



APPG on Customer Service: 'Building a Service Nation' roundtable meeting

Wednesday 6th March 2024

An in-person meeting, held in Room T, Portcullis House, Houses of Parliament

In attendance:

- Philip Davies MP, Chair of the APPG (Conservative)
- Baroness Stowell of Beeston, Vice-Chair of the APPG (Conservative)
- Liz Twist MP, Vice-Chair of the APPG (Labour)
- Andrew Lewer MP, Vice-Chair of the APPG (Conservative)
- Chris Pitt – CEO, First Direct
- Paul Greenwood – Customer Service Director, Ocado
- Jo Causon - CEO, Institute of Customer Service
- David Dagger – Director of Communications and Corporate Affairs, Institute of Customer Service
- Rachel McFaul – Head of Communications and Corporate Affairs, Institute of Customer Service
- Oliver Hazell – Senior Account Director, Cavendish Consulting

Contributions from speakers and attendees

Philip Davies MP – Chair of the APPG:

- Opened the meeting and welcomed attendees.

Jo Causon – CEO, Institute of Customer Service:

- Introduced key statistics around customer service in the UK, mainly procured from the Institute's UK Customer Satisfaction Index (UKCSI).
- Noted the backdrop of falling customer satisfaction in the UK more widely.

Philip Davies MP – Chair of the APPG:

- Asked Jo Causon why customer satisfaction was so low at present.

Jo Causon – CEO, Institute of Customer Service:

- Outlined a lack of adequately trained customer service staff and the impact of promises that technology can sometimes not live up to which requires careful management from leaders.

Paul Greenwood - Customer Service Director, Ocado:

- Noted that customer expectations had changed throughout the ongoing cost of living crisis and that the customer now demanded more from companies they purchase from.

Jo Causon – CEO, Institute of Customer Service:

- Outlined the continued high levels of abuse of front-line customer service staff, noting the Institute's Service with Respect campaign.
- Noted that the issue of abuse of staff was not just a concern for the retail sector, but for all sectors delivering any element of customer service.
- Mentioned that customers were kept waiting on phone lines and for email/webchat responses for too long by organisations that that there was a significant cost to each month to the economy due to poor customer service.
- Outlined the four pillars of the Institute's manifesto for the next government.
- Noted the work and engagement that the Institute conducts with regulators and notes the need for a focus on outcomes-based customer service for regulated sectors. Mentioned that the Apprenticeship



Levy required reform and that a review of corporate governance to move the balance for sustainable business growth toward one that balanced both priorities of shareholders with excellent customer service would be a positive move.

- Noted that pride from those working in customer service roles was needed, but that meant that abuse of those same staff needed to be driven down at the earliest possible opportunity.

Chris Pitt – CEO, First Direct:

- Noted the importance of customer service to the First Direct business model.
- Outlined the history of First Direct.
- Noted the continued focus of the organisation on customer experience.
- Outlined the internal cultural event that regularly takes place with staff to ensure they can connect staff to one another but also help staff connect to, and with, customers with a consistent message.
- Noted that a customer's attitude is always rightly "this is my money" and that speaking to people about their money is always helpful and valued by customers.

Jo Causon – CEO, Institute of Customer Service:

- Reiterated Chris's point around the value of First Direct customers being able to speak to staff.

Chris Pitt – CEO, First Direct:

- Noted that customer service staff at First Direct were encouraged to help customers resolve matters in a safe, secure way at all times.
- Said that the average tenure of a call centre staff member across the industry was around two years, but at First Direct this rose to around 11 years.
- Was proud of delivering great customer service to First Direct customers and was keen that the culture of service excellence continued at the organisation.
- Said he spoke to customers personally each week to understand first hand the problems that customers were experiencing or queries they had. Noted the key to longevity of customers being First Direct's focus on customer service.
- Noted the reason that First Direct was able to grow was down to service excellence.

Philip Davies MP – Chair of the APPG:

- Commented that financial services were not usually renowned for service excellence. Referenced the recent focus by banks and commentary around retail finance in the media was about branch closures and cost cutting. Asked why the rest of the retail banking sector hadn't also focused on service excellence.

Chris Pitt – CEO, First Direct:

- Noted that the Competition and Markets Authority (CMA) had been effective recently to force banks to benchmark their customer service against one another.
- Chris Pitt and Philip Davies MP discussed the growth of First Direct through its focus on customer service.

Jo Causon – CEO, Institute of Customer Service:

- Reiterated the investment that First Direct has made in service excellence is now paying dividends.

Chris Pitt – CEO, First Direct:

- Pledged that First Direct would always allow customers to call someone at the organisation – that is First Direct's heart and purpose.

