



ANSWERING THE CALL?

Time to
look differently
at platform service

A Note About this Paper

Occasionally, the lang cat partners with other organisations in order to produce white papers for the sector. Recent examples include ***A Fragmented World*** and ***Beyond the ESG Event Horizon***. Neither of those papers would have happened without the support of other organisations. And the same goes for this one.

As you'll soon read about, we at the lang cat have had issues with the way servicing is assessed and discussed in the platform sector for some time now. So, we pitched an idea for a white paper on the subject to a number of collaborators. Abrdn took us up on the offer. Fast forward several months and here we are today.

The construction of the paper, and indeed any similar exercises, came with two strict ground rules:

1 We retain full creative control of both the research process and the paper construction.

2 There is to be no discussion of the supporter whatsoever. You can take a look right now if you like, Adobe Acrobat has a decent search function. We'll wait.

Hello again.

Now, that's not to say our supporter in this instance, abrdn, doesn't have skin in the game. It clearly has pride in its service proposition to be partnering with us on an initiative like this. But that's where it begins and ends and you'll have to trust us on that. The moment we compromise our independence is the moment it all falls apart.



Contents

Introduction And Methodology

1. Service Is A Catch-All Phrase
2. Role Types Experience Service Differently
3. The Profession Can't Make An Informed Judgement

A Thought Experiment

A Call To Action

In The Interim: Some Practical Help

Introduction & Methodology

Service, then. No, not your phone reception. Not Andy Murray. Not curling a pinpoint cross into Harry Kane's head. Not national. Not your car (though this is your reminder to check when it's due). Not paying lip to. And not on Her Majesty's Secret.

That's your first seamless link to one of the themes that runs throughout this paper. Service means a lot of things to a lot of different people. It's almost intangible due to its subjectivity. So, why do we in financial services so frequently combine a plethora of service-related activities into a single rating or award? Why has that gone on for so long? How does it help the people they're aimed to help (you in particular, dear Adviser)? How can we make things better?

And in terms of this paper's title, why do we so often boil servicing down into a single metric of answering the telephone? We think this is outdated. We know this is outdated. We think the sector needs to answer our call instead; to get significantly better at **discussing, disclosing** and **analysing** something so important.

We speak to a lot of advisers of all shapes and sizes, about how they run their businesses and how and why they make the decisions they do. In fact, we don't just talk to planners, we talk to business owners, paraplanners, admin staff, compliance officers and operations staff. We'll talk to anyone in an advice firm who will give us their time and help us nudge our understanding along of this fine profession.

We combine this regular qualitative research with regular quantitative studies, none more relevant than our huge *State of the Adviser Nation*¹ (affectionately known internally and from hereon as SOTAN) study, our annual omnibus study that delivers us insight on an industrial scale.

Our Research

This paper drew on three sources of primary research:

ONE

Bespoke qualitative research with the advice profession. In late winter/early Spring 2023, the lang cat held in-depth interviews with a total of 28 members of the advice profession across various role types

TWO

Bespoke quantitative research with the lang cat research panel. A total of 212 members of the profession answered a short survey on their service needs in May 2023

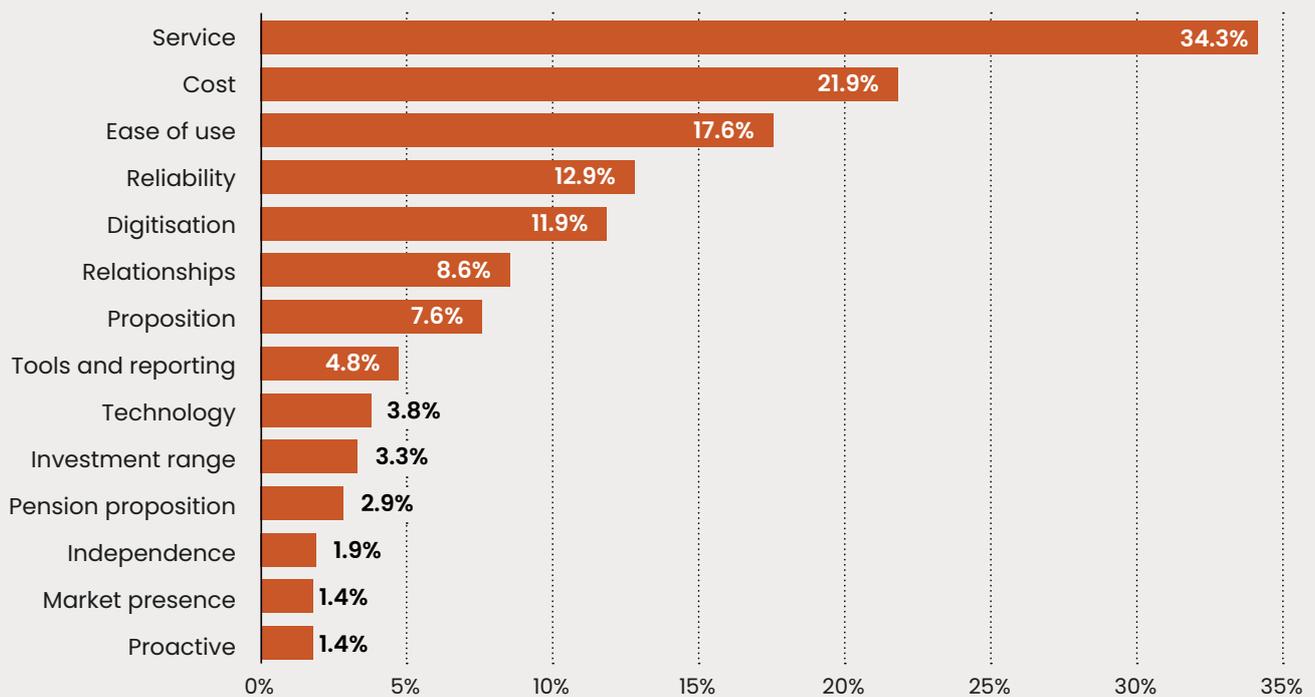
THREE

Results from wave 5 of State of the Adviser Nation, the lang cat's annual omnibus study of the advice profession. (n = 602)

It's on that most recent edition of SOTAN (published in January 2023) that we pause for thought. In the 'What firms want' section, the thing that stuck out as the most important thing, so far as working with providers is concerned is... you guessed it: service.

What about service? Well, service is what advice firms most highly rated about their preferred platform of choice. It was also the worst thing about their platforms of choice. And it was the area that advice professionals thought needed most work across all providers.

Best thing about your primary provider



But the uncomfortable truth is **we'd fallen into the same trap** that we're about to critique at length in this paper. We'd looked at 'service' as a catch-all phrase for something too subjective. It's too amorphous a word for something so wide-ranging.

When sifting through the hundreds of comments in SOTAN 5, it was abundantly clear that service means a lot of things to a lot of different people. It was also clear there are plenty of holes in the information available to advice firms to make an informed decision on whether the service is right for them.

Introduction & Methodology

What to make of that then? On the one hand, service is the most important factor for selection. On the other hand, firms find it difficult to assess properly. That feels intolerable to us.

This paper aims to challenge the status quo and inertia that's built up in the sector for many years. It's intended to highlight how this is a complex subject that will benefit from fresh thinking. It's intended to help advice professionals better understand what elements of service are most important to them. It's intended to imagine a different version of the future where firms don't have to take a leap of faith before partnering with a new provider.

