Consumer Complaint Management Best Practices

Using Your Consumers’ Voices to Improve Compliance and Encourage Growth
Meet Your Presenter

Kimberly Boatwright, CAMS, CRCM, and Director of Compliance at TRUPOINT Partners, will be leading today’s Fair Lending session.

Kimberly works with clients nationwide on improving compliance, and specializes in Fair Lending and BSA/AML risk management.

If you have questions or comments, please know that we will spend some time on questions through the presentation!

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Today, we will cover:

• The 5 Elements Your Complaint Management System Needs to Have
• Departments Through Which to Accept Complaints
• High-Risk Complaints that Compliance Should Focus On
• Making the Most of Your Customers’ Voices
• Common Challenges with Complaints Management
Free Resources for You

Leave your business card so that you can receive the following resources via email:

- Slides from this Presentation
- Sample Complaints Policy
- Handy Worksheet with Complaint Trigger Phrases
- A 15-Minute Conversation with Me!
Basics of Complaints

Setting the Stage for Today’s Conversation
Clearly Defining a Complaint

A complaint is often defined as a situation in which a customer expresses dissatisfaction with some aspect of their relationship with your institution.

More specifically, this occurs when the customer asks to formally acknowledge their experience, references legal or media help, or asks to escalate the issue beyond your immediate management.

What is a High-Risk Complaint?

A high-risk complaint is often defined as either:

- Any complaint that has an impact on how a person was and/or perceived themselves to be treated; in particular, focus on any complaint that alleges UDAAP or Fair Lending violations.
- Any compliant that could hurt or negatively impact the bank’s reputation, bottom line, ability to do business.
Quick Question:
Do You Welcome Consumer Complaints?
Embracing complaints has a variety of benefits, including:

• Closer relationships with customers, which can increase satisfaction, awareness, and retention.

• Ability to diagnose potential issues earlier and resolve them faster.
Do you know the 5 essentials your consumer complaint program needs to have?
A complaint management program needs to include:

1. A process for identifying, investigating, and responding.

2. A way to track, analyze, report, and resolve complaints.
In This Section

Your Consumer Complaint Management Program Needs to Have These 5 Elements:

• Complaint Management Policy
• Complaint Management Process/Procedure
• Clear Responsibilities
• Training
• Tracking and Reporting
"An institution should be prepared to handle consumer complaints promptly.

“Procedures should be established for addressing complaints, and individuals or departments responsible for handling them should be designated and known to all institution personnel to expedite responses.”

- FDIC
Quick Question: Do You Have a Consumer Complaints Policy?
Think about your consumer complaint management policy. Does it:

- Clearly define a complaint?
  - Is there clarity on the difference between complaints, inquiries, and error resolution?

- Outline different methods used to accept complaints?
  - What are the potential sources of complaints? Do you accept verbal and written complaints? Regulatory submissions? Social media comments?

- Treat all complaints the same way?
  - Do you treat complaints differently based on subject matter? Loan type? Department? How you received them? Formal vs. informal?

- Pay attention to high-risk complaints?
  - Are there special procedures in place for high-risk complaints?
Think about how your institution accepts, investigates, and responds to complaints. Ask yourself:

• Do you employ a centralized process to lend optics into what is taking place?
• Is there an independent resource gathering and analyzing the complaints?
• Are there clear roles and responsibilities defined? Who is the owner of resolving the complaint?
• Are response timelines defined?
• Are complaints reported to management and discussed to provided awareness at the highest levels?
SUSTAINABLE TIP

If the consumer says any of the following phrases, you probably have a reportable customer complaint on your hands:

- “I’m going to tell everyone I know not to work with your company.”
- “I’m going to contact the [news/radio/TV station/media] about this.”
- “I’m going to call my attorney” or “I’m going to talk to a lawyer.”
- “This is not legal.”
- “I want the number/address for your President or CEO, so that I can [call/write a letter].”
- “I expect a written response from your company.”
- “I would like to talk to your manager about this.”
- “This feels discriminatory.”
- “I think I will use that CFPB site.”
Clear Responsibilities

Consider who is involved in complaints management and what software, if any, they use. Can you answer these questions with an honest “yes”? 

