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Treating Vulnerable Customers Fairly Using AI

The Changing Face of Vulnerability

- 2024 survey

UNEXPECTED CARERS

STRAINED CARERS, SUFFERING IN SILENCE

GROUND-DOWN GEN Z

POOR MENTAL HEALTH AND FINANCIAL RISK

STRIVING RENTERS

WORKING PEOPLE UNDER PERPETUAL PRESSURE

HARD-UP HOMEMAKERS

COPING WITH RISING COSTS

SOLO SUFFERERS

NAVIGATING SUDDEN FINANCIAL CHANGES IN A WORLD DESIGNED FOR TWO

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2025 Survey

- UK consumers self-identifying as vulnerable **+1million**

- **35 million** potentially vulnerable

- Increasing awareness of vulnerability in **younger age groups**

- **Utility bills** affecting population – 21%

- Inability to withstand financial & emotional shocks **up 4%**
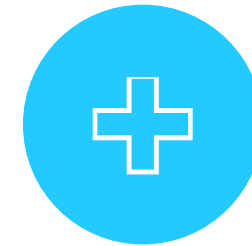
- Rise in consumers preferring **digital channels**

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Who Are Vulnerable Customers?

PER THE FINANCIAL CONDUCT AUTHORITY:

"A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm – particularly when a firm is not acting with appropriate levels of care."
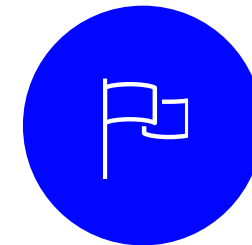
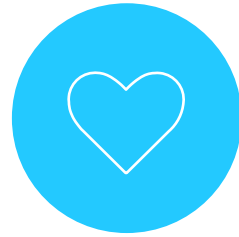## The FCA Drivers of Vulnerability

Health

Resilience

Life Events

Capability
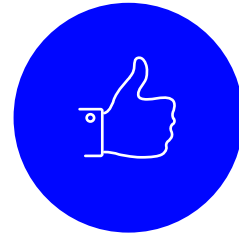
Vulnerability can affect consumers across all financial products and services.

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Expectations of Firms

Put customers at the heart of your business for good outcomes.

Provide services and products that meet customers' needs.

Don't exploit customers.

Embed the interests of your customers throughout your firm's culture.

Monitor and review outcomes; take action to address risks.

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Challenges of Managing Customer Vulnerability

INCONSISTENT IDENTIFICATION

- Not all vulnerabilities are visible/clear
- Customers are unaware or unwilling to share information
- Subtle clues are easily missed

UNRELIABLE TRACKING, REPORTING AND FOLLOW-UP

- Subjective, manual samples by humans
- Expensive, doesn't scale

REACTIVE PROGRAM

- Inadequate agent feedback
- Misaligned processes and regulatory compliance

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How AI Can Help?

At Scale

Identify

Consistently and accurately identify, classify, and report on vulnerability risk for every interaction based on the FCA drivers.

Remediate

Automate remediation workflows by vulnerability type and track resolution.

Prevent

Reduce future mishandling of vulnerabilities by upskilling front-line staff with automated quality and performance metrics and deliver targeted coaching.

Diagnose process issues that pose violation risks

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Embed the Fair Treatment of Customers into Contact Center Operations

