Progress points – Money Marketing – December 2008

Did you know that, on average, a person spends 2 weeks of his/her life waiting at traffic lights, 2 years talking on the telephone and 1 year searching for misplaced objects?

That's a lot of wasted time and the bad news for sellers of protection is that, according to a recent Sesame study, we must add a new statistic to the above. Apparently advisers spend an average of 32 days a year chasing up providers and checking on the progress of their pipeline cases (converting this to a proportion of a person's life I suppose depends on one's planned retirement age…).

I have little doubt that this average will be on the increase, as current market conditions mean that many advisers are ever more dependent on their protection income to compensate for leaner times on other fronts.

From our experience training and developing some of our key partners, we know that this is a very real barrier to some IFAs and Mortgage Brokers selling protection at all – anything they submit which doesn't gain immediate acceptance is perceived as disappearing into a "black hole", with communication from the provider often either limited or overly long winded (post still taking precedent over email in many cases).

Indeed, the selling point for many of our new partnerships is not, as might be expected, our expertise with point of sale software or our market leading tele-underwriting service, but the fact that we offer full administrative support to all our users.

It must be said that many providers have made real inroads on this issue, both by improving the percentage of cases which gain instant acceptance via their online application systems, and by updating the way in which they communicate with brokers. It also remains the case that they are often let down where third parties become embroiled in proceedings (yes, we're still talking about GP reports…).

The widely held belief at present is that, in all of financial services, the protection industry might be the best placed to actually thrive as a result of the changing economic climate: it has been massively undersold in recent years (even those of us that can't remember ages of children or dates of anniversaries can reel off data about the protection gap without a moment's hesitation), our products are easier to sell when impending gloom is at the front of the consumer's mind, and advisers across the board are looking for new or forgotten sources of income.

There exists a genuine opportunity for brokers, distributors and providers to coordinate their efforts into making the sale and purchase of protection less about subtle differences in product or marginal savings on cost, but about tangible and demonstrable customer service. Ideally without the ubiquitous Treating Customers Fairly prefix.

TCF is a worthwhile and laudable initiative, but I can't help wondering how the average customer views an industry which appears to need such a scheme to remind it to do what, for most of us, is the first principle of business.

We can take as inspiration what occurred at the recent peak of the mortgage sector, wherein price and service took equal priority when advice was given in a hugely competitive marketplace. My own mortgage broker counselled me to take a slightly more expensive rate for my remortgage, on the basis that the cheaper lender had a reputation for slow turnaround times and lax communication.

The really good news is that improving customer service needn't be about updating back office systems, or further enhancing online tools. It can be as simple as ensuring that everyone involved knows, without having to ask, what is happening, why, and what is likely to happen next.

Get it cracked and we can all spend time on the important or enjoyable aspects of life. Kissing, for example, only takes up on average 2 weeks of a person's time on this planet. What a shame.

By Phil Jeynes, Key Account Manager