

APPG on Customer Service: Technology, Exclusion and Customer Service

Tuesday 18th October 2022

This meeting was an in-person meeting, held in Room M, Portcullis House.

In attendance:

- Philip Davies MP, Chair (Conservative, Shipley)
- Baroness Stowell of Beeston (Conservative)
- Nathaniel Taylor – Parliamentary Researcher to Andrew Lewer MP, Vice Chair (Conservative, Northampton South)
- Jo Causon - CEO, Institute of Customer Service
- David Dagger – Marketing and Communications Director, Institute of Customer Service
- Gareth Johnson - Head of Digital Channels, Brewin Dolphin
- Mark Gait – Director of Customer Service, Virgin Media O2
- Oliver Hazell – Account Director, Cavendish Advocacy
- Alexia D’Rosario – Account Executive, Cavendish Advocacy
- Jay Kellagher – Junior Account Executive, Cavendish Advocacy

Philip Davies opened the session by thanking all speakers and parliamentarians for their attendance, given the current political climate.

Contributions from speakers and attendees

Gareth Johnson - Head of Digital Channels, Brewin Dolphin

- Mr Johnson began by saying that the key issue to focus on is the intersection between digitisation, technology, and customer service.
- He cited TfL as an instructive example because they introduced contactless ticketing which made most customer’s experience more streamlined, whilst also providing in person support to assist those who did not understand the new system.
- Mr Johnson pointed out that digital customer services in investment banking can not only cut costs for the business, but also encourage more people to invest by making it more accessible, an aim which aligns with the government’s interest in putting more responsibility on the individual for long term saving. It does this by making it easier and more transparent to invest. .
- He however emphasised that digital provisions have not entirely replaced more traditional avenues for customer service at Brewin Dolphin. A customer service telephone number is always easily visible on the website, to make customers feel reassured.
- Digital services can proactively help customers, utilising tools such as AI to work out where people get stuck. Better technology means better interactions with customers and faster solutions to questions they bring.
- Mr Johnson said that the average call time for Brewin is now only 6 minutes.
- Mr Johnson noted that digital technology risks excluding older members. He said that the user interface of such technology must be straightforward, and that companies should be willing to invest time into acting as digital coaches for customers at risk of exclusion.

Mark Gait – Director of Customer Service, Virgin Media O2

- Mr Gait said that whilst Virgin Media O2 has moved substantially towards digital technology such as web chat in customer service, the company will continue to have a physical presence on the high street to service customers in person as well as through contact centres.
- Mr Gait pointed out that we are now in a post-pandemic period. During the pandemic, there was an increase in digital interactions. He said that 80% of all customer service interactions at Virgin Media O2 now occur digitally, mostly through the app. However, he said that they were also seeing a 20% uplift year on year on people using traditional channels, causing a net rise similar to 2019 levels. His takeaways from these trends were that there was an overall increased contact rate, especially with the cost of living crisis, and that although customers may start their journey via digital channels, there is rising engagement on traditional channels.

- Mr Gait said that for those vulnerable customers who can't use digital technology, there is the opportunity to register for all contact to be made through traditional channels.
- Mr Gait argued that investing time and money into digital customer service was not just about cutting costs – if it is done correctly and involves investment in the customer, it is more efficient for everyone.
- Mr Gait said that it is important that customers are aware of what they can do, so that they can have a choice.
- Mr Gait said that digital technology such as AI should be working in the background to make a customer's life better.
- Mr Gait said that a recent development was the segmentation of customers based on need and how they interact. Having a background knowledge of the customer means that those likely to be put off by digital will never be channelled into a digital direction.
- Mr Gait concluded by saying that digital customer service is not a substitute for traditional channels but should be seen as a way to increase overall contact.

Jo Causon - CEO, Institute of Customer Service

- Ms Causon reported on ICS's research on the interplay between humans and technology in customer service. She said that there was a general sense that technology can be a great enabler with recent research showing that – 73% of people surveyed felt comfortable with using digital channels. .
- Ms Causon argued that rolling out technology should compliment the customer experience, not replace it. The most important point is offering choice. She said that consumers generally found the use of apps to be very effective in certain industries if they are – well designed, intuitive, and effective. She noted that people don't like chatbots because they don't always effectively resolve the issue and can frustrate if the consumer is left without resolution, meaning they must make contact again.
- Ms Causon said that there is a big difference between vulnerable and digitally excluded customers. Some people choose to be digitally excluded, because they don't have the right resources, can't afford it, or because they don't want to use it. In some cases, digital coaches are helpful. However, there is still a significant group of people who are digitally excluded and having choice is important to them, in addition if issues are highly sensitive or often financially driven then usually the customer will want to speak to a human.
- Ms Causon noted that there is the view that older people are less able to do digital. She said that this is not always the case, however technology as we move forward cannot in its current form address all customer situations, and so digital cannot replace all traditional modes of customer service.
- Ms Causon said that people tend to be anxious to use digital avenues to make big financial and moral decisions. Banks are also concerned about fraud in these contexts.
- Ms Causon said that research demonstrates that digital technology is not a panacea in customer service. The future of the industry is about designing customer service around the customer, not just replacing the customer service agent. Human interaction remains important.
- Ms Causon pointed out that companies should be aware of the helpers that enable digitally excluded people to access services, and the wider societal impact of digital exclusion on making people feel isolated from society.