.....
The biggest thing that gives me or my clients stress is poor service.

..... “

As we're in the rare position of speaking to so many different types of firms for so long, we've got our own ideas about what service means and how it's identified and measured. We know how hard this nut is to crack. Not least because we ask firms to measure service they get from the providers they use every six months, and we've been challenging ourselves as to whether we're helping fix the situation or contributing to the problem we've outlined in this paper. Time to take our own medicine perhaps? As we often say about other parts of the sector, no-one gets to live in a consequence-free world.

Existential doubts aside, we're going to boil down the challenges with analysing service into three main thoughts:

Our Three Thoughts To Challenge

1

Service is a catch-all phrase where even the word itself means different things to different people, but service equals satisfaction.

2

Service is experienced differently by different role types. Furthermore, service is experienced differently according to different adviser firm types and propositions.

3

The advice profession can't currently assess service until the point of actually experiencing it.

We designed our qualitative and quantitative research process around these three thoughts and we're about to walk through them in turn.

The last thing to say before we kick off is you'll notice that this paper is co-written. How does that work in practice? Do. Steve. And. Rich. Write. Alternate. Words? We'll leave that up to you to role play out.

But the truth is, this subject matter means a great deal to your authors. Both spent many, many of their formative working years on service desks. Steve on the annuity helpdesk of a big provider and a number of years on the phones for a big media company; Rich in various training and recruitment roles for one of the largest platforms in the sector. We know how hard servicing is to get right and we know how tough it can be at the coalface too.

This paper isn't a direct criticism of providers, who we know are full of good people trying to do the right thing. Nor is it a criticism of the advice profession who are often simply caught in the crossfire of decisions outside of their control. No, it's a look at systemic, structural issues that build over time and reach a point where we should demand better.

Thanks for reading,

Steve & Rich
the lang cat



Service is a Catch-All Phrase

The most obvious starter question was asking firms to define what does service even mean? Is it picking up the phone quickly? Is it replying to an email within 24 hours? Is it a low number of complaints? All of these are long-standing measures of successful service, but do advisers agree? In each of our interviews, we kicked off with 'what does service mean to you?'

When looking at the responses, they broadly fall into one of three categories when talking about specific providers – people, technology and reliability – with the big old ugly 'sector' taking a hit as a fourth category.



PEOPLE

“ I would say service is more about the people than the tech, especially in the platform world ”

“ It’s what the human beings do ”

“ Being open and honest ”



TECHNOLOGY

“ When things are going smoothly, you could argue that’s good service but a lot of it’s just technology – whether that’s service or not, I don’t know ”

“ Providing really good administration service ”

“ It’s what the tech does ”

“ First and foremost, it’s about being intuitive. The kit works and I can make it work without manual [intervention] ”



RELIABILITY

“ Reliability – that’s the first word that comes to mind. Something that is reliable, something that does what it says, something that you can have faith in – something that will work ”

“ Doing the things that they say they are going to do, what we expect them to do in the timeframes deemed reasonable ”

“ Competence, common sense and straightforward ”



SECTOR

“ It’s about not waiting for a transfer to take several months to complete ”

“ It’s hoping that a letter of authority process actually works and I don’t have to explain to a client – again – that things aren’t moving yet ”

.....
It's a combination of the digital, the systems and processes from the provider, it's also about the people.

“

Curiously, only one respondent fully linked up the three main groups in their response to ‘what is service to you?’, with most highlighting either the people, the tech or the reliability as being core to their belief of what service is. What this does show though, rather fortunately for us, is that service has become a catch-all phrase for a myriad of different experiences, perceptions and expectations.

Our interviewees defined good service as the tech working as it should do, and how they want to engage and experience service from humans. In other words, that all these elements combine to form good service, but that some elements are more important to some firms than others.

It's reasonable to assume here that our respondents were speaking from day-to-day experience in their working lives, given the context of the interview. That if they want, for example, good administrative accuracy and timeliness, that this is important to them in their nine-to-five. But before we go patting ourselves on our backs, and while this is an interesting opening gambit, it's not necessarily conclusive. Perhaps a better question is: ‘What do you want from a provider in terms of service?’ Which is what we asked next. Here are some of the things they said.

.....
I love that I can email them and get a response the same day, you never have to wait to speak to someone.

“

[One of our preferred providers to] come in and talk about the changes that they were doing in their platform.

“

.....
“...The BDM, they are a good contact, and they co-ordinate queries amongst their teams - rather than just say: ‘here's an email address for you to go to’ and then that gets forwarded around as it's not the right query for the team. They will just get it down and come back to us, which is really helpful. The customer services and technical support are both very good.

“

Service is a Catch-All Phrase

I can send an email, or I can pick up the phone... Whenever I phone them up or email, I always speak to the same people (because they are a small team), but that's quite good because you get to know them, and they are very good at talking me through how to process stuff.

“

I know they will come back to me today or tomorrow.

“

For primaries [platforms], we want a good BDM relationship, but a team around the BDM. If we have got a problem with this, who do we speak to, if we have got a problem with that, who do we speak to... It doesn't have to be a named individual, but we want to know, rather than just ringing a call centre, we want a quick answer, we want a reliable answer - probably the reliable answer is more important than the quick.

“

We have fixers [at our preferred provider] that help sort out any issues.

“

As you can see, much of our interviewees' thoughts around service expectations from the providers they work with focus around the human aspect. Being supported by staff when things go wrong, or where acting outside of the norm is important. There's a theme of reliability again here, that even if the query isn't resolved at the point of contact, confidence that it will be resolved in a timely fashion absolutely falls under the 'good service' banner.

Mail-Dominated

Another theme that erm... dominated the responses was a collective ire for the amount of paper still required. It's safe to say that an over-reliance on paper translates as bad service for advice professionals. We've heard this consistently through SOTAN since its first iteration to its current fifth edition this year, and it's something that's hard to justify. Why do we have different levels of insistence on paper across platforms operating in the same market?

We think there's two main elements at play here. Some providers have older, legacy products that haven't kept with the times, and perhaps there are some overly cautious compliance departments in pockets of providers.

.....
What slows down the process as well, particularly with [provider], is their desperate need to have a signature on multiple bits of paper before they will do anything, which then has to go to a human to process it.

..... “

Both of these, of course, can be addressed. Through the pandemic we saw an industry still reliant on paper and on wet signatures, roll out digital signatures almost overnight. Because they **had** to. This momentum needs to carry on and become the new normal.

.....
I would be hard pushed to justify [using a provider] who needs 27 bits of paper anymore, because [not using paper] is a better experience for the client and a much better experience for me as well.

..... “

From our qualitative interviews then, we can state with confidence that:

- ✓ Service is a catch-all phrase for all types of different things, but broadly it's about online capabilities, the humans on hand to support, and the reliability of core online processes.

... But does it also mean service is intrinsically linked to satisfaction? We asked that next...

.....
[Service] is so important in everything we do day-to-day, it is the number one thing, but the providers don't get that.

..... “

I wouldn't say it was the most [important] but [servicing] is definitely in the top three.

..... “

.....
My gut reaction is to agree [that service means satisfaction].

..... “

Yeah absolutely, if we are happy with a platform, it's typically because the tech runs smoothly and doesn't involve a lot of work from a human perspective. If we have issues with a platform, it typically comes down to the tech not working, and therefore, it's time our side and risk of human error.

