell – Account Director, Cavendish Advocacy
- Jay Kellagher - Account Executive, Cavendish Advocacy

Philip Davies opened the session by thanking all speakers and parliamentarians for their attendance.

Contributions from speakers and attendees

David Dagger – Marketing and Communications Director, Institute of Customer Service

- Noted the change achieved by the Institute through the Service with Respect campaign and the groundswell of support from ICS members for the continued professionalisation of the customer service profession.

Philip Davies – Chair

- Noted his previous experience of working at Asda and the stark need to tackle current skills shortages across the economy and the need to professionalise the customer service industry given his experience at Asda.

Chris Pitt – Chief Executive of first direct

- Noted that first direct had witnessed a change in customer service over its 32/33 years of operation.
- Noted that when first direct opened to customers, everyone banked in person.
- Said that first direct needed to have excellent customer service as a differentiator and to help attract customers who had always been used to banking in person.
- Said that 98% of customer transactions were now digital but that complex customer enquiries continued to be dealt with on the phone.
- Noted that the business still have creches in their offices to allow those with childcare commitments to be able to work.
- Was clear in the business's commitment to focus on the people the bank served.
- Said that customer service was about empathy and that whilst banking could be seen as a dull sector, it was vitally important to customers.
- Said that 70% of customer enquiries would be managed from start to finish in one call by the agent who answers the call.
- Said that the first direct had seen instances of customers contacting them during times of strife.
- Noted that the world of banking was changing and that the organisation had had to deal with instances of customers caught up in domestic abuse situations.

- Said that a key challenge for the company moving forward was recruitment. He wanted to see more development opportunities for customer service staff and that development of existing staff and recruitment of new staff was critical.

Peter Cross – Consumer expert

- Said that customer expectations had changed beyond recognition. He said a need for “good, old fashioned customer service” in Britain was still vital.
- Noted that keeping up with changes to the way organisations served customers was key and that complaints from customers was high at present.
- Said that, during cost constraints for businesses that customer service could become a casualty, but that organisations and the UK as a whole mustn’t let this happen.
- He noted that digital had changed everything and that customers has zero tolerance of online inefficiency.
- He continued by stating that company systems had been implemented to handle digital interactions and speed up internal processes but that sometimes these systems didn’t talk to each other and this could cause friction.
- He said that some organisations had different, interlinked departments that didn’t talk to each other as they should.
- Said that customer service was now about 360 degree customer experiences and that the perception of customer service needed to change for those who wanted to develop their careers in customer service.
- Said that the standing of customer service in society needed to change for the better and the standards of customer service that companies provided also needed to change.

David Dagger – Marketing and Communications Director, Institute of Customer Service

- Noted that the current skills shortage is holding back business. The fundamental lack of people with the right skills is making recruitment a zero-sum game for business and causing a drag on the UK economy
- Highlighted that 61% of the population is employed in a role which serves customers in some way. We therefore need investment in soft skills to combine human skills and technology.
- Professional development in the sector is crucial. Make new apprenticeships and open existing ones wider for apprenticeship levies. Investing in people means that companies can retain good people. This is a great way to increase retention for businesses and increase future utility and adaptability of the overall UK workforce
- Said that a lack of investment in service roles was holding back productivity and investment in soft skills was needed.
- New service skills are needed to navigate new technology.
- Customer service workers should have a closer link to development of business strategy.
- Noted that the combination of human and technology is difficult to get right but that investment in people needs to improve and that the problem of skills shortages and customer service complaints would get worse if investment in the right areas to benefit customer service workers wasn’t made.
- Said a focus on professional development is the path to unlocking the skills shortage.
- Apprenticeship Levy flexibility was vital for customer service skills to be invested in by organisations.

