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The key role of
interaction analytics
in meeting new FCA
Consumer Duty
Requirements.



 **Xdroid**

Overview

The key role of interaction analytics in meeting new FCA Consumer Duty Requirements.

Help is at hand for financial services firms as they prepare for the introduction of a new regulatory regime this summer.

The new regime presents quite a challenge, with financial services firms having until 31 July to subscribe to the new rules when applied to new and existing products or services open for sale or renewal.

Xdroid, the sophisticated AI-powered interaction analytics solution, can greatly ease compliance with the Financial Conduct Authority's (FCA) Consumer Duty rules.

The new regime presents quite a challenge

In an [interview with Investment Week](#), the FCA's executive director of consumers and competition, Sheldon Mills noted the "scale of reform" and the "substantial changes" it demands.

Further, the [FCA's guidance states](#) that:

"Our rules require firms to consider the needs, characteristics, and objectives of their customers, including those with characteristics of vulnerability and how they behave, at every stage of the customer journey. As well as acting to deliver good customer outcomes, firms will need to understand and evidence whether those outcomes are being met."

Show the evidence

Talking to compliance professionals we've found that concerns lie not so much with adhering to the FCA's outcomes-focused framework, but in providing the evidence that they're doing so.

"Many Independent Financial Advisers (IFAs) and other financial services firms are understandably wary of the reforms because of their scale and reach," says Kevan Thorn, Principal Consultant at IFA compliance specialist [IFA Consultancy](#).

"However, in my experience, by and large they are already doing what they need in terms of achieving the kind of good customer outcomes the FCA seek.

"What does need attention is how they collate evidence to demonstrate good practice if

required by the regulator. They need to show, for example, that they can identify and effectively support vulnerable customers."

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Sharron Titterington, Head of Compliance & HR at specialist broker Principal Insurance agrees. *"The requirements and aims of Consumer Duty are not difficult for staff to understand, it's the evidencing."*

She points out many brokers still rely on manual monitoring of randomly selected sample calls, which is both time-intensive and lacking in rigour.

Communication equality

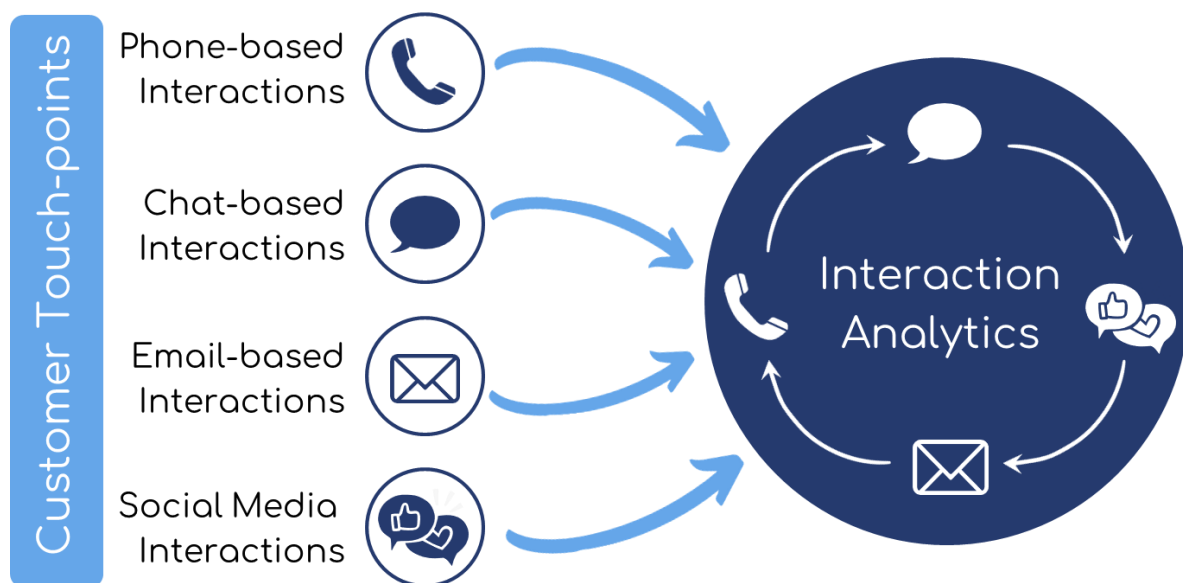
That situation is further complicated by the requirement to ensure parity of outcomes across all channels.