..... “

Service is a Catch-All Phrase

.....
I do, but I think price is very important.

..... “

100% agree.

..... “

.....
I think it is a big part of it... I also think a good part of it is the general process and functionality of the platform.

..... “

For the many years of speaking with and listening to advisers, two main drivers have historically driven satisfaction and ultimately choice of provider: service and price. As we've seen particularly since the RDR, platform charges have gradually come down through competitive pressures. New entrants to the market with better and slicker tech, and without the more complex legacy products to service, have come in as welcome disrupters and in tandem we've observed average platform charges drop further and further, as well as a general trend of simplifying those charges.

.....
There aren't really any places [platforms] can go to be different anymore, the same as advisers, all we can do is win out on service.

..... “

.....
I think if I was to take a hard nose look at platforms, and take away any bias, most platforms are the same.

..... “

It makes sense then, if it's harder to put daylight between one platform and another in terms of charges, that it goes to the (currently) less tangible, less measurable things like the service one experiences.

But there's also a balancing act here. Having great humans is... great, but our interviewees made the point it shouldn't paper the cracks of the tech (metaphorically papering of course, not actual paper. We already established that's bad. Bad paper! Straight to bed!).

.....

At the moment it [the tech] isn't working very well. The tech should work beautifully smoothly with very little intervention, it requires too much human intervention at the moment - which is why then you get advisers caring about the quality of the human team. It's the wrong focus, if you have got a platform saying we have got the most amazing client support team, well if you are saying that because 90% of the tech isn't working and the humans are having to mop up after the crappy tech, that's not something to be boasting about.

..... “

A LASTING LEGACY

We think, by and large, that most providers do the core functions of what it means to be a platform well. Custody, trading, wrappers and investment ranges are mostly hygiene factors now, and generally all provide these functions to an acceptable degree. It also illustrates why things like the service and cost have been key determinants of platform selection.

But while more modern products and systems are more homogenised these days, of course, it's not always been that way and servicing legacy products is a key area where this tends to fall down.

All investment products are aimed at those looking to invest for a longer time horizon than almost anything else you'd spend money on in life. But too often we think the servicing of these products stays static, when really, it should adapt over the life cycle of the investment. This not only makes it easier for the staff servicing these products but for the advisers managing them, and who may very well have recommended them in the first place.

In reality, we can see legacy products on legacy systems that have different information readily available compared to more modern products. There's an element of acceptance of this within adviser communities, but too often we hear horror stories of long timescales for basic information on these products.

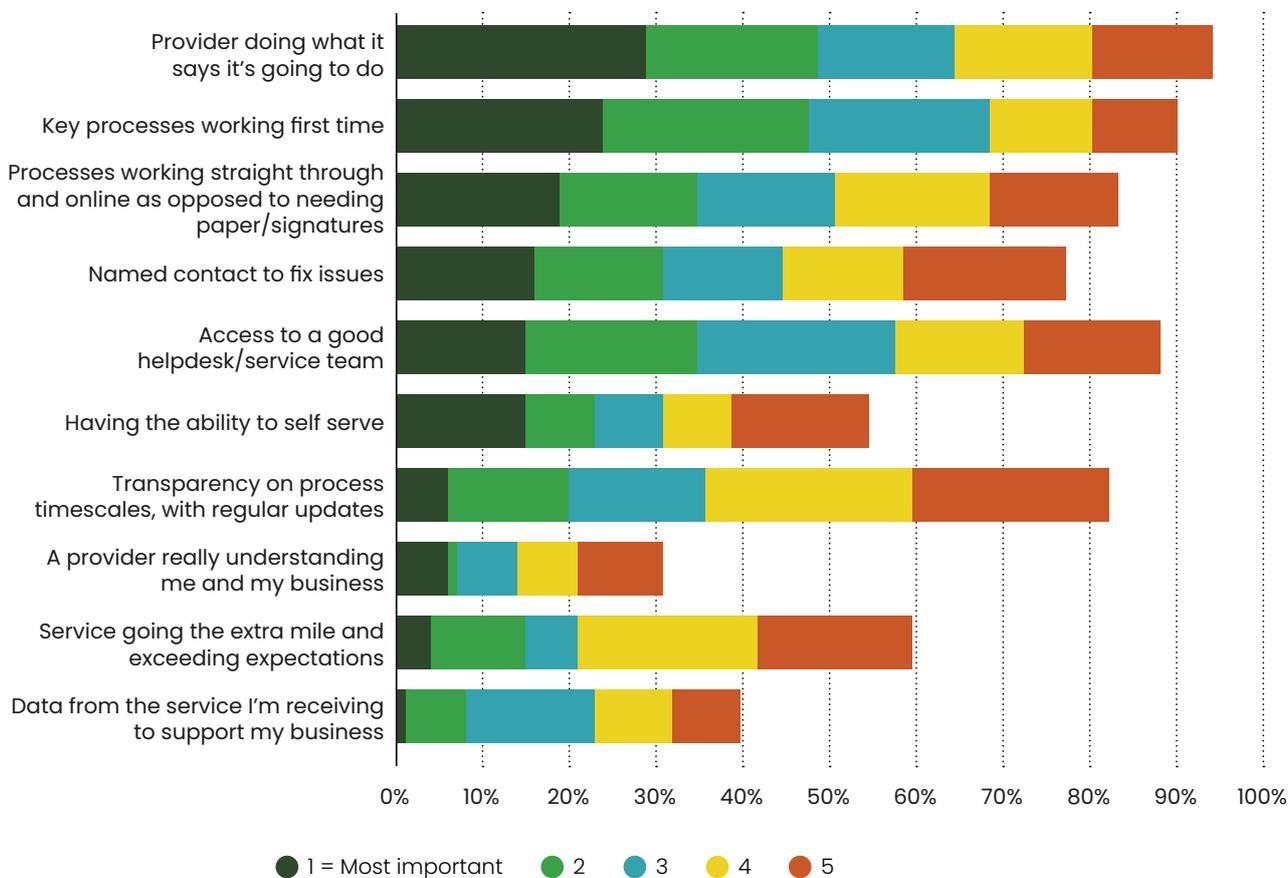
It's fair to say the expectations of servicing for these products is lower than for more modern products. However, even with a lower bar, we hear all too often that the service isn't meeting those lower expectations.

Service is a Catch-All Phrase

PROVING THIS

Let's close with a look at our quant results.

"Let's look at some practical, day-to-day things that could be identified as being related to good service. Where 1 = most important, please rank YOUR TOP FIVE of the following:"



The first and most obvious observation is something that's missing... consensus. Something we bang on about a fair amount, and have already mentioned once in this paper, is that all firms are demonstrably different, and you'd be hard-pressed to find two firms exactly the same. Unsurprisingly then, asking firms what constitutes good service presents us with vastly different outcomes.

The learning point here is just that, learning. Learning about the firms that a platform works with, and vice versa, is vital. People want a mix of different things. Each of the ten options is rated as most important by a portion of respondents and even the least selected entry is important to one in four firms.

Let's now look at things from a different perspective.

