

# The scale and power of customer conversation data

Actively listening to customer frustrations can help banks improve their brand reputation and boost their bottom line.

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More than 6 billion “high-risk customer conversations” a year take place in the U.S. A regular business hears from 4% of their dissatisfied customers, so for every customer that complains, 24 others remain silent. An estimated [\\$75 billion is lost](#) by businesses annually because of poor customer service.

So how do banks interact with their customer narratives today? Most financial institutions approach customer conversations transactionally – to meet immediate needs and to meet the requirements set by regulatory bodies. They do not approach them as strategic assets that can pinpoint problems. As a result, they miss systemic patterns that manifest in complaints and issues that lead to negative headlines or regulatory risks. They miss opportunities to gain a competitive edge, and to strengthen their businesses.

By turning customer conversations into data and approaching them with artificial intelligence, machine learning and predictive algorithms, banks can score customers' complaint severity and frustration level, and determine the potential for account closure and lawsuits. Banks can understand whether [customers have experienced bias and discrimination](#), and measure their institution's "complaint share" relative to other institutions and the industry.

Financial institutions can also identify high-risk customer interactions, monitor industry complaints, predict problematic conditions, repair company policies and practices, and prioritize business actions where they matter most. They can create standards, metrics and mechanisms to build services that meet customer needs.

What are the growing complaints among banks' customers? Here are some examples of high-risk narratives submitted to the Consumer Financial Protection Bureau that financial institutions can identify and tackle:

Closed accounts: "My account has been suspended with this company for almost 60 days. Initially, I was told no further action was required from me, but after several weeks of not being able to access my account, I called back to further inquire. They then told me that there was an unauthorized transfer reported to my account... so they suspended my account and I was told they have 45 days to make a decision. They would not give me any information at all and they put a hold on all my funds."

Health impacts on finances: “I recently took a look at my credit file and noticed these late (fees)... During this time, my entire family also fell ill, as did I.... I was unaware of ever being late as XXX had the wrong address and (was) sending statements to the wrong address. I was never notified during this time through (a) call that I was past due. I would have paid my balance... but, like I said, I fell ill and my health was my main concern... I ask that XXX please remove the late notations.”

Buy now, pay later: “I made a purchase for the amount of (\$8,200), split over 36 months, resulting in a monthly payment of (\$220). Before my order was shipped, I ended up canceling a few items, which resulted in a refund being generated for (\$5,800). Since the refund has been made, I would expect XXX to adjust the new balance and reduce my monthly payments. Even after reaching out to chat agents and customer service over phone calls multiple times, why has the new monthly payment amount not been adjusted accordingly?”

Overdraft fees: “You charged me excessive overdraft fees and that’s against the law. Especially it’s not my fault (as) I was sick. It’s a whole pandemic (and) these are not normal times, plus the ATM machine wasn’t working properly... Instead of understanding, you treat a long-time customer like me extremely rudely, with no empathy. I need these fees taken off because it’s costing more and my electricity bill is due.”

Any financial institution can begin to find value in their customer narratives. Start by approaching customer conversations as strategic data from which you can extract intelligence while addressing the individual issues that need to be resolved. Identify and act upon unintended consequences of business policies and practices. Link complaints to the policies and tactics specific to customer frustrations. With these steps, banks will be able to deliver significant financial value from regulatory fine avoidance and improved customer retention.

By analyzing customer voice data and actively listening to customers' frustrations, banks will show customers that these frustrations are a priority. This will improve their brand reputation, attract new customers and increase their bottom line.

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