• Is it clear who is responsible for each aspect of the complaints management process?
• Does everyone know when a complaint should be escalated, and to whom?
• Are there clear timelines for every phase of the process? Are those timelines consistently applied?
• Are complaint tracking tools kept up-to-date and easily accessible by everyone involved?
• Are there repercussions for failing to keep up with responsibilities?
• How are results recorded and reported? Who reports them, and to whom?
Training

It’s important to have training on how to accept, process, investigate, and respond to consumer complaints. Ask yourself whether:

• Is there front-line training and consistent interpretation in place? None of it counts if you do not have front-line awareness, adoption, and consistent execution.

• What is the training plan? Are there training tools and resources to ensure execution?
Tracking, Trending, and Reporting

Tracking, trending, and reporting is an especially important part of your complaint management process, so that you can really make the best of your customers’ voices.

When a complaint is received:

• Where does it go? How is it tracked or reported, and are the trends being monitored?

• Who or what owns the reporting to management? Does management analyze potential causes and identify trends?
  • Consider frequency, reason/nature of complaints, issue owner, and resolution to identify patterns and risks.
  • Are policies, procedures, and process updated based off the trending analysis?

• Is it retained, and if so, for how long?
  • Record retention is an important part of tracking complaints.
Bottom Line:
A strong complaints management program will ensure that you’re effective, efficient, and compliant in responding to consumer complaints.
How You Collect Complaints

Learn more about the different ways consumers can submit complaints, and why they matter.
Quick Question: How Are You Collecting Complaints?
In This Section

You will learn:

• Different communication Departments through which customers can submit complaints.

• How to approach complaint management by department, product, or area of the institution.

• Ways to collect complaints on social media.
Complaint Outlets

Your institution can receive complaints through a variety of methods. These include:

• Phone call to your branch or a specific employee
• Letters
• In-person, verbal comments to front-line personnel or management
• Call center
• Regulatory or consumer protection group
• Email
• Website chat (if offered)
• Posts on social media or other network-based sites (i.e. Yelp).
  • If you’re using social media, include these Departments in your complaint management program.
  • Even if you’re not using social media for your brand, your consumers probably are! It’s a good idea to keep an eye on comments about your brand online.
SUSTAINABLE TIP

Your marketing team is probably already monitoring for your brand name on social media to learn more about your customers and potential customers, and attract them to your company. Ask them to listen and watch for negative comments or other evidence of complaints using their social media monitoring tools, and share them with your compliance team.

Some of the social media monitoring tools include:

- Hootsuite (for Twitter)
- Mention
- Buzzsumo
- Likealyzer (for Facebook)

If your company is using an all-in-one marketing platform like HubSpot, Pardot, or Marketo, you may already have access to monitoring functionality.
The 5 most common topics that complaints deal with, according to the CFPB, are:

- Mortgages (253,463)
- Debt collection (194,928)
- Credit reporting, credit repair services, or other personal consumer reports (108,161)
- Bank account or service (86,206)
- Student loan (42,735)
You may have multiple methods through which you can receive complaints, and different processes depending on the complaint type. Make sure that your policies, procedures, and training and strong enough to reduce the risk that comes with complexity.
High-Risk Consumer Complaints

What qualifies as a high-risk consumer complaint?
In this section, you’ll learn more about each of the following types of complaints, and why they are high-risk:

• UDAAP Complaints
• Fair Lending Complaints
• Fraud Issues
UDAAP Complaints

UDAAP complaints may occur when a consumer believes that they were treated unfairly, or were somehow deceived in their interactions with the financial institution.

• UDAAP complaints should be a priority because the regulation is about a person’s perception.
• How you handle UDAAP complaints matters!
Fair Lending Complaints

Fair Lending complaints may occur when a consumer believes they were discriminated against as a result of a prohibited basis factor, such as race or gender.

- Fair Lending complaints should be a priority because they can indicate an issue with your policies or processes, spark regulatory action, attract negative media attention, and/or persuade potential customers that your company can’t be trusted by people like them.