Jo Causon – CEO, Institute of Customer Service:

- Noted that First Direct is driven by a culture of pride and focus on service excellence. Also noted that Starling Bank was similarly focussed and was growing.
- Said that a focus on purpose of organisations and that such a purpose should be service-driven which leaders should embody and drive throughout their organisation to ensure growth.



Paul Greenwood - Customer Service Director, Ocado:

- Noted his customer service background and route to his current position at Ocado.
- Noted society's expectation was higher now and that companies were now expected to deliver more.
- Said that many workers didn't come into the customer service sector with a vision of staying but many did indeed stay.
- Urged that customer service colleagues needed to feel empowered, and that excellent customer service helped to retain customers.
- Noted that customer service staff needed to not be constrained by scripts but should feel empowered to do what's right by customers.
- Noted that he spoke to customers personally each week.
- Said that customer service and culture around service excellence started with example-setting from the board.
- Noted that Ocado allowed frontline colleagues to share ideas and that staff were encouraged to contribute ideas to the company.
- Noted the need for delivery drives to have key and strong customer service skills which customers getting deliveries to their doorsteps also expected.

Philip Davies MP – Chair of the APPG:

- Asked if Marks and Spencer played an active role in Ocado at present.

Paul Greenwood - Customer Service Director, Ocado:

- Noted that Ocado and Marks and Spencer were working closely to bring the two brands together more but that there was still progress to make.
- Said that technology should support customer service rather than replacing it.

Philip Davies MP – Chair of the APPG:

- Noted that First Direct were owned by HSBC and asked how that relationship worked between brands.

Chris Pitt – CEO, First Direct:

- Noted that First Direct was now running HSBC's call centres and that those call centres, including First Direct's own, were focussed on positive outcomes for customers.
- Said that HSBC's NPS scores had improved recently since First Direct had been leading the HSBC call centres.
- Noted an example of excellent customer service recently which had led to a positive outcome for a customer.

Jo Causon – CEO, Institute of Customer Service:

- Said it was important that the HSBC call centres being led by First Direct was an important decision to have been made.
- Reiterated that a focus on service excellence was required at board level.

Philip Davies MP – Chair of the APPG:

- Asked Paul Greenwood what Ocado did regarding their call centre and customer service.

Paul Greenwood - Customer Service Director, Ocado:

- Said that Ocado made the most of staff who had the right aptitudes and attitudes to be in their call centres.
- Said that expectations of staff to focus on customer outcomes were made clear.

Baroness Stowell of Beeston – Vice-Chair of the APPG:

- Said that attitudes and behaviours of frontline workers was key.
- Said that making customer service a positive experience for both customers and those serving customers was vital.



- Noted that sometimes customers can feel like they're being taken for granted.
- Said the Institute's Manifesto for a Service Nation was so related and focused on the social divides that society, and Government, are trying to grapple with.
- Noted that many feel like they're not being heard or respected in society than they were eight years ago.
- Noted her support for the Institute's Manifesto.
- Said that a focus on training and skills for customer service staff were important and that customers needed to be engaged with in a respectful manner, as well as customers doing the same in terms of respecting customer service staff.
- Said that the 'zero tolerance to abuse' messages that cropped up regularly on customer service call lines can sometimes put customers in a defensive position before they speak to a call centre worker.

Jo Causon – CEO, Institute of Customer Service:

- Noted the need to raise the bar across the customer service sector collectively.
- Said that more and more organisations were looking to focus on customer service to drive growth and this was a positive thing.

Baroness Stowell of Beeston – Vice-Chair of the APPG:

- Said that sometimes the topic of customer service and its importance to the smooth running of society was so obvious that it got discounted.
- Said that technology could help customer service teams hugely, but that technology must support customer service staff.

Chris Pitt – CEO, First Direct:

- Said that customer service should be about values, not monetary value, or cost, for an organisation.
- Noted that it was hard to measure an organisation's values.

Philip Davies MP – Chair of the APPG:

- Recalled visiting a call centre which measured whether staff were able to answer calls in three 'rings' or less which measured the wrong performance and actually led to staff ignoring calls if the phone had rung more than three times.

Andrew Lewer MP, Vice-Chair of the APPG:

- Noted his continued support of organisations delivering great customer service.
- Was pleased to see the Institute calling for organisations to raise the bar in their service of customers.
- Noted a good balance in the Institute's Manifesto for a Service Nation between business input, Government support and encouragement and customers becoming more measured.

Jo Causon – CEO, Institute of Customer Service:

- Noted that we needed to address our attitude to customer service as a society and be proud of the service excellence that many organisations deliver now.

Ends at 16:03pm