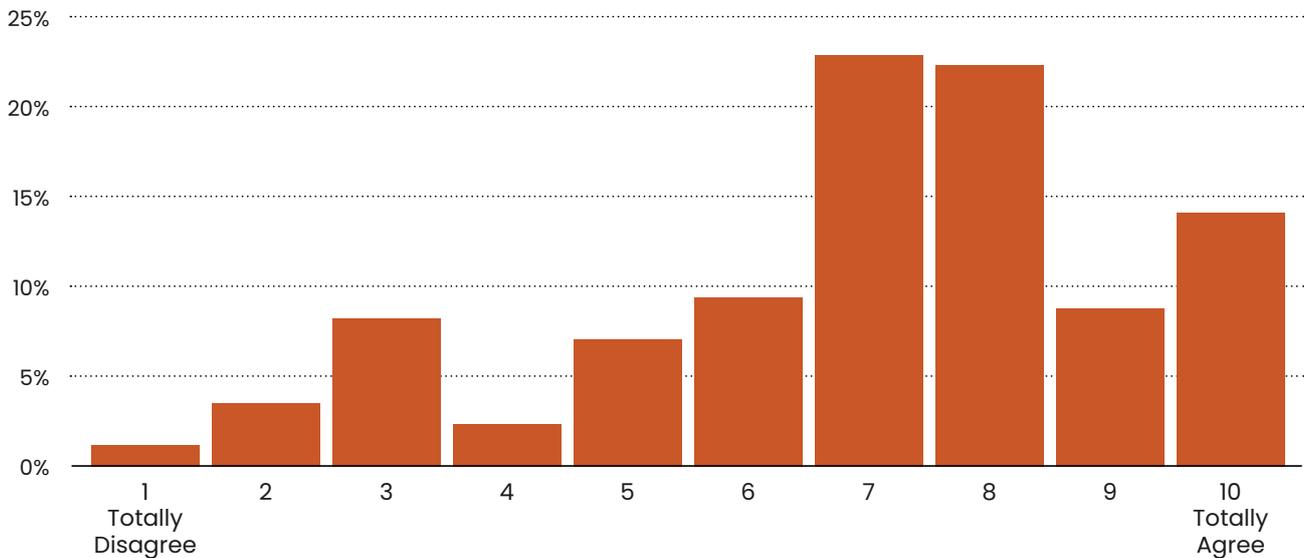
Role Types

Experience Service Differently

This is perhaps the most subjective area to assess through our research. Expanding on the subjectivity of different firms' own views on servicing, here we asked advice professionals to put themselves in other firms' shoes.

As a thought experiment it didn't quite hit the mark, as nearly everyone agreed that different firm and role types had different service expectations, because... well... they're different. That said, it illustrates yet another level of complexity and subjectivity to the service conundrum. It also illustrates the scale of servicing across broad platform propositions. Got a platform business? Got one that can run advisory model portfolios, DFMs too, perhaps a life book as well? How do you service these propositions, and the different types of firms and roles within that? How do you differentiate between the service levels afforded to primary and legacy relationships with firms?

"Different firms and role types within the advice profession need fundamentally different things from a service perspective"



Support	Admin Staff	Advisers	Paraplanners	Owner (advising)	Owner (not advising)	Compliance officer
Average Score (out of 5)	3.29	3.23	3.06	3.00	2.84	3.20

Role Types Experience Service Differently

The previous table is the average platform service rating out of five across different role types from our most recent SOTAN report. It seems the closer to the coalface your role is, the more highly you rate the service you receive.

It's also understandable that those more senior, as an owner, would generally only hear of problems being escalated, rather than the good stuff in day-to-day experiences.

Anyway, how this second hypothesis was received by advice professionals is best explained through the comments.

If we assume the comments here are broadly reflective of the wider industry, which is consistent with findings we've seen through SOTAN, other exercises and conversations with advice firms, there are different service level expectations depending on the make-up of your firm and the different roles within it.

With that in mind, and the previous findings on the subjectivity of service, it's incredibly difficult for advice firms to work out whether the service they need will be what they actually experience in day-to-day life **before** they take the plunge.

.....

A lot of the new work we take on can be quite technical, so from the paraplanning perspective they need providers that have good technical help desks. From an administrative perspective, for them good service would be being able to pick up the phone and be able to speak to someone about a piece of business going through... to them that would be amazing service.

.....

.....

Me as a standalone, I do everything, therefore my view of service is every engagement I have with a third party; whereas firms that are multi-practice, who have staff, their view of service would be, I assume, whether the job gets done.

.....

“

“

This section strikes us as a strong illustration of the complexity of the advice profession. Though all ultimately provide advice, and most of the work arguably goes into making sure people secure the retirement they envisage for themselves, how firms go about this in terms of process, structure and strategy is a pretty rich tapestry.

I think you get the most reliable responses [regarding service] from independent practices and administrators [as they interact more with the provider].

“

It makes sense then that the more variety in how advisers deliver their service to clients, the more splintered and fractured their service needs become. A firm running its own models on platform is going to need a fundamentally different level of support to deliver their proposition to clients.

We all would be speaking to different people within the organisation... Yes, it does differ from role to role.

“

Perhaps what we were searching for is an acknowledgment that servicing touchpoints can be profoundly different from firm to firm, but we think advisers found it difficult to put themselves in each other's shoes. This is not at all a slight on the firms that participated, rather we feel it's indicative of the overarching theme of this paper: service is complex. Of course, there are plenty of firms similar to others, but the information to be able to think about the advice profession in this context just isn't available.

So how on earth do firms go about gathering data to make an informed decision about which providers to recommend? How do they find the right home for their clients and their fellow staff members? That leads us nicely to our third and final hypothesis.

I think it would be similar between firms in terms of what their servicing requirements and issues are; I suppose what might vary is, I am a sole adviser business that does pretty much all my own processing and admin. A lot of firms obviously have got paraplanners and admin doing all that. The planner might have a totally different perspective of what a service is from a platform, than if you were to speak to an admin assistant; they probably shield a lot of stuff from their planners.

“

I think the type of clients you advise might make a difference potentially -you aren't going to use a platform that doesn't work with bonds if your client needs a bond.

