Vulnerability Series: DCAs and DPFs

Part 2: Refresher e-learning review

Background

The LSB's mission is to drive fair customer outcomes within financial services. We do this through Standard setting, conducting oversight, and the provision of insights, aimed at helping registered firms to continue to meet the Standards and achieve fair outcomes.

This series of work focuses on vulnerability in the personal customer space and is designed specifically for our registered Debt Collection Agencies (DCAs) and Debt Purchase Firms (DPFs) - referred to as 'firms' throughout for ease. This insights summary forms the second part of this series, focusing on vulnerability refresher e-learning. Our review was conducted to understand whether the content is effective in maintaining agents' knowledge and skills in order for them to be able to deliver good customer outcomes. Our insights are set out in the summary below.

Engagement with firms

Firms provided access to vulnerability refresher e-learning material alongside responses to key questions. These helped us understand who completes the training, the frequency of training and how the content is kept up to date. Where firms do not have e-learning in place, we were provided with copies of the face-to-face refresher training. The majority of training was designed by firms for use by all colleagues to provide a baseline knowledge of vulnerability.

We reviewed all refresher training, regardless of delivery mechanism, and responses to questions, and are pleased to share both good practice and areas that may benefit from some enhancement. This insights summary will be shared with all registered DCAs and DPFs.

Insights

Across all firms, colleagues form a baseline knowledge of customers in vulnerable circumstances during their induction training. This usually comprises of a mix of classroom training and e-learning depending on the role. Most firms roll out their e-learning on an annual basis to refresh colleagues' knowledge on vulnerable customers, with one firm delivering it every other year to align with other training requirements. The provided material may also be used in 121s and coaching sessions when agents are identified as needing additional support, such as from quality assurance (QA) or complaints data.

Where e-learning is the only on-going training agents receive on vulnerability, firms should have confidence that it continues to build on the knowledge learnt in induction training. Any training must offer the appropriate level of detail to empower agents to deliver the right outcomes for vulnerable customers. This is important because, without sufficient detail,

agents may understand the purpose of supporting vulnerable customers but not have the practical knowledge to do so.

Module structure

Agents benefit from training which follows the natural flow of a customer engagement. Whilst some modules clearly follow this pattern, on occasions we found some e-learning lacked clear structure, for example covering identification at numerous points. Modules should present information in a similar order as it would be expected for a typical customer engagement, for example identification first, followed by probing, support, and next steps. An unclear structure could create confusion for colleagues and may lead to a lack of clarity on how and when to identify vulnerable customers. Firms may find it beneficial to review their modules to assess whether the content follows the natural progression of a customer engagement whilst encouraging an organic conversation.

Tonality

Training delivered via any channel should be designed to empower colleagues and enhance their knowledge of the topic. Using positive language can help encourage colleagues to deliver the right outcomes for customers, whereas language that creates a culture of fear or blame may lead to tick box behaviour. This could impact the ability to have good conversations and deliver fair outcomes.

We saw examples where e-learning focused on the negative impacts for firms if colleagues did not correctly identify and support vulnerable customers, such as reputational damage and investigation from regulators. We would encourage firms to consider the advantages of positively messaging the importance of identifying and supporting vulnerable customers, as opposed to focusing on the potential negative impacts or risks.

Enhancing customer conversations

Training should provide sufficient detail to ensure that colleagues feel confident to identify and support vulnerable customers. Using specific examples throughout training may enhance knowledge and enable colleagues to correctly identify and support vulnerable customers. These scenarios can also help to demonstrate what good looks like.

We saw e-learning modules highlighting the need to look for triggers of potential vulnerabilities but additional information was not always provided on what these triggers were. Training which provides specific examples of what these triggers may be, or how they could present themselves, will reinforce expectations around customer treatment. Learning can be enhanced by providing supporting real life examples, for example, by using case studies.

Empathy

E-learning modules generally made very few references to colleagues displaying empathy to vulnerable customers. Where it was mentioned, there was little additional information provided on how to be empathetic to customers. Example phrases were used in some face-to-face training to help colleagues understand what is meant by empathy. This can be an effective approach to ensure that colleagues understand what empathy is and how to use it when engaging with customers. Firms would benefit from reviewing their training suite to ensure empathy is covered and agents are aware of what is expected from them. Quality

assurance measures should also consider whether an empathetic approach was given to the customer, with coaching and feedback delivered where this is not the case.

Probing questions

We know that agents who don't feel empowered to support vulnerable customers are often less comfortable in probing and exploring vulnerabilities. This may be because they are unsure where the conversation will lead and worry they do not have the skills to deal with it. Conversations should be natural and evolve based on the customer's circumstances. To help support agents to have good conversations, we saw examples of suggested phrases for agents to use at certain times within a call within some training modules. Effective training should provide agents with a framework which they can use to help explore a customer's vulnerability in more detail, but be conscious not to encourage scripted conversations. Giving agents a framework to use will drive the appropriate conversations needed to achieve the best outcome for customers.

Recording vulnerability

Every firm has their own process for recording a customer vulnerability on their systems. Some e-learning included screenshots and explanations of how to do this. This is beneficial to agents who need to record a vulnerability but can also be used by all customer facing agents to understand where to find information on a previously recorded vulnerability. Giving this level of detail within the e-learning gives assurance to firms that agents know where to record a vulnerability on a customer's file and will help ensure consistency of recording.

Internal handovers

We know that some firms have specialist teams to provide additional support for vulnerable customers. We identified in 'Series 1: Call calibration' that the explanation of the specialist team's role and process to handover customers was not always clear. This e-learning review has supported this view and highlighted it as an area where more can be done to provide clarity over when the appropriate time to hand a customer over is.

