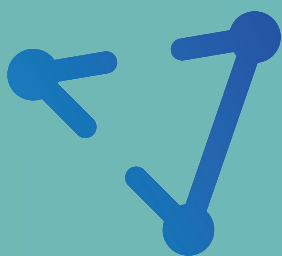




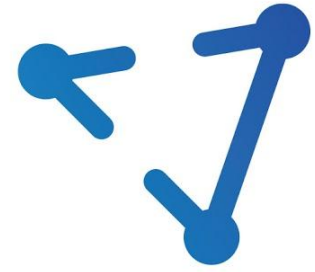
## Build Back Better

Positive steps for utility collections teams  
planning for 2021 and beyond



# Index

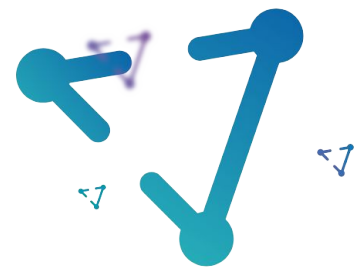
What can we expect?	04
What are the constraints?	05
What are the risks?	06
Positive actions to take right now	7-8
Summary	09
Get in touch	10



The Government's COVID-19 measures have shielded many businesses and consumers from the harshest economic effects of the pandemic. Those measures are now reducing in scale and utility providers will need to prepare for the challenge ahead.



## What can we expect?



Financial vulnerability looks set to rise. Sectors including retail and hospitality face continued pressure as local lockdowns and social distancing measures affect their ability to operate normally. Further redundancies are forecast before the end of this year. On top of this, some customers will see their bills rise as a result of lockdown, furloughing and homeschooling.

As a result, customers are experiencing prolonged stress and anxiety. For some, there will undoubtedly be an impact on mental health from the continuing restrictions and unpredictable work and income patterns. Many customers will be contacting their supplier for help for the first time. How suppliers respond in the next weeks and months will be critical.

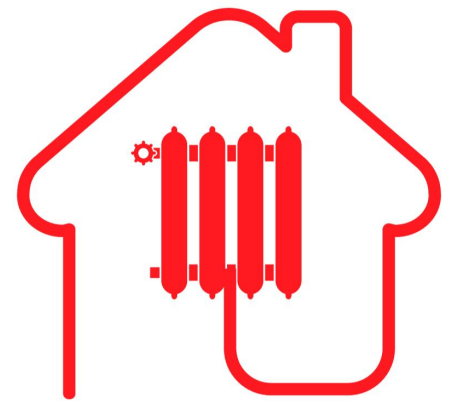
### Figures

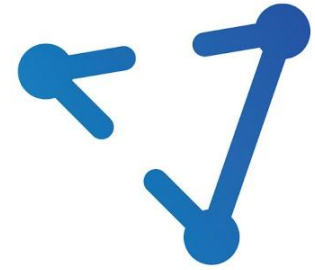
- 1.2m people behind on their utility bills
- 695,00 fewer people on payroll during August 2020
- Household bills rise as the cost of lockdown and homeworking hits home



## What are the constraints?

- Many billing systems are configured for a 'normal' course of events based on a set of averages, and they have limited ability to define segments and offer tailored treatment for high volumes of customers facing turbulent circumstances.
- Inbound enquiries are set to rise exponentially once again. Call centre capacity may come under strain, and response times and outcomes may suffer as a result.
- A one-size-fits-all approach is unlikely to meet customer expectations and at worst, can expose the business to regulatory penalties if all customers, including those in vulnerable circumstances, do not receive fair, positive and timely outcomes.
- Collections strategies and messaging will need to be adapted as guidance and business requirements change. The ability to configure systems in-house may be limited. The time and cost-to-change via suppliers can be prohibitive and stifle the ability to respond dynamically.





## What are the risks?

- ❖ financial penalties - close scrutiny by regulators
- ❖ customer switching - one chance to make a good impression
- ❖ poor ratings- word travels fast when service disappoints
- ❖ bad publicity- lasting damage to reputation if stories make the press
- ❖ increased costs - lack of automation means rising costs that impact profitability
- ❖ debt book grows- hard-hit consumers falling into arrears for the first time. The severity of arrears increasing.