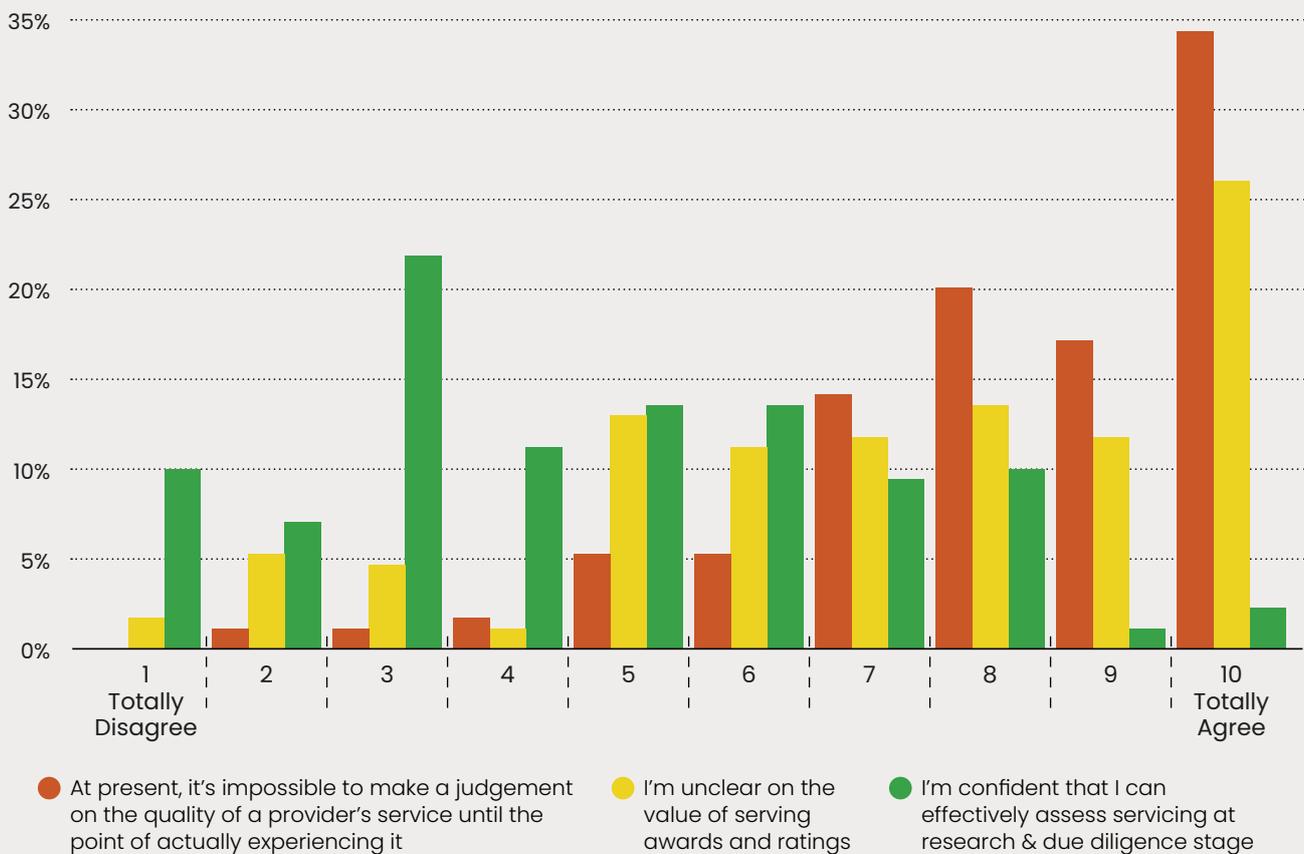
“

If you are a very large firm, I could imagine you would want a platform that has updated processes - for example you don't want ones that work solely with physical paper. That's three hours work vs. five minutes of work.

“

The Profession Can't Make an Informed Judgement

In the last of our three main thoughts, we explore whether the advice profession can make an informed judgement on service before actually experiencing it. We challenged this in both our quantitative and qualitative research.



In the qualitative interviews, we set out our thoughts on service in an explicit statement and asked our interviewees to what extent they agreed or disagreed with this on a scale of one to ten. For completeness, here's the statement in full:

"We believe it is currently extraordinarily difficult to assess the quality of servicing across the financial services sector without taking the plunge and actually experiencing it. By then it could be too late. You as a profession have to rely on peer review as opposed to reliable, robust data. Fundamentally, this part of the market is broken and needs addressed."

This is what advisers told us:

.....
I definitely agree - so much of it is down to personal experience. You often hear the good and bad stories, but I don't really know how you would know if [providers] are good or not, unless you have clients with them? It all comes down to personal experience.

“

Absolutely... You have no idea what it's going to be like until you have placed business on the platform. The last thing you want is to have to go back to your clients a month later and tell them the platform I suggested they place their business on, well I am going to have to place your business somewhere else.

“

Everyone has different views on different platforms... Until you have actual experience with a platform, placed business on it, done reviews on it, assessed the funds, until you have done that... the only way you are going to get experience is by doing it yourself.

“

.....
The one thing you don't know, until you have been allocated a consultant, is how good that consultant is going to be.

“

But how can you judge it [a platform] without trying it?

“

I think peer feedback is actually reasonably accurate if you don't go to just one person, and you go to a pool of people.

“

It's definitely broken but there is some useful information out there from peers.

“

There is no way to review [a provider] unless you get your hands dirty and just try it, by which point it can be too late.

“

The provider themselves will just sugar coat everything.

“

The Profession Can't Make an Informed Judgement

The average score across our interviewees was that a resounding 8.8 out of ten agreed with this statement. So how do they navigate platform selection and service currently?

There's a shared scepticism about awards. Advice professionals accept awards are a commercial reality (albeit one that shouldn't exist), but awards are still used as a service indicator, because what else is there?

We asked interviewees what they thought of service awards and ratings:

.....
I take them with a pinch of salt, it all depends on the people that are nominating the firms or how hard the provider is pushing their clients to vote for them. I think they do hold a bit of weight, but I still think it comes down to how well their servicing matches what your firm needs.

..... “

Everyone seems to have won 'best platform of the year' on something.

..... “

How impartial is it actually?... I do use them as [a kind of] confirmation bias.

..... “

Our experience has led us to discredit them, so we typically use peer reviews.

..... “

.....
We do look at them, but I don't think we place a great deal of faith in them... It doesn't mean anything, it seems so out of date.

..... “

We have to use something, don't we?

..... “

Everybody has awards, so which do you use?

..... “

I have a strong feeling that they are flawed.

..... “

A feeling of uncertainty and untrustworthiness - I definitely do not make any decisions based on them.

..... “

Service ratings are more useful, depending on how the data is being gathered.

..... “

Speaking from experience, we're conscious of how difficult rating service is. We're fiercely impartial in our adviser ratings and ensure that they're a collection of peer reviews at a snapshot in time. But we also have had challenges in the past over how we get meaningful results.

What's clear is while peer reviews carry far more weight than industry awards, those companies offering ratings and peer reviews (including ourselves) need to do more to help advice firms make better decisions.

From our perspective, our own provider ratings have been under perpetual review since inception a few years back and recent changes have included things like - starting to split out ratings by the provider relationship type, be it primary, secondary or legacy, to get a more pragmatic, usable view from the profession. However, running this project has been eye-opening for us and made us press pause and revisit our processes entirely. You'll hear more from us on this subject throughout the year.