All communications should be “equally effective, regardless of the channel used”.

Whilst the FCA says it does not expect firms to capture every communication – calls, digital and face-to-face – it’s Consumer Policy Manager, Richard Wilson notes that this will be the best way to confirm they are understandable.

Principal Insurance is just one regulated firm to turn to Xdroid, a powerful omni-channel interaction analytics solution, to support the implementation of Consumer Duty and the company’s wider business needs.

“Xdroid slots into Consumer Duty in so many ways,” says Sharron. “It can capture, transcribe, analyse and score every communication. It’s highly accurate, self-learning and our staff are very engaged with it.”



Identifying client vulnerability

Her comments are echoed by Avoira CX Consultant Sam Goundry, who says:

“Xdroid’s technology allows for quick identification of potential vulnerability and a variety of high-risk call types, such as the provision of incorrect information or advice, and customer dissatisfaction. Using real time prompting, the technology can empower agents

to influence conversations live in the moment, whilst notifying a manager when appropriate. This ensures customers receive the best possible experience and outcome.

The detailed post call reporting also highlights any trends and allow the senior leadership team to make informed decisions on opportunities for further improvement.”

Outstanding understanding

The sophistication of the software also means it can support key tenets of the Duty, such as confirming consumer understanding.

“Xdroid can pick up on things like hesitations, ums and ahs, and flag to the agent that a customer may not understand what’s been explained,” she reports.

The company is also working with Avoira to enable Xdroid to identify the “characteristics of vulnerability” cited under the Duty. This will embrace around 100 potential vulnerability indicators, including financial issues, caring responsibilities, learning difficulties, physical disabilities, long-term illness and mental health concerns.

Metric maker

Xdroid offer many more general benefits which help underpin adherence to Consumer Duty.

For example, the metrics it yields can indicate when an agent or cohort requires new or refreshed training. “Through its agent and management dashboards, Xdroid offers continual assessment of compliance and wider performance,” says Sharron.

“Agents like that feedback and it incentivises them to improve, to beat their score.”

This chimes – in very much a belt and braces way - with the FCA’s guidance that firms should monitor their communications, identify and address issues and then retest.



Live Action

Xdroid's real-time capabilities can also prevent the need for remedial actions, with agents being prompted to take actions to deliver optimal outcomes whilst in dialogue. This clearly empowers enhanced first call resolution (FCR) which is both good for compliance and business.

In terms of operational models, Xdroid is also a technology whose time has come, with so many firms having embraced hybrid and Work From Home (WFH) models. Floor walkers are no a longer thing

Principal Insurance, which has adopted the hybrid model, reports the technology actually enables greater compliance.

"We are more compliant working from home with Xdroid, than working in the office without it" says Sharron. "It's like having a team leader on your shoulder, able to provide support to agents when they need it.

"That includes alerting management to potential wellbeing concerns and identifying training needs that enhance service and promote learning."

Compliance

- ✓ Automated QA testing - capture, transcribe, analyse, and score all communications.
- ✓ Real-time capabilities – instant analysis and agent prompting to deliver optimal outcomes.
- ✓ Omni-channel – enhance and evidence equal effectiveness of voice digital and text communications.
- ✓ Detect customer emotions – track customer sentiment to score satisfaction.
- ✓ Enable identification of a broad range of customer vulnerabilities.
- ✓ Identify and address the lack of consumer understanding.
- ✓ Empower agents and managers to continually assess compliance performance.
- ✓ Identify training requirements.



Want to learn more about how Xdroid could enhance your firm's regulatory compliance and agent wellbeing, as well as IT sales and service performance?

Click here to request a [demo](#) or email Ian.Taylor@avoira.com Head of CX. Alternatively, contact the Avoira team on 0333 001 5151.