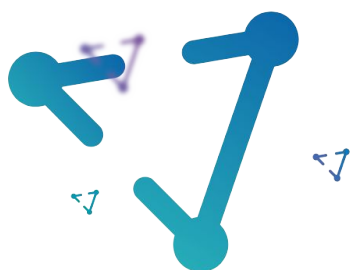
## Positive steps to take right now

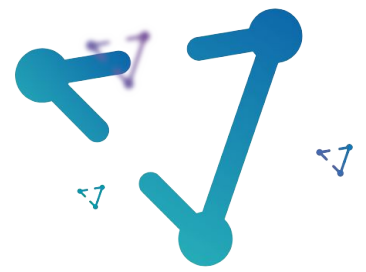
### 1. Maximise the value of data

We live in a society increasingly used to real-time digital interaction. Customers expect changes and payments to be registered instantaneously and for information held about them, and decisions taken based on that information, to be accurate and up to date. Incorrect information is often responsible for mundane errors that lead to wasteful repeated effort, draining already stretched resources.

Traditional bureau data can be slow to update and may use outdated 'average' personas that fail to reflect the individuality and nuances of customers lives. Yet, there is a wealth of data already sitting in the hands of utility suppliers that is too often seen as a burden to manage rather than a precious resource with productive possibilities. It can provide all the critical detail needed to infinitely improve segmentation and to tailor everything from engagement and messaging, to agent guidance and treatment pathways.

In practice, this means organisations can define risk using a highly accurate 'segment of one' capability. They can then predict potential problems in advance and work to resolve them before they become entrenched, damaging and costly difficulties. For example, in the current situation, data can be searched for indicators of impending affordability issues– including work sectors affected by curfews and social distancing measures, and on areas of the country subject to local lockdown. Help can then be targeted effectively and where appropriate, action can be taken pre-delinquency, and at every stage, actions can be more timely and directed.





## Positive steps to take right now

### 2. Prepare for high inbound volumes

In the coming weeks and months, the end of furlough will trigger another round of high inbound volumes. Utility collections teams often work under tight resource constraints and internal teams are hard to scale quickly without relying on non-specialist staff. This in turn can give rise to less consistent treatment and an incohesive approach, as well as a less satisfactory experience for anxious customers, many of whom may be engaging with collections for the first time.

The demand for digital engagement has been accelerated by lockdown with customers opting to avoid voice calls and self-serve where that facility is made convenient, accessible and empathetic. This doesn't have to be limited to payments. In fact, when customers self-serve, they increasingly expect the full range of services to be available and for those services to be a simple to use and relevant.

### 3. Take Control

Further measures may be implemented by Government and/or regulators, and changes are likely to continue well into 2021. Strategy needs to keep pace but the ability to respond dynamically to events remains a pipe dream for organisations reliant on systems with limited functionality.

Many older on-premises systems are now moving into an obsolete phase where updates are no longer available and maintenance costs are prohibitively high, just to keep the lights on. It's getting harder to delay the move to modernise when internal teams have little or no control, when change takes weeks or months instead of hours and even simple changes without incurring cost.

Where these functionality shortfalls are overcome via workarounds and spreadsheets, the security of customer information cannot be guaranteed and could expose the business to the consequences of a GDPR breach.



## Summary

The utility sector is at a pivotal point in the COVID journey. It's clear things are not going back to normal any time soon. Many organisations used their emergency strategies through lockdown but are now looking to put longer-term solutions in place. There is no single 'silver bullet' but there are many positive advances that make it easier to target help more accurately, to serve customers quickly and consistently, and to make the most of resources at a time when capacity is stretched to its limits. Across all utilities, the revenue that funds investment in infrastructure and improvements in services for customers is a priority and collections has an important role to play.

Customers will be living through the deepest recession since records began. How their utility provider responds to hardship now will define the ongoing relationship, for better or for worse.





Flexys is a specialist debt management software supplier with a highly experienced in-house team covering design, research and development, delivery and support.

We deliver smart and modern collections systems, built on decades of commercial, developmental and operational industry experience, that will break the cycle of dependency and expense that many legacy systems demand. Our mission is to dramatically improve on the status quo, both in terms of the speed, performance and cost-effectiveness of our products and providing a responsive, can-do service ethic for our clients.

## Get in touch

We would like to start a conversation. Our objective is to be the most transparent and approachable debt management systems provider you will find. We listen to our customers because experience tells us that is how to keep learning and evolving.



+44 (0)117 428 5741



[enquiries@flexys.co.uk](mailto:enquiries@flexys.co.uk)



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