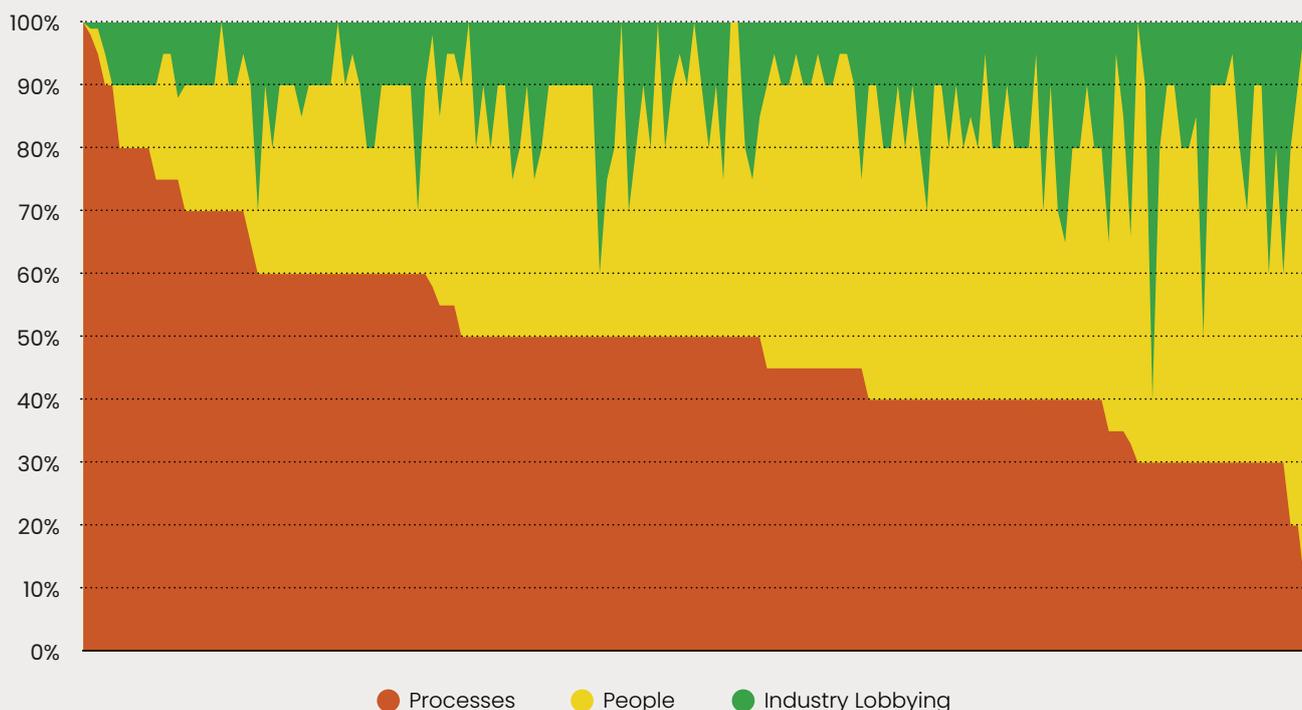
A Thought Experiment: Where Would You Invest?

Before we get to our conclusions, we had one more thing to ask our interviewees. Imagine you are in charge in Platform and Provider Land. Where would you focus your efforts to improve the sector?

We gave three options:

- 1 Process improvements** - with a focus on doing more digitally. Fewer touchpoints, fewer signatures, more straight through processing et al.
- 2 Bench depth** - more bodies on the ground in servicing, investing in qualifications and career paths within the sector.
- 3 Industry lobbying for broader changes** - for example, things like a standardised Letter of Authority process and improved asset transfer times.

This graphic shows how people answered, with each bar in the x-axis representing an individual process. What this tells us is that process improvements lead the way, with a mean average spend of 49% of advisers' imaginary budget going on this. People came next with around 37%, and lobbying came last at 14%. The variety of responses further evidences the inherent lack of consensus about how to drive the sector forward.



Here are some of the most interesting comments we got alongside the data:

.....
100% [it's about] the people that answer the calls. They should be highly skilled, highly paid and highly motivated, because if I can call someone up and have any question answered in 30 seconds, job done.

..... “

Processing improvements would be a huge start - I think that's where you would get the biggest win overall. It would make the biggest difference in the shortest amount of time.

..... “

People are important and I would probably allocate 50% into that but 30% into lobbying and 20% into technology.

..... “

More people, and more better trained people.

..... “

I do find with other providers a lack of training, a lack of knowledge as a result of which service to clients is poorer.

..... “

.....
I think it is difficult for providers to find the right people.

..... “

If your processes are incredibly slick, you don't need the people.

..... “

Minimum standards are the holy grail, that would be absolutely brilliant...

With letters of authority, some [providers] can go with a number and a signature, others need clients' inside leg measurements, National Insurance number, where they used to live, where they now live...

It's got to the point now that I get a client to sign three letters of authority for each policy.

..... “

If you got the lobbying bit right, the rest of it would probably fall into place and you wouldn't need as much of the bodies and people.

..... “

The more you invest in people, the staff turnover wouldn't be as big and therefore the people would be more knowledgeable, they would know how to fix problems, they would know how to develop new technology etc.

..... “

The Profession Can't Make an Informed Judgement

..... “
Fix the functionality, the technology and the processes first, to make the adviser's life really smooth and efficient. You fix that first and then you back that up with really good quality service teams so that when things do arise, they know how to fix it swiftly.

..... “
To make all the tech work. If all the tech worked for all the platforms, it would be very interesting to see what they did with their service because they would have the time, freedom and money to spend it however they chose.

..... “
The tech for a platform is the fundamental thing.

..... “
I would improve the IT definitely. The platforms that are doing really well and sweeping up a lot of work have modern IT and modern systems. That is probably the biggest thing where money needs to be spent, modernising the whole system and making it easier to do business with them.

..... “
I would have a dedicated BDM for every IFA firm so I could say: 'These are your people to contact about specific different areas'. Advisers would have a dedicated point of contact, and if they can't help you, they will know exactly who to pass you to.

..... “
Anybody who is answering the phone, you make sure they have a really strong understanding of, not just the basics, but the system [itself].

..... “
A lot of providers don't invest any money into helping guide the service teams.

..... “

Answering Our Call

So what on earth should we as a sector do with all this information?

We've distilled our thinking into the following seven things we think will help us in future, on our way to a newer, better way of understanding service.

ONE

The most concerning discovery in our research is that the advice profession (1) can't make an informed judgement on service before experiencing it due to the fact that (2) it can't rely on the data, awards and ratings that is currently available to it. The first step in solving a problem is admitting you have a problem and for us, stage one is unbundling the use of 'Service' as a catch-all phrase for a number of different issues. For the sector to move forward we need to acknowledge this and hold a more sophisticated view.



PEOPLE

- " I would say service is more about the people than the tech, especially in the platform world "*
- " It's what the human beings do "*
- " Being open and honest "*



TECHNOLOGY

- " When things are going smoothly, you could argue that's good service but a lot of it's just technology - whether that's service or not, I don't know "*
- " Providing really good administration service "*
- " It's what the tech does "*
- " First and foremost, it's about being intuitive. The kit works and I can make it work without manual [intervention] "*



RELIABILITY

- " Reliability - that's the first word that comes to mind. Something that is reliable, something that does what it says, something that you can have faith in - something that will work "*
- " Doing the things that they say they are going to do, what we expect them to do in the timeframes deemed reasonable "*
- " Competence, common sense and straightforward "*



SECTOR

- " It's about not waiting for a transfer to take several months to complete "*

- " It's hoping that a letter of authority process actually works and I don't have to explain to a client - again - that things aren't moving yet "*

TWO

The sector also needs to listen more to other roles. Paraplanners, compliance, operations and admin staff are the key to unlocking a better understanding of day-to-day life in the advice profession. We believe those roles are critically under-represented in the sector. In fact, even in this exercise we observed a reticence for other roles to put themselves forward for interview as part of our research process, despite us actively putting the call out for these very participants. We need to do better to bring diversity of opinion to the forefront of industry discourse. We'll commit to doing our bit on that front.

THREE

Linked to point no. 2, there needs to be more effective representation for the advice profession to try and mend the tripartite relationship between manufacturers, the profession and the regulator.

