

Response to UKRN consultation: UKRN Strategy 2024-27

January 2024

The Institute of Customer Service (ICS) welcomes the opportunity to respond to the UK Regulators' Network's Consultation on effective delivery of the Network's objectives and outcomes for the forthcoming three years, underpinned by the Network's 2024-27 strategy.

Our response covers four main themes, as below:

1. Reintroducing the Performance Scorecard initiative to drive service excellence in regulated sectors
2. Achieving service excellence through the right organisational culture
3. Collaboration cross-sector in regulated industries on artificial intelligence
4. Helping to support vulnerable customers by sharing information, within data protection guidelines

1. Reintroducing the Performance Scorecard initiative to drive service excellence in regulated sectors

The Institute would recommend that UKRN reinstate the Performance Scorecards, which gave a summary of headline metrics in key regulated sectors and benchmark scores from the UK Customer Satisfaction Index (UKCSI). This provides an independent view of customer satisfaction across sectors using a consistent set of measures.

The Institute is keen to work with UKRN to encourage a focus on improving customer experience and giving transparency to customer service performance across sectors. The Performance Scorecards provide transparency to customer service performance and enable regulators, government, consumer and business groups and government to hold organisations to account. The UKCSI gives regulators and organisations in regulated sectors key benchmark information about their customer service performance, how it compares to other sectors and opportunities to improve. We believe this transparency and visibility is vital to further driving standards of service.

With the recent launch of the [January 2024 UK Customer Satisfaction Index \(UKCSI\)](#), the results show average customer satisfaction has declined again, with the index at its lowest level since 2015. For the health of the UK economy and society more widely, a focus on service excellence is desperately needed. The role of the UKRN in bringing regulators together, sharing best practices and ensuring regulators and their companies are consistently measuring customer service and satisfaction is as critical as ever. Doing this properly means benchmarking customer service against other companies in their sector, and outside their sector, in particular against other regulated sectors.

The Institute would welcome discussion with the UKRN on reintroducing the Performance Scorecard initiative, utilising the UKCSI to help and support this initiative where appropriate.

2. Achieving service excellence through the right organisational culture

Service excellence doesn't just come from those on the frontline of companies and those colleagues responding to customer inquiries. Rather, service excellence is achieved by ensuring that the entire organisation is focused on customer satisfaction, outcomes and delivering quality service with a 'right first time' approach. Therefore, regulators should focus more on the cultural aspects of organisations, and the UKRN can help drive this.

Many regulators recognise that higher standards of customer service require a cultural shift, so regulators need to consider how they find credible evidence of an organisation's culture. Organisational culture is founded on leadership commitment, purpose and values, a clear customer proposition and proactive engagement with customers, employees, suppliers and stakeholders. Organisational culture shapes the ability to understand and respond to changes in customer needs and behaviours. It helps manage change, focus on short- and long-term priorities, and make decisions that balance the needs of all stakeholders. The Institute's ServiceMark accreditation provides a framework for developing this.

ServiceMark accreditation is based on a combination of customer feedback, employee feedback and an independent assessment. It gives evidence of an organisation's commitment to and achievement in customer service. As such, we would maintain that ServiceMark accreditation be undertaken by regulated companies, supported by the UKRN, not only to demonstrate commitment to high levels of customer service and a culture that supports and encourages consistently good service standards, but also to allow some organisations to improve their standards to the point where they remove the criticisms from customers as far as possible. This, in turn, will build trust between regulated sector companies and their vulnerable customers, as well as helping drive down excluded customers.

3. Collaboration cross-sector in regulated industries on artificial intelligence

Emerging technologies, including AI, combined with customer data gathered by consent, have the potential to improve customer experiences through personalised communications and outcomes. However, there are also risks to privacy, security and of unintended consequences.

The UKRN can play a key role in bringing regulators together to build understanding of the impact of AI on customer experience, identifying potential unanticipated consequences, helping organisations fully consider the ethical and customer experience implications of technology deployment.

Ensuring therefore that organisations deploy AI in a balanced, thought through and holistic way, and indeed regulated as such, with the UKRN helping to share best practice, encourage collaboration and bring regulators together to share this insight will be vital. Given the pace of technology development, UKRN can play an important role in developing and sharing knowledge and expertise across regulators.

Further, on AI, the Institute is clear that organisations that are deploying AI in customer-facing environments should always be focused on how AI will improve customer experiences and help deliver service excellence. Moreover, whilst AI deployment should always lead to improved customer experience, the rollout of AI across a customer-facing organisation should complement and augment existing human customer service roles. The Institute would be pleased to work with the UKRN to help deliver this message consistently to regulators and those companies operating in regulated sectors. Our research shows a high-levels of customer resistance where businesses look to replace human customer service roles with tech and AI without proper regard for how nuanced, sensitive or more complex issues can be resolved.

4. Helping to support vulnerable customers by sharing information, within data protection guidelines

On vulnerable customers, we would urge UKRN to understand that some vulnerable customers will be easier to identify than others, and some vulnerable customers will be easier for certain regulated sectors to identify than in other regulated sectors.

Indeed, some customers who are vulnerable may not even know that they are. Further, others who are vulnerable may not wish to be classed as such. There are also those who may be vulnerable due to exclusion, particularly in this day and age through digital exclusion – either due to circumstances or due to customers' proactive avoidance of digital methods of communication.

As such, discretion, respect and understanding from companies in regulated sectors and their staff of how to handle those customers who companies class as vulnerable and how to reach out respectfully to those

customers who may be vulnerable is key – this is an item the UKRN should continue to focus on in its 2024-27 strategy. Such qualities required from customer service staff will need to be driven from leaders of companies and through company culture as well. However, such cultural changes and an enhanced understanding of customer service can be difficult to manage, track and continually improve on.

Moreover, a critical role that the UKRN can play in ensuring vulnerable customers are supported as far as possible by all companies that a vulnerable customer may interact with within regulated sectors should be to ensure that, where data protection guidelines allow, companies are sharing appropriate details of vulnerable customers with the sole focus and reason for this being that the customer at hand is supported by all companies within regulated sectors as much as possible. During ongoing cost of living and energy crises, the UKRN's role in driving this agenda will be all the more important.

About The Institute of Customer Service

The Institute of Customer Service is the professional body for customer service. The Institute's agenda is to assist the UK economy, consumers and workforce by helping organisations improve their customer experience for the benefit of both organisations and their customers. Our membership includes many individuals and around 380 organisations, including around 100 members across regulated sectors, including finance, electricity, gas, water and social housing.

We provide tools and services to support continuous customer service improvement and a framework for our members to share and learn from each other. We are independent – setting standards so that our customers can improve their customers' experiences and their business performance. The Institute is the secretariat for the All-Party Parliamentary Group on Customer Service.

At the Institute, we raise the profile of the impact of customer service on business performance, including with, and on behalf of, our energy sector members. The Institute also administers accreditation schemes (ServiceMark). Every six months we publish the UK Customer Satisfaction Index (UKCSI) – the independent, objective benchmark of customer satisfaction on a consistent set of measures covering over 270 organisations and organisation types across 13 sectors.

For further information about the Institute, please visit: <https://www.instituteofcustomerservice.com/>.

Contact

For more information, please contact:

David Dagger
Marketing & Communications Director

020 7260 2620
07748 141968
david.dagger@icsmail.co.uk
4 Gainsford Street, London, SE1 2NE