100% Analyze 100% of Interactions

Pre-built Dashboards

Closed-loop Remediation Workflows

Quality and coaching tools

Audit Trail & Regulatory Reporting
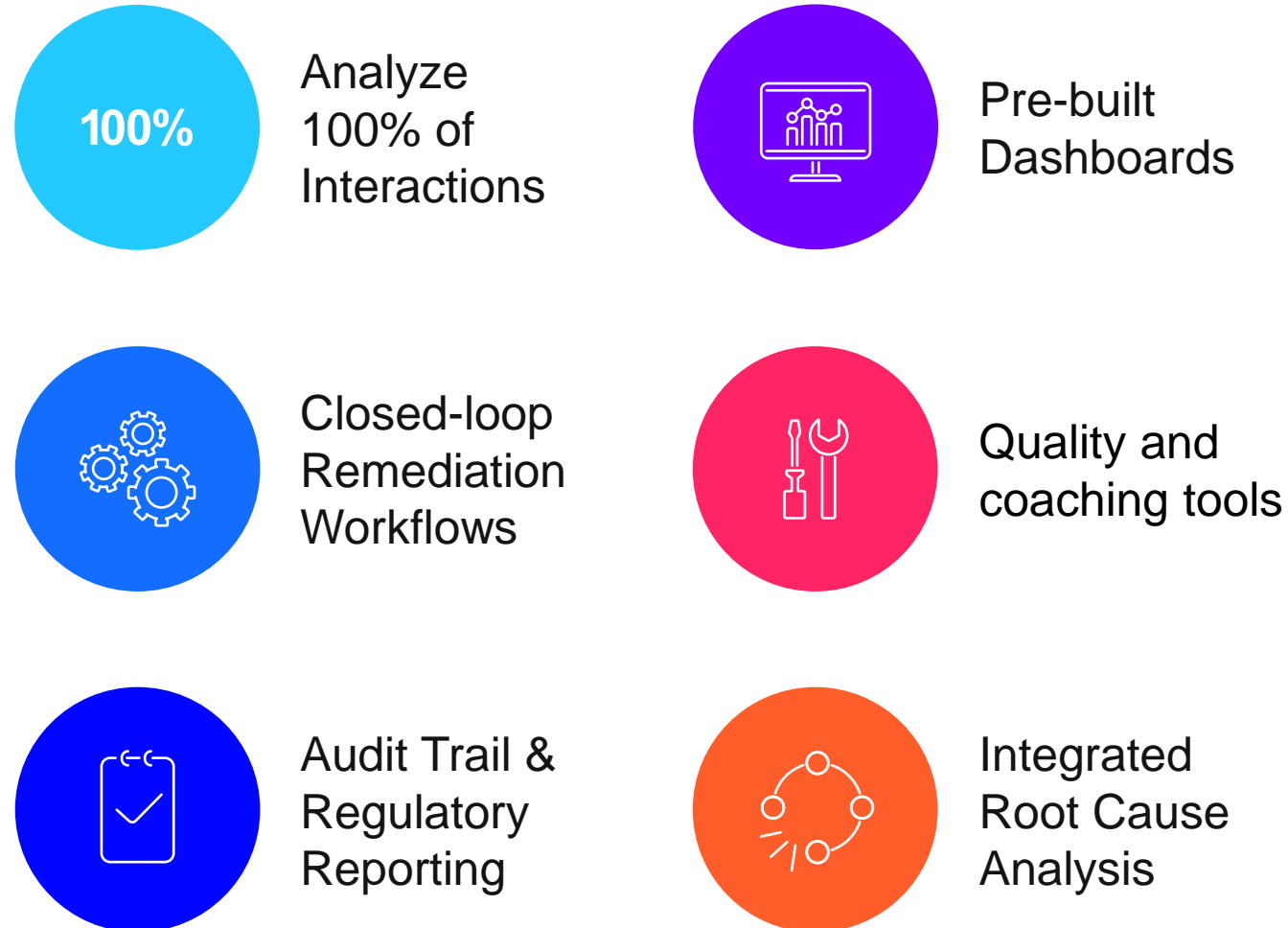
Integrated Root Cause Analysis

✓ Achieve FCA Compliance

✓ Deliver exceptional care in a time of need

✓ Engage & upskill front-line staff

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Examples in action - UK Insurance Group

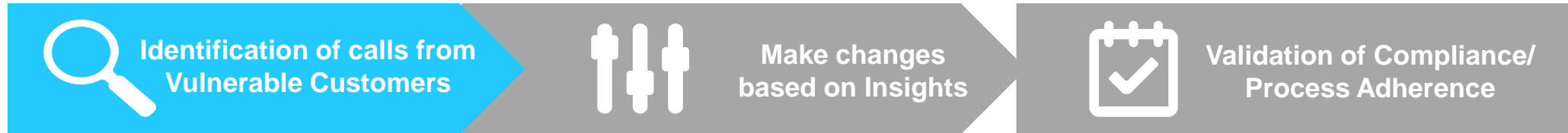**"QA revealed that most of the time our agents would do the right thing on the call, but we were not very good about asking about and then recording a customer's vulnerability for future interactions,"** Quality Assurance Manager