Answering Our Call

FOUR

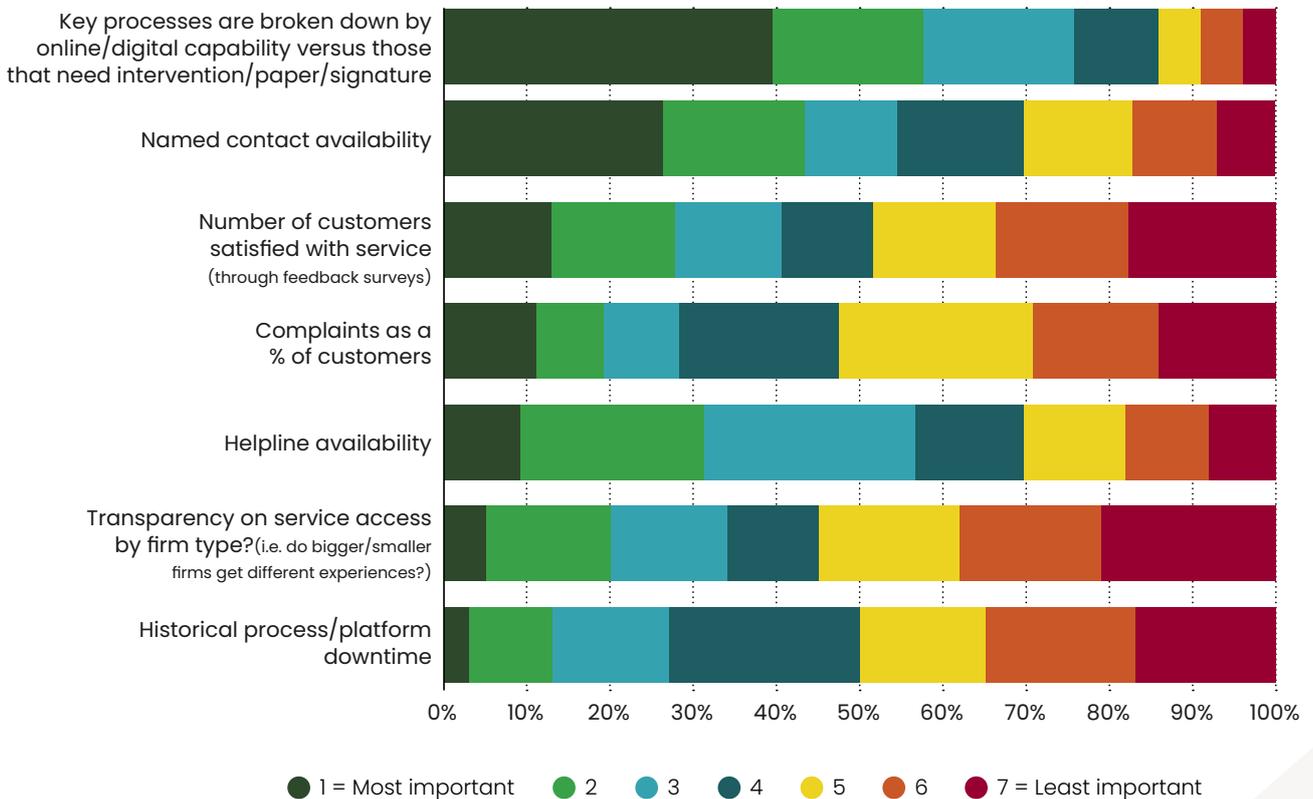
Minimum, enforced, standards across certain processes would be transformative for the advice profession and its clients: we're talking transfer times, Letter of Authority (LoA) standards, paper processes et al. This is extraordinarily difficult to achieve given the complexities and competing commercial objectives endemic within the sector.

Tonnes of great organisations and initiatives are working hard trying to fix things (Origo, Criterion, Pensions Dashboard, and the STAR Transfers and Re-Registration initiative come to mind immediately as examples) but the sector as a whole is held back by impotent regulation.

FIVE

As we said in (1) the most damning conclusion in this paper is the advice profession **doesn't trust** the way the sector currently rates and rewards success from a service perspective. As such, advisers can't currently make an informed decision. Given the sheer collective spend on ratings and awards, both in terms of effort and investment, this is clearly dysfunctional.

Our take? Our experience doesn't conclude anything other than it's true to say ratings and awards tend to come from a good and honest place. We know from first-hand experience the huge effort that goes into these.



But it's also entirely true that the sector is held back by an absence of robust comparable data. This links back to point no. 3 – who is driving consensus? Who is effectively representing each participant in the sector to drive it forward?

Adding further complexity is the fact that service means different things to different people, with the net result being a lack of consensus on the data needed to make a more informed decision. Look at the table on the opposite page. We put seven options on the table as examples of data that might help the profession make a more informed decision on platform service pre-adoption. The result? A leaning towards digital capability being the most important but still among a minority of firms. This clearly needs further exploration, discussion, development and ultimately, renewed consensus.

SIX

Brace yourself – this is your first Consumer Duty reference. You thought you'd got away with it, didn't you? The truth is, while Consumer Duty is one of the biggest games in town right now, the subject of servicing transcends even that.

Yet there are clear crossovers between the Consumer Duty rules and the issue of platform servicing. As a result of the consumer support outcome in particular, all providers will be required to offer a good level of service, with the FCA threatening to act against those who don't. Good service is no longer a differentiator; it's a given. That's the theory anyway. But based on all the challenges we've outlined, the questions remain: **Who gets to define what 'good' service means? And how will it be measured?**

Let's focus on what's true. Whilst Consumer Duty rules aim to uplift standards to a minimum acceptable standard, two things come to mind. (1) There is no version of reality where advice firms won't want excellent rather than 'average' service. *Stating the obvious klaxon alert* but the stakes are too important for the tasks that advice firms carry out on behalf of their clients for life to ever be anything other than this. Which leads to (2) platforms will continue to recognise the importance of service, innovating to try and gain a competitive advantage.

What's more, the Consumer Duty cross-cutting rule that requires firms to avoid foreseeable harm will mean a more forensic approach to platform research and due diligence will be needed. How a platform handles trades, pays income and rebalances portfolios could all lead to potential foreseeable harms that need to be identified and avoided. At a high level, service will have to meet the Consumer Duty standard, however the overall client outcome will be impacted by how good (or not) the platform functionality and the support model are.

Answering Our Call

SEVEN

So where do we go from here? For us, the solution is multi-faceted.

We need a set of agreed, well defined, measurable data points to compare service providers against. This is going to need significant thought to get right.

Let's look at an example. At present, the profession is hamstrung by making assessments based on the following typical scenarios.

- ▶ Provider A says it has answered the phone within 30 seconds 94% of the time in the last six months
- ▶ Provider B says it has answered the phone within 30 seconds, 98.9% of the time in the last six months. Furthermore, it has provided granularity on why that residual 1.1% leaked over its target of 30 seconds. Bonus points for transparency.
- ▶ So who is better? Has to be Provider B, right?
- ▶ Well, how do we know? How do we **really** know?
- ▶ What if Provider A achieved a better resolution rate in those 94% of cases? What if we looked under the bonnet of Provider B and discovered that in that 98.9% of instances there was a significantly higher prevalence of multiple contacts about the same things? Multiple chasers. What if, worst of all, those 1.1% contained multiple instances of processes falling down in the real moments of truth for clients when, pardon our Scottish informalities here, shit gets real for customer finances. Drawdown payments late. Incorrect valuations. Transfer payments not appearing when promised.
- ▶ Still confident you can make an informed judgement? We're not.