- Handle Fair Lending complaints with caution and care.
Fraud Complaints

Fraud complaints may occur when a consumer’s personal information was stolen as a result of the financial institution, or misused by an unauthorized individual without any protection from the bank.

• Fraud complaints should be a priority because they involve your customers’ identity.

• Be aware of the regulatory reporting requirements under the BSA and FCRA ID Theft rules.
SUSTAINABLE TIP

Make sure to include these hot-button issues in your complaints training, so that non-compliance members of your team get comfortable thinking about compliance-related issues. Keep the conversation going throughout the year in formal and informal ways, to keep compliance top-of-mind.

Simply by talking more about compliance-related issues, you will raise awareness inside your bank.
Remember:
Good customer service is not the same as consumer complaint resolution!
Making the Most of Your Consumers’ Voices

See how to activate the voice of the consumer and your customers to improve your brand.
Between 67% and 90% of consumers look for reviews before deciding to purchase.

There are 2.1 million negative social media mentions about brands daily.

57% of people say that unaddressed negative reviews are a good reason to unengage with a brand.
In This Section

You’ll learn how to:

• Ensure that your customers feel respected and heard by your complaints management process.
• Design a system that makes them feel closer to your brand.
• Encourages them to share positive stories about your brand.
How to Ensure Your Consumers Feel Heard

Ensuring that your consumers and customers feel heard requires more than just an easy online experience. Here are some factors that can help:

• Providing sales and support training to all consumer-facing employees.
  
  • Please note that, in a digital world, any employee that interacts with a customer is considered “consumer-facing” even if they never actually see the customer.
  
  • Ensure that training is ongoing, understood, and creates awareness.

• Proactively asking for consumer and customer feedback periodically throughout the year, i.e. through surveys.

• Responding promptly and actively to all complaints.
How to Help Consumers Feel Closer to Your Brand

Every company will get at least one bad review. When reviewing complaints and engaging with customers, make sure that your complaints program will help consumers feel closer to your brand. Here’s how:

• Look for patterns, and address them proactively.
  • Consider things like press releases that outlines improvements your making in response to consumer comments.

• Let your existing customers know how much positive reviews matter. Many customers are more than willing to share positive experiences!
  • If you have lots of positive reviews, they can outweigh the impact of one or two negative ones.

• Show that you’re listening, publicly and privately. This may be as public as responding to comments online, or as private as sending handwritten notes.
  • At the end of the day, your consumers are people who are looking to be treated with respect and kindness.
Make the Most of Your Consumers’ Voices

Your consumers’ voices are important. Here are a few ways you can make the most of them in your risk management and growth:

• Include positive and negative customer feedback in planning meetings, to help ensure that your growth strategy is in line with customer thoughts, needs, and expectations.

• Include compliance-focused tracking of consumer complaints in your compliance and planning meetings, to build trends and reports.

• Showcase positive testimonials on your branded materials to help highlight your good customer service.

• Share, retweet, promote, and regram positive comments, posts, and experiences from consumers on your brand’s social media Departments.
Common Challenges with Complaint Management

Check this out.
Common Challenges with Complaint Management

Below are some of the most common factors that make complaint management difficult, or weaken a complaint management program:

• Setting up an easy way to collect consumer complaints and comments.
• Maintain your complaints in a transparent and central location.
• Rigid coding that makes it difficult to capture all details.
• Taking care and responding promptly to consumer complaints.
• Resolving complaints actively and fairly.
• Conducting only manual analysis of complaints.
• Focusing only on customer service training to the exclusion of consumer complaint management.
Questions?
About TRUPOINT Partners

TRUPOINT Partners was founded in 2009 with a big vision: to empower lenders to thrive in a difficult regulatory environment. Today, we’re making that vision a reality by combining personalized guidance with sophisticated technology.

We help our customers comply and grow. Our solutions include compliance analysis software for Fair Lending, HMDA, CRA, and Redlining; compliance consulting; regression analysis; branch strategy solutions; and much more.
Contact

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