- Review primarily surfaced calls identified by the agent or by front-line QA review. Calls in which a vulnerability was not identified (when it should have been) were harder to review and to learn from

- Lack of consistency and the small sample side made it difficult to assess whether agents were following the proper rules
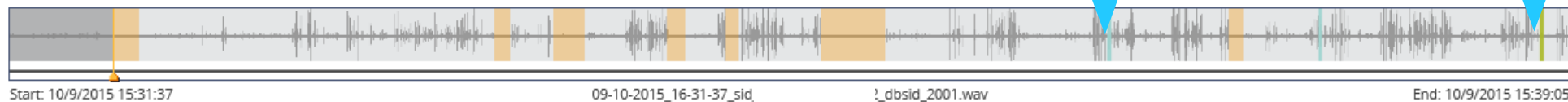
NOW

- **100,000** calls objectively analysed per month for vulnerability, as they occur

- **Automated scoring and classification** of caller vulnerability

- Automated soft-skill **behavioral analysis**

- Guided **data insights** combining caller sentiment and agent behavioral analysis

- **Better routing** of vulnerable customers to appropriately skilled agents

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Applying AI to 100% of Interactions

| Identification of calls from Vulnerable Customers | Make changes based on Insights | Validation of Compliance/ Process Adherence |

Creation of Interaction Analytics Queries designed to locate calls with Vulnerable Customer scenarios:

Health and Illness

"been in hospital"   "an operation"

"disability living allowance"

"medical condition"   "medication"

"long term sick"   "heart condition"

"diagnosed with"   "major surgery"

"I'm suffering from"   …

Mental Health Conditions

"suffering with depression"

"anxiety and depression"

"bipolar disorder"   "panic attacks"

"suicide attempt"   "schizophrenia"

"mental health problem"

"personality disorder"   …

Financial Difficulties

"financial problems"   "bankruptcy"

"struggling with finances"

"can't pay my bills"   "lost my job"

"couldn't afford the payment"

"made redundant"   "payday loan"

"financial hardship"   …

Confusion/ Lack of Understanding

"got confused"   "getting confused"

"confusing myself"   "confused"

"very confused"   "really confused"

"I don't understand"

"you are not understanding"

"doesn't understand"   …

Change of Circumstances

"family bereavement"   "homeless"

"death in the family"   "divorce"

"made homeless"   "to prison"

"eviction notice"   "car crash"

"in an accident"   "getting divorced"

"domestic violence"   …

Start: 10/9/2015 15:31:37   09-10-2015_16-31-37_sid   !_dbsid_2001.wav   End: 10/9/2015 15:39:05

Playing (1x)
00:00:30/00:07:29

STARTS AT	QUERY/TERM	SCORE
00:05:16	VC_Health	7.530
00:06:16	VC_Health	7.519
00:07:20	VC_Financial Difficulties	11.72

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Applying AI to 100% of Interactions

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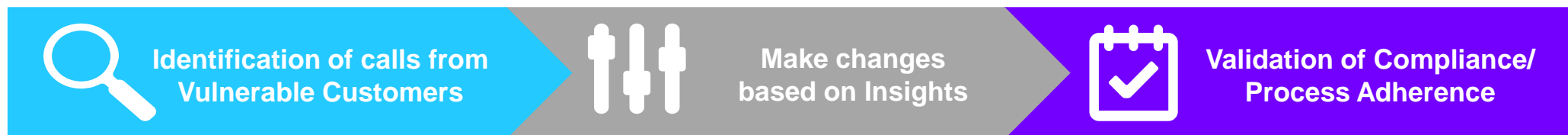
Creation of an Interaction Analytics Workflow designed to locate calls with a higher risk of compliance failure:

All Interactions

Does the interaction hit a Query?

- Health and Illness
- Mental Health Conditions
- Financial Difficulties
- Confusion/ Lack of Understanding
- Change of Circumstances

YES

NO → Remove from process

Does the interaction hit a Query?

- Specialist Team
- Suggested responses
- Tailored Propositions or Treatments
- Removal from Debt Path
- Third Party Contact Details

NO

YES → Remove from process

Calls with a high risk of compliance failure

Improve Compliance Rates

Improve Customer Experience

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