That's just one example, but the prevalence of headline averages on which advice firms are supposed to base decisions on scares us. These aren't just any old decisions either, these are real moments of truth that could well influence clients' financial wellbeing. We absolutely understand why we are where we are as a sector but we have to do better.

This is a challenge, but it also should not be beyond the wit of humankind to solve. The mandate from the advice profession is clear – servicing is the biggest driver of choice and the biggest source of frustration. It's imperative we do better.

But similarly, any organisation crafting, creating and releasing either awards or ratings should publish their methodology. This will surface the challenges, the improvements to be made but, crucially, will also help rebuild trust in the process. We believe that most working practices in the sector are better than they get credit for. Time to prove it.

In The Interim: Some Practical Help

So we've asked some difficult questions in this paper and clearly, we need to take some time to try and win the argument. Get this folks... sometimes not everyone agrees with what we say. We know, right?!

We wanted to leave you with some suggested practical guidance for a pragmatic way forward. We firmly believe each advice firm is unique (as we continue to bang on about, because it's true). Therefore, assessing service can't be a one-size-fits-all approach – especially when combined with what we've uncovered in this report. So, let's take your typical off-the-shelf question set found in standard due diligence packs and award assessments, and turn it into something more practical for the profession.

In drawing up these questions, we've based these on every conversation we held with firms twinned with verbatim comments in our quantitative study so you can be sure this is as much the voice of the advice profession as it is us.

BASIC	BETTER	THE LOGIC
<p>How do I get in touch with you?</p>	<p>What are your opening hours? How do they align with activity within our own business? When do we as a firm carry out key processes that need provider interaction?</p> <p>Do you have live chat? If so, is it actually live or chatbot/hybrid?</p> <p>What's your accessibility policy? How about clients that exhibit vulnerable characteristics?</p> <p>Do I get a named contact? Is the named contact in sales or servicing? What are their responsibilities?</p>	<p>This is all about taking your own circumstances as a firm: your working practices, role types and clients and asking pragmatic questions grounded in your day-to-day reality.</p> <p>Interestingly, we find there is often a real fork in the road among the firms we speak to in terms of who they want their named contact to be. Is it a servicing contact with responsibility for carrying out tasks? Or a more traditional BDM who acts as a gatekeeper or 'fixer' to connect you to the provider?</p> <p>Either way, it's vital to establish this at research and due diligence stage.</p>

In The Interim: Some Practical Help

BASIC	BETTER	THE LOGIC
<p>Tell us about the people working in your servicing teams.</p>	<p>Tell us about your career path for servicing staff. What are your turnover/staff retention rates? How is this broken down by role?</p> <p>What percentage of staff are currently attaining and have attained an industry recognised qualification?</p>	<p>If we were an advice firm we'd get a huge degree of reassurance from an organisation that can evidence it is investing in its people. This matters to the advice profession as evidenced by our research illustrated on page 22.</p>
<p>What proportion of processes can be carried out straight through and online?</p>	<p>Which of your key processes need manual intervention? Which processes need a wet signature? For example, can I instruct a withdrawal on behalf of my client without needing paper or a signature? Does this vary by wrapper?</p>	<p>We could go on and on with potential questions here. The core principle is to port over your expected, core interactions with a potential platform (noting the client segment involved and whether there are any specific circumstances to be considered) and how this reads across to your potential platforms' processes. Ultimately, if platform A tells you that they have 95% of processes online but platform B has 92% then what are you going to do with that information unless you know specifically what's in scope? The most pertinent outcome from that data is "what's in the 5% versus the 8%?"</p>
<p>What are your service standards and what are your attainment rates?</p>	<p>Tell me about your service standards broken down by processes X, Y and Z that matter to me the most. Can you evidence contact that resulted in complete resolution versus multiple contacts?</p> <p>How does complaints data differ from other contact data?</p>	<p>This is a big one for us and for the firms we spoke to. Too often, the profession has to rely on abstract, incomparable data that survives without interrogation. We've outlined this previously so no need to labour the point, but if a firm can't relate data specifically to their day-to-day then it is of no help. A number of firms explicitly told us how many rings a call is answered in is of little interest to them if it's the fourth or fifth time they've called.</p>

BASIC	BETTER	THE LOGIC
<p>Do you have tracking on key processes?</p>	<p>What is the mechanism for keeping me up to date on the progress of work items? Which processes does this apply to? For example, do you have visibility on transfers? If so, to what extent? Is this fully digital? Are there circumstances where you'll proactively intervene and get in touch with us?</p>	<p>One of the repeating themes throughout our interviews was that of peace of mind. Firms are more tolerant than one might presume of tasks taking a bit of time, providing there is peace of mind that something is being dealt with. One interviewee we spoke to compared this to his pizza delivery of choice – he liked the ability to see where his order was along each stage of the process. Now, we think it's ambitious to think we can get every big financial services process down to the time it takes to cook a Hawaiian, but there's often much to be learned from looking at other sectors.</p>
<p>Do you offer a service dashboard?</p>	<p>Do you offer a service dashboard? How is this broken down by people stats (i.e. answer times, workload items) versus process stats (i.e. platform downtime)?</p> <p>Taking this one step further, can I get personalised data based on my firm's service activity? And if so, how is it broken down?</p>	<p>We reckon that last point is particularly interesting and potentially impactful for medium to large firms. Working on the assumption that we can't all get absolutely everything right 100% of the time, or use the most efficient route to solving a problem all of the time, there's potential for platforms and providers to help firms work more effectively with them. This isn't about saying one party is right and one is wrong, instead it's about establishing a proper B2B working relationship where everyone works together. Think of the processing, procedural and user experience improvements that could be made if data was harnessed effectively.</p>
<p>How do you measure satisfaction?</p>	<p>Do you run regular research with your users? Is this qualitative or quantitative or both? How do you measure and evidence ongoing improvement and satisfaction? Is this carried out by you or a third party? Is the data comparable i.e. net promoter score/Trustpilot or similar?</p>	<p>We've been around long enough to smell a conveniently constructed marketing line – none more so than giving providers free rein to respond to an open question like "how do you measure satisfaction?" Instead, bringing in comparables and testing methodology gives little wriggle room.</p>

ANSWERING THE CALL?

Time to
look differently
at platform service

© the Lang Cat Ltd 2023. The Lang Cat Ltd is registered in Scotland (company number SC390771, 6 Quayside Mills EH6 6EX). And finally, importantly, please note: the Lang Cat Ltd is not regulated by the Financial Conduct Authority or Prudential Regulatory Authority. We cannot (and do not) provide financial, investment or other related advice. Nor do we provide any recommendation or endorsement of products or providers. Everything we publish is our interpretation of, and view on, global affairs and other matters of particular interest to us at the lang cat. It is provided to you, our audience, for general information purposes only on an 'as is' basis, and it is not intended to be a recommendation or a substitute for further appropriate activity by you and any other interested party (for instance, from a regulatory, risk, compliance, due diligence, suitability, analytical, legal, accounting, advice or any other perspective). You use the information at your own risk and we can't accept responsibility or liability if you use it, or rely on it, and things go wrong. Whilst we always strive to be perfect and ensure that everything we produce and report on is accurate and up-to-date, we can't guarantee accuracy (because, for instance, we rely on others for data and other input). Thanks for reading.

**THE
LANG
CAT**