Hayley Barker – first direct

- Gave an overview of her career, noting the degree apprenticeship scheme at first direct that she was currently undertaking.
- First started her career in hospitality roles in hotels.
- Started working in banking customer service at HSBC. Saw the offer for a degree apprenticeship at First Direct and wanted the experience of work and education together.
- Explained that she was working in the customer care team at first direct whilst also spending two days a week doing a Banking and Finance degree. Balances both the academic and professional side of working.
- Praised the development and training she had received and the impact it had had on her career.

Philip Davies MP

- His impression is that first direct and HSBC have very different approaches to customer service. Asked about the relationship between the two banks.

The meeting discussed the offer of both HSBC and first direct and first direct's approach to incident management.

Philip Davies MP

- Asked if there had been a notable difference to company performance when companies looking after staff.

Chris Pitt - CEO of first direct

- First Direct monitor their workforces happiness in working at First Direct which looks at the pride staff feel in working there and how valued staff feel. They found a 56% satisfaction score, but increased this to 72% in a year through listening to staff better, making work more flexible and improving training.

Steven Bonnar MP

- Said workforce shortages in the customer service industry is a difficult issue to tackle. How can pressures on the workforce be alleviated and shortages filled?

Chris Pitt - CEO of first direct

- Flexibility of working is crucial. Noted the workforce in customer service at first direct and the organisation's need to balance roles for peoples' flexibility. Hybrid working is therefore very helpful – giving customer service workers the right to work from home gives them empowerment and control, and is based upon the principle of trust. Customer service isn't an easy job – not well paid and sometimes challenging. Trusting workers is therefore important.
- Online chat bots are often based offshore. 80 – 90% of staff on calls in the UK.
- first direct has no scripts. The aim is the company is not to control the individual, but to create a community in which people want to contribute their best efforts to.

Philip Davies MP

- Asked to what extent it is possible to train people in customer service or whether an aptitude for customer service is innate.

Chris Pitt - CEO of first direct

- There is an element of innate-ness which is the ability to care about people's situations. Need to have kindness and empathy.

David Dagger – Marketing and Communications Director, Institute of Customer Service

- Being a people-person is the fundamental building block, but there are lots of ways that people can be further trained to help them in their work in customer service. For example, can teach skills like conflict moderation which can greatly improve customer service skills.

Liz Twist MP

- The issue of connection is very important – feeling part of an organisation is crucial.
- Asked whether the customer service staff have an organised trade union at first direct.

Chris Pitt - CEO of first direct

- A strong motivation for workers is the feeling of purpose in their work. Housing is the big issues amongst the young, so first direct has new saver accounts to make young people's lives easier. Have also created a new current account for domestic abuse survivors. Are also working on an account for Ukrainian refugees and homeless people. The sense of purpose and emotional buy-in motivates staff. Can open an account online in 5.5 minutes.
- Staff also care about each other.
- Digitisation is occurring and digital security needs to be better, but there will always be a role for customer service staff to man the phones and provide answers to calls from customers. Need to make it clear that call line jobs are not at risk when create new chat bots.
- Innovation in customer service saves money and grows a business.

Philip Davies MP

- Asked if the return on investment for service initiatives was measured by organisations

Chris Pitt - CEO of first direct

- Said this was the right thing to do and that the organisation was working to make customers' lives easier.

Philip Davies MP

- Asked how customer service could be elevated as a career.

Peter Cross – Consumer expert

- Customer service is a crucial part of a business, a critical part of the infrastructure of a company. Customers should be at the very heart of businesses, although mentioned that that a few businesses are customer centric.
- British businesses must put customers back at the heart of businesses where they haven't already.

Liz Twist MP

- Stated that when a customer has a problem, the customer needs to know that the person they are talking to can solve the problem.

David Dagger – Marketing and Communications Director, Institute of Customer Service

- An issue is that customer expectations have been raised. Harder to meet those expectations without respect of staff and investment in those staff.

Philip Davies MP brought the meeting to a close and thanked all in attendance for their views and contributions.

Ends at 10:31am