COMPLIANCE INTELLIGENCE

The Essential Guide to RG 271

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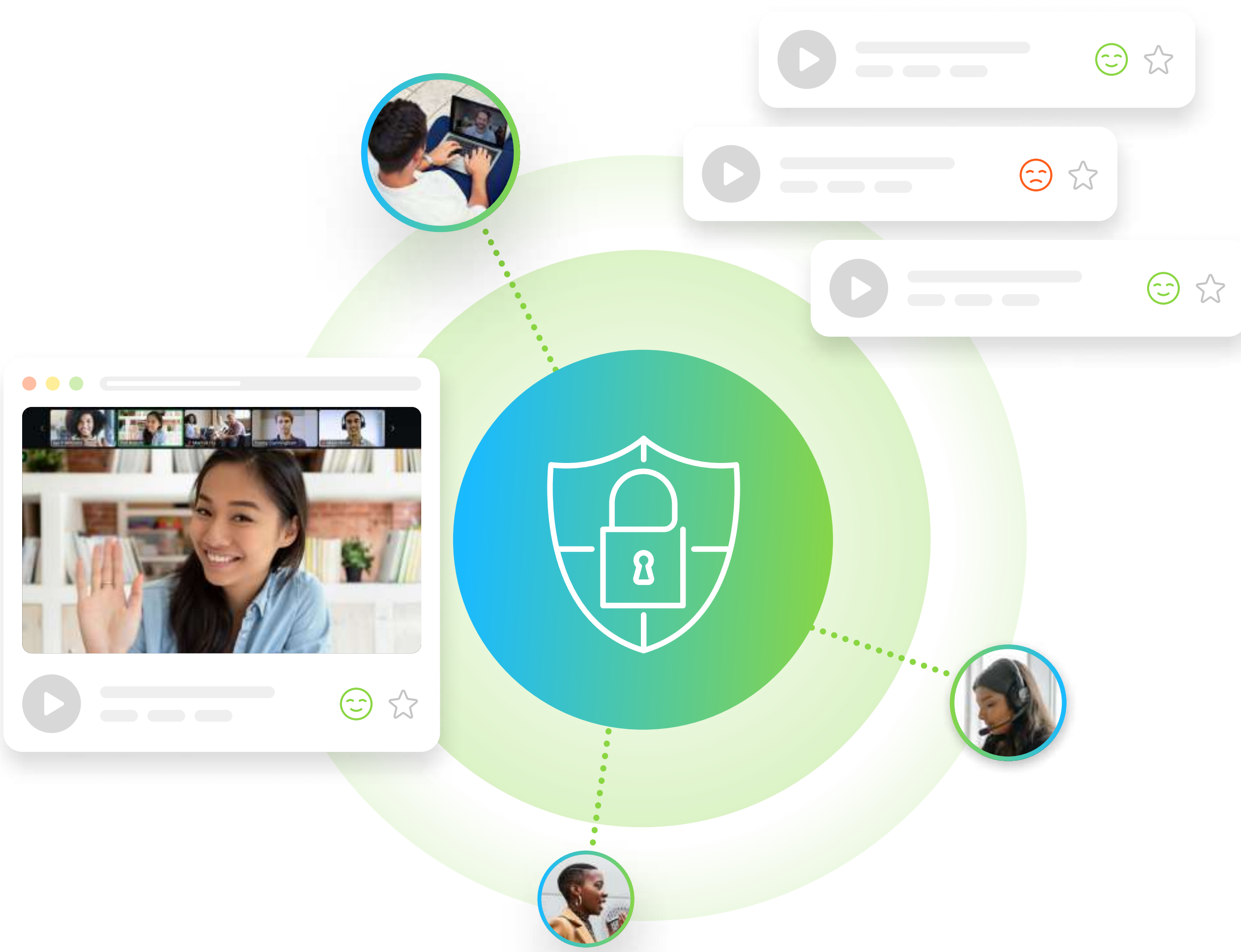
How unified call recording and voice AI can help you comply with certainty

From **October 5** new regulations will cover how financial service companies handle complaints.

Regulatory Guide 271 lays out what companies need to do. The Australian Securities and Investments Commission (ASIC) is in charge of the reforms. It's guide is an updated set of obligations for internal dispute resolution (IDR) and replaces the existing RG 165.

In this paper we'll further explore what the regulations mean for financial services firms and how new unified call recording and voice AI technologies can help you comply quickly and cost-effectively.



Timely

'Timely' is the key word. Companies must document and acknowledge receiving a complaint within 24 hours or one business day. After that, the amount of time taken to deal with a complaint depends on the nature of the dispute.

For a lot of companies there is a strict 30 day window to deal with the complaint. In the past companies had 45 days. Adjusting to a shorter window means tightening procedures.

There are cases, such as superannuation providers, death benefit distributions and trustee arrangements where the time frame is longer. And there can be exemptions in complicated cases.

Either way, time is short. The clock starts ticking when the complaint arrives. Deadlines are shorter than in the past. There is pressure to act fast.

“ASIC’s new rules aim to ensure that every customer is able to get a fair, timely and effective dispute resolution”.

Sophie Devitt, Partner, DLA Piper

Operational efficiency

In order to respond quickly, financial services firms will need to improve operational efficiency and, where possible, use technology and automation to speed workflows.

RG271 comes into effect on **October 5**, but finance companies can't leave it until then to prepare. Every financial services business has to comply before that date. Each company has to show it understands the changes, that it will comply and that it has appropriate training and resources in place.