Philip Davies MP, Chair (Conservative, Shipley)

- Mr Davies asked if the point of digital technology in customer service was to cut costs or improve service. He noted that phone lines continue to be a frustrating service.

Baroness Stowell of Beeston (Conservative)

- Baroness Stowell said that it was refreshing to hear the contributors talk and that they get it. She argued that not many organisations take customer service as seriously as they should and give it the focus it deserves. Customer service is the route to prosper as a business.
- The Baroness agreed that for a long time, customer service was seen as cost cutting and about efficiencies. She noted that this has started to change but said that there remains a general dissatisfaction amongst people about the way things work, which is driven by a lack of respect from the top layer of organisations for the mundane needs of customers.

Mark Gait – Director of Customer Service, Virgin Media O2

- Mr Gait replied that the best outcome was where technology achieved both improved efficiency for the customer and reduced costs for the company.
- Mr Gait noted that it takes a lot of effort for a customer to call a call centre. He said that building digital services makes it easier for customers to do the basics for themselves, and customers are choosing to do so as call volume has dropped 50-60%. In this hybrid service model, the call centre becomes the home of the complex issues.

Philip Davies MP, Chair (Conservative, Shipley)

- Mr Davies responded that it was a chicken and the egg situation: people don't make calls because customer service over the phone is poor. It is not about the customer, it is about making it as hard as possible to call, to persuade people onto the app.

Gareth Johnson - Head of Digital Channels, Brewin Dolphin

- Mr Johnson said that the best case scenario was that the team deployed effective technology so that people don't need to use customer service.
- Mr Johnson also noted that the great cost of developing technology services.

Philip Davies MP, Chair (Conservative, Shipley)

- Mr Davies replied that aiming for zero use of customer service provisions wasn't appropriate, because things will always go wrong. He reiterated that companies do not want customers to call their customer service lines.

Mark Gait – Director of Customer Service, Virgin Media O2

- Mr Gait responded that that was an overly simplistic way of looking at things. He argued that there were times when companies do get value out of speaking to customers and want to do so. It can be beneficial to talk to customers.
- Mr Gait said that it was most important to tackle the root cause of customer's problems.

Philip Davies MP, Chair (Conservative, Shipley)

- Mr Davies said that it should not take hours to answer the phone. He asked if the new technology is due to customer demand, or is what business thinks is best?

Gareth Johnson - Head of Digital Channels, Brewin Dolphin

- Mr Johnson argued that sometimes business should take a lead in innovation and jump ahead. He also noted that there was some customer demand for digital tools such as apps to easily check investments.

Jo Causon - CEO, Institute of Customer Service

- Ms Causon said that there was both good and bad across the sector. She continued that having a strategy that was 'digital by default' was not sensible, and that forcing digitisation was inappropriate. In that sense, it is the mindset of the company that is critical – if the lens the organisation is looking through is about improving the experience of the customer and offering choice then different customers will use different means also if the technology is effective then more customers will use – but there will also be the need for human interaction.

Baroness Stowell of Beeston (Conservative)

- Baroness Stowell said that it is critical that all organisations are customer driven. Companies rely on customers, so customer service is something that organisations should be continually trying to improve for the benefit of consumers.
- The Baroness argued that even though digital technology may work well, calling is still terrible.
- Baroness Stowell asked two questions. The first was that, as we are now heading into a world where customers are paying more, their expectations of services are going to grow. This needs to be matched by a willingness to grow and an enthusiasm for customer service improvement on the side of organisations. The second focused on phone lines: Baroness Stowell noted that the humans at the call centres are following a script and do not have any discretion, so callers do not have confidence in the service to solve their problem. She

therefore argued that if the call centre is to be the place for the complex, then it needs to be staffed by people who can do the complex.

Jo Causon - CEO, Institute of Customer Service

- Ms Causon said that all research agrees that better customer service produces higher level of growth – financial and productivity is also improved. She also noted that smarter companies are realising the importance of training and development to upskill their customer service agents particularly around EI and empathy; but said that more work needs to be done.
- Ms Causon cautioned against polarisation in the industry, in that customers who can pay more get better service and that there will always be a need for a minimum level of service.

Philip Davies MP, Chair (Conservative, Shipley)

- Mr Davies argued that people are already irritated before they must call a customer service line and have to wait a long time to call. He asked about the potential for empowerment for colleagues on the call line in customer services.

Mark Gait – Director of Customer Service, Virgin Media O2

- Mr Gait said that discretion for customer service agents at call centres is policy. For example, they have the power to provide compensation. He said that there is also a referral process for more complex cases.
- Mr Gait also made the point that as soon as a customer's problem is raised, it becomes the company's problem.

Jo Causon - CEO, Institute of Customer Service

- Ms Causon noted that O2 was one of the first places to say that existing customers would get the best deal, not new ones.
- She argued that there is a widening between organisations that get it (about customer service) and those that don't.

Gareth Johnson - Head of Digital Channels, Brewin Dolphin

- Mr Johnson said that customers leaving is a sign of poor customer service. If a company does not invest in customer service and just sees it as cost cutting, customers will just leave. In order for the company to grow, the customer must either not have to contact customer service because all needs are met, or the customer service is done well.
- He said that customer service should be focused on customers – people of different ages have different priorities and concerns for customer service. Companies need the flexibility to use different metrics.

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

Ends at 10:03am