While some training packages outline in detail what the specialist team can do for a vulnerable customer and the benefits of handover, there was little detail on when to hand a customer over or how to do this. To ensure a consistent approach across the firm, it would be beneficial to provide greater detail on the criteria for handover and the handover process itself within e-learning modules.

Firms may also consider whether training modules outline internal escalation channels for agents to utilise when they are dealing with complex cases or require additional support.

Wrapping up

Conversations with vulnerable customers are sensitive in nature, and as a result some agents may find it a challenge to move the conversation on from the vulnerability and wrap up the call. One module acknowledged this challenge and suggested wrap up phrases which agents could use. This can help agents end a conversation with a vulnerable customer and progress to the appropriate outcome for them. Firms should remain conscious of providing colleagues with scripts, but instead give them the framework to support good conversations.

Colleague engagement

Face-to-face training sessions are enhanced through the effective conversations between trainers and participants. It is also important to consider how to bring an e-learning module to life and maintain engagement throughout. For example, we found modules which included information on the scale of vulnerability in the UK and gave insight on the common challenges customers face. Insight such as this can be an effective way of highlighting the importance of the training and keeping colleagues interested in the learning materials.

E-learning development

The length of the modules and time needed for completion varied across firms. Firms may wish to consider, through reviews and testing, whether users remain engaged throughout longer modules or if they lose focus. If users are becoming disengaged, it could be beneficial to break the module down into more manageable sections. For example firms may develop a 'Vulnerability Series' containing a number of bitesize modules to ensure the desired learning is not lost.

We know that some firms use an external third-party to provide e-learning and we would recommend that these are tailored to ensure that firm specific processes and policies are included. Generic modules with little firm specific information can be hard for colleagues to relate to. They may also lead to a lack of understanding on how their firm operates in the live environment and what can be done to support a vulnerable customer.

Multimedia approach

Using different learning methods, such as video, interactive pages and text can help promote engagement and we viewed modules which contained a mix of these approaches. We also saw good examples of e-learning which used customer scenarios to provide examples which illustrate the content of the module. Customer scenarios or case studies can be effective in helping colleagues understand how to translate what they are learning into their roles on the frontline.

Where firms use videos or audio to enhance the learning experience, we saw good practice when these were accompanied by transcripts to support colleague accessibility. Offering a suite of e-learning which can be used by colleagues with a range of accessibility needs demonstrates to colleagues that the firm is inclusive, and this may also be a reflection of the firm's culture and approach to customer engagement.

Defining vulnerability

Most e-learning offered a definition of a vulnerable customer at the beginning, usually the FCA's definition. We found that some firms chose to accompany this with their own definition of vulnerability. This additional definition can help colleagues to fully understand how vulnerability relates to their customer demographic, enabling them to identify and support these customers appropriately through their role.

Given the nature of the customer base of the firms involved in this work, we saw good practice being demonstrated when firms looked to clarify the difference between financial difficulty and vulnerability. Customers who are engaging with a DCA or DPF are likely to be in some sort of financial difficulty. Therefore, clarifying that all such customers are not automatically vulnerable can help to ensure the appropriate focus for those who need additional support.

Knowledge testing

All of the e-learning we reviewed contained an element of testing to assess whether colleagues fully understood the content and how to provide good outcomes. In the majority of modules, the assessments were made up of around 10 multiple choice questions. In most instances the tests were at the end of the e-learning, however we saw some examples where a number of mini assessments were included throughout the module. Whilst these did not contribute to the overall pass mark, they added to the learning experience. This approach can help to break up the learning and increase engagement as colleagues can go over a section if they are unsure.

In one e-learning the assessment was a combination of question types, such as a 'fill in the blanks' section and multiple choice. Adding a variety of question types beyond traditional multiple choice may provide firms with a higher degree of certainty that colleagues have understood the module and feel confident to put the content into practice.

Testing also enables firms to focus in on the aspects of the training that are most essential for good outcomes, rather than information provided for background. For example, training may include background information about vulnerability (such the number of potentially vulnerable customers in the UK) that is interesting for colleagues to know but is not expected to be retained. This is in contrast to critical knowledge such as how to record a vulnerability. Testing should focus on the elements the agent needs to know to increase the likelihood of that key information being retained.

Staff wellbeing

We know that engaging with vulnerable customers can impact on staff wellbeing. Having processes in place to support colleagues following a difficult conversation can help mitigate the risks of longer term challenges for staff. Most firms have a number of wellbeing measures in place, such as an Employee Assistance Programme (EAP) or informal daily team huddles to help colleagues decompress. Explaining within the e-learning that calls with vulnerable customers can be challenging but that there is support available can help to demonstrate a positive and supportive culture within a firm.

Our research in 2020 'The meaning of life experience' highlighted that 'there is a risk that agents are asked to assist customers through troubling situations when, due to recent personal circumstances, they are in no position to do. Firms should understand that like their customers, staff can also be in vulnerable situations'. Agents should be aware of what help is available to them, as well as the support they offer to customers. We saw good practice when modules referenced the wellbeing support the firm offers to staff.

What's next?

Looking ahead to 2021/2022 we continue to be mindful of the longer term challenges facing our registered firms and their customers due to the pandemic. The ongoing uncertainty means it is now arguably more important than ever for firms to be flexible with their approach when supporting customers in vulnerable circumstances and those with financial difficulties.

With this in mind, we will be launching a number of 'Lunch and learn' sessions available to registered firms, answering key questions and discussing insights on topical areas. The first

lunch and learn will cover empathy, looking at its importance and what it means to an organisation's culture. This will be circulated to firms when available.

We will write out to firms towards the summer regarding the final part of the Vulnerability Series in which we will consider the customer journey.

If there is any way that the LSB can assist you or your firm, or you would like to discuss your specific training module submitted for this review, please contact us at insight@lstdb.org.uk or using the details below.

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