The penalty for not having those procedures in place can be severe. Once the new regime is in place, ASIC will have the power to enforce parts of the guide. That means companies that don't comply are likely to face court action with hefty fines.

ASIC intends to move to mandatory reporting, which will mean more comprehensive record keeping.

"Companies need to think about how they can meet their obligations. It means putting the right structures in place, setting up internal processes and deciding on the frequency of reviewing processes. There is a reporting requirement. Producing the data is now a big element of compliance.”

Sophie Devitt, Partner, DLA Piper

What is a complaint?

We all think we know what we mean by the word, but ASIC has a broad definition of what it considers to be a complaint. It can be an expression of dissatisfaction towards the organisation in respect of its products, services or employees.

On top of that, there can be complaints about the handling of an earlier complaint.

When there is a complaint, the regulation says the finance company must resolve it. It means capturing any expression of dissatisfaction from customers where there is a reasonable expectation that a response or resolution is expected.

That expression can be in a verbal conversation either face to face with a company representative, over a telephone or in a video call. It can also be in online text chat or on social media.

Not everything is a complaint

RG 271 recognises that not everything coming from customers is a complaint. That means companies need smart filtering in their workflows to classify the nature of a complaint.

This can help later when it comes to analysing the performance. Managers will be able to look back at the data and spot where there could be, say, a problem with the way the customer support team handles payments or transactions. This analysis can uncover potential improvements to processes, and even products.

Fixing those problems can be as simple as updating marketing material or product information.

Deciding what is a complaint is important and will differ from company to company. Not all circumstances are the same.

"A good starting place would be to look at customer expectations and whether they are being met. This could also mean work for companies on setting those expectations."

Sophie Devitt, Partner, DLA Piper

Speed is vital

One challenge companies face with the new guidelines is getting a complaint into the system as fast as possible. Data collection will be essential. The more this is automated, the better.

The rules cover face-to-face verbal complaints as well as conversations on a phone or video call.

Things get difficult when a verbal complaint takes place away from an office. It's one thing to receive a complaint while working at a desk, it's another matter if, say, a customer complains to an insurance assessor working in the field looking at damage to a person's home. In many cases the people hearing the complaint can be third-party contractors who may not have access to the parent company's systems and processes.

There can also be an issue when the person who receives the complaint is outside the normal financial sector chain. It could be a builder working on house repairs for an insurer or a car mechanic. These people are even less likely to have access to reporting channels.

Helping everyone involved capture complaints can mean utilising advanced recording technology that records not only phone and video calls but also face to face interactions, converts it to voice data and seamlessly integrates into company IDR workflows.

Responding

After capturing a complaint, it is important to alert key people in a timely manner. That way the company can send an acknowledgement before the 24-hour time limit.

It's possible that companies may be able to automate parts, or all, of the acknowledgement process. The company representative hearing or reading the complaint can flag the call and put the complaint directly into an IDR funnel. There's an expectation that the acknowledgement should be sent out in the form the complaint was received. If the complaint came in a call, the acknowledgement should be via a call.

On the positive side, if the team can deal with a complaint within five days, the company doesn't need to step through the entire regulatory process. Often a fast response can nip things in the bud and prevent issues escalating.

Unified call recording and voice AI can help

Complying with the new obligations will mean putting processes in place and reporting on disputes. It involves a considerable amount of work.

The reforms place a huge extra burden on compliance teams who now have to monitor every customer transaction across every channel.

Virtual oversight using unified call recording and AI technology can provide an extra layer of support to compliance teams looking for complaints.

The technologies can automatically detect and alert the right people when a customer is unhappy. Systems can automate parts of existing IDR processes and workflows to speed responses. Dubber technology can integrate recorded voice data into other reporting data sets. This means finance companies can stay on top of ASIC expectations.

Unified call recording gives finance companies the ability to capture every conversation between the company and consumers whether it takes place in a face to face meeting, on a landline phone, mobile or in an online video conference using Zoom, Microsoft Teams or Cisco Webex.

Sentiment analysis

There may be cases where staff don't recognise there was a complaint. Dubber artificial intelligence technologies include sentiment analysis. This can help identify potential disputes or expressions of dissatisfaction that may have gone unnoticed and automatically alert the right people inside the organisation.

If, say, during a phone call the tone and the volume of a caller's voice increases, that often indicates things are not going well. Humans can pick up on this, but may be otherwise occupied or not recognise it as an expression of dissatisfaction; Dubber's AI is able to flag the call for attention.

Many complaints can result from poor human interaction. Or it could be the lack of human interaction when a customer can't get through to the person they need to deal with.

Voice AI can quickly identify conversations where there is negative sentiment. It can flag them for immediate investigation to identify the root cause. It may be that a customer service representative needs training to better handle difficult customer conversations – thereby reducing the number of complaints received. It could be as simple as providing clearer product information on company websites.

Dubber has the technology that can help companies prepare for RG271 and better manage internal dispute processes.

Sophie Devitt *is a partner with DLA Piper. She works from the global law firm's Brisbane office and specialises in insurance regulatory law, which has wider application across the entire finance sector.*

Dubber *is the world's #1 Unified Call Recording and voice AI solution for compliance and operational efficiency. Dubber's fully compliant solution can be switched on with a click, and is infinitely scalable in the cloud – with no hardware requirements. Every conversation is captured automatically, stored securely in the cloud and available instantly to replay. Voice AI provides transcriptions, sentiment analysis and alerts.*

Get started today!

Need help transforming your voice conversations into valuable data to meet compliance mandates?

Contact us today for a consultation with one of our voice data experts or visit **www.dubber.net/RG271**

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