

# Learning from Complaints - a Financial Services perspective

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# Complaint Volumes - FOS

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- Financial Ombudsman Service (H1 2015)
  - 174k new cases (+8%)
  - PPI made up 55%
  - Excluding PPI, cases 45% higher due to Packaged Bank Accounts (PBA)
  - Banking & Credit Uphold rates improved to 29% (-10%)
- Most complained about products:
  - PPI (55%)
  - PBA (13%)
  - Current Accounts (4%)
  - Mortgages (4%)
  - Credit Cards (2%)
  - Car Insurance (2%)
  - Overdrafts and Loans (2%)

*Bank of Scotland fined £3.5m over complaints handling*

*NEWS*  
*RBS hit with £2.8m FSA fine over complaints*

*Phones 4U insurance provider fined £2.8m*

*Co-op Bank fined £113,000 for mishandling PPI claims*

# Complaint Volumes - FCA

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- Financial Control Authority complaints data (H1 2015):
  - 2.1m complaints across the industry
  - Overall fall of 2.1% but...
  - Banking & Credit Card complaints up 21.8%
  - 47% upheld by firms in favour of customer

## Complaint Volumes - FCA (Continued)

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“While the ongoing fall in PPI complaints is welcome, this is the second half-year running that we have seen complaints about banking products rise. It is clear that **firms need to look at the causes** for this rise **and** where necessary **take action to address** the causes of the trend. Ensuring **good consumer outcomes** **should be at the heart of firms’ activities** and we want to see complaints fall in the future as firms seek to ensure that consumers get the right products and services.”

**Christopher Woolard, FCA**  
**Director of strategy and competition**

# Working Together RBS/FOS

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- RBS IT failure in 2012
- Engagement Framework
  - Operational – review of RBS cases & MI metrics, quick fixes
  - Operational – strategy (emerging trends, joint initiatives)
  - Senior engagement meetings (performance, RCA, policy decisions)
  - CEO 121
  - Chairman 121
  - FOS Banking Industry Steering Group (planning and forecasting, horizon issues)

# FOS – related Initiatives

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- ADR Pilot
  - Customer contacts FOS directly
  - Resolving complaints quicker and less formally
- Mortgage Early Resolution
  - Selected cases resolved via telephone
  - Completed within days, not weeks
- Packaged Bank Accounts
  - Use of spreadsheets and telephone

Agree initiatives and regularly review how they are working

# The RBS FOS Accreditation

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Education module for all staff in RBS who liaise with the Financial Ombudsman Service

**Goal:** Increased skill levels of our specialist Ombudsman case handlers to improve our relationship with the Financial Ombudsman Service and drive improvements in our businesses

**The Education** – 2 stand alone academic modules, gaining the individual the qualification:

Module 1 – Communication

Module 2 – Context and Decision Making

# Success criteria

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## **For our customer:**

- More fit for purpose solutions for individual complaints
- Smoother handling of issues when they happen with empowered staff who challenge us to improve

## **For the individual:**

- Externally recognised academic qualification
- Increase in personal development goals due to measured learning and embedding
- Empowered staff who feel supported to engage and pass their skills to others

## **For our relationship with our Ombudsman:**

Improved communication and working relationship between RBS and the Financial Ombudsman Service



# Quality Assurance Testing

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## 1. Complaint Handling Quality

- Customer Accessibility
- Recognising, Receiving and Recording
- Investigating
- Customer Engagement
- Local regulatory requirements

## 2. Customer Outcome

- Fair resolutions

### Interpreting Results

- Competent handling, Fair outcome
- Deficient handling, Fair outcome
- Deficient handling, Unfair outcome
- Unable to Assess

# QA Review

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- **Too process driven:** prioritise fair outcomes
- **Working Together:** on site, F2F feedback, support and learnings adopted
- **Ownership & Accountability:** feedback to the appropriate individual
- **Training & Competence:** align training and policy interpretation.
- **Call Listening:** QA via call recordings
- **Resource:** re-test after failing; workload impacts scores.
- **QA Tool:** align to the Complaints Policy
- **QA questions:** closed to interpretation or subjectivity
- **Sampling:** Sample size & methodology appropriate and risk based

Behavioural Analysis and Customer Experience Coaching

# Root Cause Analysis

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- Key Business Objective
- Regulatory drivers
  - Processes to: identify, prioritise and remedy any recurring or systemic problems
  - Other products, processes or customers affected?
  - Regular reporting to senior personnel
  - Keeping records
  - Learning from Ombudsman decisions
- Measures of Success
- Advising Customers and Staff

# RCA – Learning from FOS decisions

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- 121 Feedback:
  - Ombudsman team → complaint handlers
- Business Feedback:
  - Products, Policies, Processes, Systems
- Business to Business
- Sharing pan-bank
- FOS publication of decisions

# Root Cause Analysis (Continued)

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“The important thing is not to stop questioning. Curiosity has its own reason for existing”

Albert Einstein (1879-1955)

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# Thank You

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