



customer
impact

Meeting the customers'
needs by putting them at
the heart of our industry

Customer Impact Scheme

OVERVIEW



Association of British Insurers

The Customer Impact Scheme is the centrepiece of our approach to building confidence. It will have a real impact on customers' experiences of our industry.



The Customer Impact Scheme

The Customer Impact Scheme is a concerted commitment by the pensions, protection and investment industry to drive up customers' experiences and to be openly held to account for its performance.

The Customer Impact Scheme comprises a series of powerful measures. It includes:

- a formal Board commitment by participating companies to place customer interests at the heart of how they run their businesses;
- an extensive and unbiased measure of how well customers believe they are being treated by the pensions, protection and investment industry;
- an annual public report from each participating company, signed off by its Board, detailing its performance and progress in meeting the Commitments;
- a series of good practice guides outlining how companies can improve customer experiences;
- an influential and independent Customer Impact Panel to oversee the Customer Impact Scheme, advise the ABI Board and help to drive continuous improvement.

The Customer Impact Scheme further drives the industry forward while locking in the gains made by earlier initiatives. It:

- addresses the issues that matter most to customers at all stages;
- achieves high levels of industry participation;
- provides a reliable and measurable indication of the industry's performance and improvement;
- is flexible to enable companies to innovate and compete on aspects of product design, price and service delivery.

Benefits for Customers

Our extensive annual survey gives our customers the opportunity to tell us what is important to them and how to make it better. Our research shows that, while the vast majority of customers are satisfied with their pensions, protection and investment provider, there are areas where the industry can improve.

The industry is determined to change, and still has work to do.

- All customers benefit from the Customer Impact Scheme which ensures customer interests are put at the heart of the boardroom agenda, with a clear priority to develop good products and improve customer service.
- Many customers and commentators value the greater openness and accountability created by the Customer Impact Scheme.
- Companies make firm Commitments to their customers and will be able to be held to account for their performance.

Customer Impact Survey

An in-depth customer survey takes place every year to measure how well customers believe their product provider is performing. The scale of the survey means that the results are a reliable view of customers' experiences of the industry.

Customers are asked questions addressing all aspects of a company's performance and the three Customer Commitments.

Each year, the aggregate results of this survey are published to provide a clear measure of how well the industry as a whole is performing and improving. Individual companies are able to see clearly where their customers are not happy and where improvement is needed.

Annual Reporting and Accountability

Participating companies publish an annual Customer Impact report for their customers. This explains the company's approach to improving customers' experiences and their performance in meeting customers' needs.

Each company's report is signed off by its Board, who must verify that the report is fair, accurate and balanced.

Customer Impact Guides

To help companies achieve higher levels of performance and fully deliver the Customer Commitments that they have made, the ABI has developed a series of good practice guides.

Each good practice guide tackles an aspect of the industry that is important to customers.

By focusing on the outcomes to be achieved, the guides leave room for companies to find innovative ways to compete and continuously improve customer service.

The results of each year's Customer Impact Survey help us to identify the priorities for developing Customer Impact Guides.

We publish these guides on our website so that customers can also be better informed about what they might expect from the companies they deal with.

We will continue to develop and publish guides in response to customer feedback and as new issues emerge.

Customer Impact Panel

The Customer Impact Panel provides oversight to the Customer Impact Scheme and is a driver in identifying areas where further improvement is required.

The Panel provides an independent voice. Half of its membership comprises senior and influential figures from outside the industry, drawn from different backgrounds but all with the insight and experience to challenge thinking and help us move forward.

The other 50% comprises senior executives from within the industry, each of whom is appointed by the ABI Board. At least one industry member is recruited from the Intermediary sector to ensure that both providers and financial advisers work together to improve customer experiences.

The Customer Impact Panel reports to the ABI Board. Each year it will publish its own report on consumer issues facing the industry and the industry's performance.

Working with Intermediaries

Product providers and intermediaries need to work together to ensure customers are treated well, are sold the right product and receive good service.

The Customer Impact Scheme helps this. The Association of Independent Financial Advisers (AIFA) is closely involved in the overall development of the Scheme.

Working with The FSA

The Customer Impact Scheme complements the statutory role of the FSA in protecting customer interests.

We consulted the FSA during the development of the Scheme and on the content of our good practice guides. We continue to co-operate with the FSA and seek their comments on good practice guides as we develop them in the future.

Customer Commitments

Participating companies have adopted a formal Board resolution to ensure that the needs of the customer are at the heart of the way they run their business.

This includes three Customer Commitments.

- To develop and promote products and services which meet the needs of customers.
- To provide customers with clear information and good service when they buy products.
- To maintain appropriate and effective relationships with customers, providing them with a good service after they have bought a product.

Boards have also undertaken to keep their customers informed about how well they are meeting these Commitments and to work closely with financial advisers to help ensure the Customer Commitments are delivered.

Introduction

In March 2005, Richard Harvey, then Chairman of the ABI, launched a five point plan to improve trust and confidence in the pensions, protection and investment industry. The plan was to build confidence through effective action in five key areas:

- providing the highest standard of service to customers;
- offering regular and clear communication;
- facing up to the biggest concerns about the way the industry operates;
- listening to customers and learning so that we can improve;
- working constructively with others.

Early developments in implementing the plan included:

- driving debate and consulting widely about the future of financial advice and how it is paid for;
- championing the creation of the Retail Financial Services Group, involving industry, consumer bodies, Government and regulators. We continue to be strong supporters of its work;

- producing good practice material in a number of important areas, such as Basic Advice, Financial Promotions and Equity Release.

The Customer Impact Scheme is the centrepiece of our approach to building confidence. It will have a real impact on customers' experiences of our industry:

- Customer Commitments focus companies on improving customer experiences at all stages of our relationship with them;
- the Customer Impact Survey ensures that we hear consumers' views direct and respond to them;
- Customer Impact Guides give companies a wide range of resources to draw on in meeting the commitments;
- Customer Impact Partnerships, exemplified by the links between the Customer Impact Panel and the Retail Financial Services Group, show that we will work together with other stakeholders to improve the industry's reputation.

For more information, contact:

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