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Matt Byrne, Head of Distribution,  
Principal Insurance.

## THE CLIENT



Headquartered in Sale, Manchester, Principal Insurance is a fast-growing specialist insurance broker.

The company serves over 40,000 personal and commercial insurance policyholders nationwide, administering policies worth well over £20m annually. Its portfolio includes specialist car, motorcycle, motorhome, van, courier and fleet insurance policies.



# Business Needs

**As a technologically-savvy and innovative business, Principal is constantly seeking new technologies which can enhance customer experience, staff wellbeing, productivity and profitability.**

Regulated by the Financial Conduct Authority (FCA) it is also subject to a strict and constantly evolving regulatory framework. This includes a new provision, Consumer Duty, which came into force in late July 2023.

The Duty set stringent new rules designed to provide consumers with higher levels of protection, with the onus on financial services firms to prevent harm and provide good outcomes for consumers.

The FCA continue to place a particular focus on the identification and treatment of vulnerable customers, "someone who due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care."

It's a wide definition which includes physical and mental health issues, financial distress, language, domestic circumstances and more. So broad is its reach that one research firm calculated it would embrace more than half the UK's adult population.

Principal was already switched on to the needs of its vulnerable customers, but Consumer Duty created a new management information challenge in measuring and evidencing outcomes.

"Our staff are well trained and understand their responsibilities, but we have to be able to prove to the FCA that they, and therefore the company, are fully complying with the new regulations," explains Principal's Head of Compliance & HR, Sharron Titterington.



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Head of Compliance  
& HR, Principal  
Insurance.



"Our concern was how we could most efficiently and effectively secure that evidence. Traditionally we and other brokers have relied on random sampling of calls. Not only is that a time-consuming process, but an arbitrary one."

With the FCA introducing such a wide definition of vulnerability, accurate identification of at-risk customers was also a concern.

"Regardless of our regulatory responsibilities, we don't want any vulnerable person to fall through the net," says Sharron. "It's in their and our interests to identify and appropriately address particular needs."

A further complication is that the revised regulatory framework requires financial services firms ensure parity of customer outcomes, meaning that all communications – verbal, written on and offline – need be equally effective.



# The Solution

Following Principal's initial approach, specialists from our Speech Analytics and Customer Experience (CX) worked with the broker's management team to scope the company's varied requirements.

Our CX experts recommended deployment of Xdroid speech analytics. This highly sophisticated, AI powered solution boasts omni-channel capabilities, meaning it can capture, transcribe, score and report on all speech, email and chat interactions throughout a customer's engagement.



Working in partnership with Principal, our team created a vulnerable customers identification tool within a bespoke application of Xdroid.

This involved detailing over 130 keywords and phrases under 14 categories of vulnerability. These range from a change of address through low income, domestic violence, depression and suicidal tendencies.

In addition, we pointed to Xdroid's wider powers such as Auto-QA scoring staff performance, agent wellbeing tracking, and extensive reporting on the customer journey.

Uniquely, Xdroid also offers real time analytics and agent prompting. This can empower agents to appropriately direct a conversation to secure optimal customer outcomes.

The same technology can also flag a live dialogue to a manager to support both customer and agent wellbeing.





# The Benefits

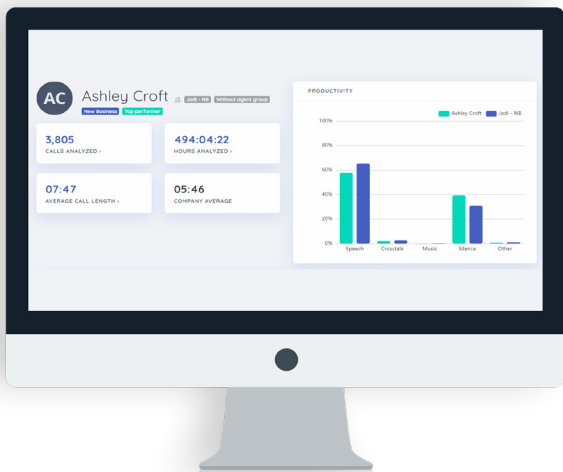
**Xdroid has proven invaluable in enabling Principal to demonstrate compliance with the FCA's stringent new regulatory regime.**

"Xdroid slots into Consumer Duty in so many ways," reports Sharron. "It's a 360 degree solution that captures, transcribes, analyses and scores every communication.

"It can even pick up and flag if a customer hesitates or stumbles over their words as that could indicate that they do not understand what's been said to them. That's important because ensuring consumer understanding is central to delivering best outcomes."

She explains that Xdroid flags a potential vulnerability when it identifies one or more of the category keywords. "If someone says "until payday" this could indicate a financial stress, or "walked out" a relationship breakdown.

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But Xdroid is to deliver many more benefits to Principal.

The company's 60 employees benefit from fully-flexible working, with most choosing to work just one day a week in the office, with the traditional call centre floorwalker a role of the past.

Here Xdroid's wide ranging capabilities really step up to the compliance plate. "Xdroid ensures we can comprehensively monitor and evidence compliance with both regulatory and internal protocols, regardless of whether an agent is working remotely or in the office," notes Sharron.

"Xdroid is a fantastic tool for identifying potential agent wellbeing concerns and training needs. The benefits are holistic as contented, well trained and well supported staff deliver better customer service."

Sharron's enthusiasm is shared by her colleague, Head of Distribution, Matt Byrne who says: Xdroid is an absolute game-changer. It greatly benefits not just our compliance function, but, sales and service delivery. It also gives us a further weapon in the fight against insurance fraud."