

# RESPONDING TO THE CUSTOMER

BARCLAYS IS IN THE PROCESS OF INSTALLING A WIDE RANGE OF TECHNOLOGY TO IMPROVE ITS CUSTOMER SERVICE ON THE INTERNET AND IN BRANCHES.

**GARY FLOOD** ASKS BARNABY DAVIS (RIGHT) AND DANIEL MEERE HOW THE BANK IS MEETING ITS CUSTOMERS' EXPECTATIONS ON SERVICE, SECURITY AND CHOICE.



One of the most annoying things for bank customers is often the long queues, particularly at certain peak hours, such as lunchtime. The good news for Barclays' customers is that if they simply want to deposit a cheque, the bank has recently installed proof of deposit machines in all major branches to handle cheques at the counter more quickly and accurately.

Meanwhile, other sleek new boxes appearing in branches are its kiosks enabling new transactions over and above traditional ATM services, while on the internet Barclays' 1.6 million online customers are already used to dealing with a banking system with an eight-year track record of useful service.

Behind all this, say insiders, is a significantly enhanced core processing system enabling customer advisors to open a bank account within 15 minutes to better capture lunchtime trade.

## What the customer wants

The message is that when it comes to effective use of customer-facing technology, Barclays thinks it has cracked the problem; that is, arrived at a solution that does not corral customers into a particular channel, even if that is the one the bank finds cheapest and most convenient to run.

'Our philosophy is to look at things through the customer's eyes, not in a detached operational way,' says Barnaby Davis, electronic banking director of direct channels for the bank's UK retail banking division.

'In some ways this is quite different from what many commentators thought internet banking would be all about. It used to be thought that users would spend a lot of time using the internet to compare financial products in their own time. Instead, they want to use it for things like home insurance or credit card applications, which they can complete online quite easily. But for more complex things, such as mortgages, they often want to talk to someone. So our online service has to reflect that, in line with our overall approach, and not keep funnelling people down the one route – it must be easy for customers to change the channel of communication with us as soon as they want to.'

It is no secret that Barclays is on a quest to become a 'top five' global bank. Its credibility was boosted by its June 2006 half-year figures, which showed a rise in pre-tax profits to £3.6bn. But it is not resting on its laurels. There are rumours – no bank would go public about such deep back-office changes until they were delivered – that a core system replacement programme will ensure a change in processing and servicing capability.

Practical benefits to the customer could include removing the process breaks in key application processes, simplifying the processes for both



A key deliverable here, for instance, has been Barclays' moves to offer better internet protection. In June 2006 it started bundling F-Secure's antiviral software free to all online users, plus an SMS service to alert customers to potentially suspicious bank activity as soon as possible. In August it announced a two-factor authentication product, in the shape of a calculator-sized piece of kit that will read your debit card then provide a security number that can only be used once for online purchases. This technology, which will be introduced by the end of 2007, is expected to provide robust fraud protection and give customers confidence when using the web.

When it comes to the internet, Davis sees his mission as meeting strategic challenges while optimising and exploiting existing technology and investment to its fullest potential. 'At one time there may have been a sense that the scale of your web presence was the big positive,' he says. 'At this stage, though, the emphasis is on making our internet service more responsive and supporting customers' ability to use whichever other channels they require, be it branch, telephone or mobile.'

Part of that aim is being met by using partners such as Dare, the online design agency that Davis characterises as 'highly creative'. Underpinning its work is software from Touch Clarity, which is the engine behind the sites' ability to change content dynamically to suit customer preferences. Running alongside is the Transversal Metafaq search engine, which powers Barclays' ability to quickly find what the customer is after and offer links to potentially relevant product areas. For example, a customer searching for foreign currency will be offered a link to travel insurance.

**Improving the branch experience**

In July 2006 Barclays also announced that it had completed most of a £5m upgrade to replace its counter systems. Some 60,000 pieces of legacy branch hardware have been replaced at 1,736 branches in six months, ahead of the 18-month timescale. A spokesman says: 'We have rolled out a number of products and applications that have improved our ability to interface with customers, which in turn improves the sales ratio with those customers.' Some 17,000 counter staff have also received training in the new kit.

At the same time, the bank's contact centres have seen major advances in the self-service arena, including greater levels of automated service requests (such as balance enquiries) and interactive voice recognition-based streaming to cut down the need to speak to an agent for routine transactions once customers have performed the necessary authentication themselves.

As the firm is committed to its branch network forming the central focus of UK retail strategy, this requires a flexible, scalable and responsive technology suite to deliver high levels of service. The underlying objective behind all this work is to build an IT infrastructure that will provide robust, reliable and responsive service to customers and is scalable enough to incorporate future enhancements.

It is not just back-end hardware, software and networks that are being supported or enhanced, say observers. 'Barclays is a keen advocate of providing its staff with the appropriate tools to perform their roles,' comments Daniel Meere, head of financial practice at project management consultancy PIPC, which is a partner of Barclays.

'This customer service initiative demonstrates a firm commitment to deliver on that promise, and incorporates many functional requirements gained from close cooperation with user groups who played a pivotal role in shaping the look and feel of the end result,' says Meere.

Barclays, it seems, is determined to make its customer-facing technology as customer-responsive as it possibly can be. FBA

existing and new customers to take the pain out of basic functions, and providing staff with as much information about the customer as possible in a simple, digestible view to enable better matching of products to financial circumstances and customer need.

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**Safer service**

Barclays is also said to be investing heavily in providing its customers with a safe, convenient service throughout its branch network and through its remote channels. The motivation? Such investment is seen as central to its strategy to respond effectively to sophisticated and diverse customer demands coupled with increasing expectations on speed of delivery.