

# Study on Managing Call Centers in European Financial Compensation Schemes

INFORMATION PAPER

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## 1. Introduction

Since the financial crisis, substantial work has been undertaken to strengthen the ability of deposit guarantee schemes as well as investor compensation schemes to respond to problems in the financial system.

The willingness and the ability to communicate with depositors during financial turmoil in the markets became an important aspect of crisis management. To help member institutions in their efforts in this field, EFDI decided to issue a compendium of good practices relating to call centres.

Fortunately enough, many members of the European Forum of Deposit Insurers (EFDI) still have a limited payout or crisis experience yet. So, sharing the knowledge and expertise of those who successfully managed financial crises is crucial for the entire European deposit insurance and investor compensation community.

The information paper provides an opportunity to highlight the operational considerations of one of the most important mass communication tools that financial compensation organizations may use during crisis. This provides further opportunities to improve our financial consumer-protection services in a short period of time. Congratulations and many thanks to all participants in the EFDI PRC Committee.

Thierry Dissaux

*Chairman of EFDI*

The objective of the Communication & Public Relations Committee of EFDI is to support members by harmonizing their efforts, as well as by exchanging experiences related to all aspects of communications with media, depositors and investors. This includes sharing good practices among schemes.

Since the financial crisis the ability to respond operationally and communicate in a consistent and timely manner to customers during crisis showed its importance. Critical to public confidence, financial compensations schemes have to respond confidently and clearly to client questions. Call centres are in the front line of this mission. Having high standard professional competencies in call centre management is essential to reassuring depositors and investors maintaining public confidence in the financial system.

To help EFDI members in their efforts in this field, as well as to enhance the quality and the efficiency of their services in case of a cross-border payout, the EFDI PR Committee conducted a comprehensive survey on managerial challenges of call centers. Moreover, the PR Committee meetings are the opportunity of periodical reviews of tools and practices and of intense discussions in sharing experiences. At the end, this document aims to inspire EFDI members with an operational support that would help in providing better customer services.

István Tóth

*Chairman of PR & Communications Committee*

It's absolutely vital that schemes communicate clear, consistent, compelling messages across channels to reassure depositors in a crisis. Call centres are essential to providing the answers depositors and investors want from schemes. They're critical part of reassuring people and building public confidence in the industry and deposit guarantee schemes.

Mark Oakes, FSCS, UK

While call centres have proved their effectiveness in peaceful times they become crucial during a payout, especially a large scale one, for providing prompt and comprehensive answers to depositors' queries. Effective communication to depositors achieved via '*standing ready to respond*' is essential in such times. The role of call centres has been increasing also as a result of more demanding consumers and a shorter payout time.

Roumyana Markova, BDIF, Bulgaria

Investor compensation scheme payout events usually take a number of years to resolve as they primarily arise due to a fraud at the investment firm. On that basis, we operate an in-house 'call centre' which doubles as our business as usual operations team. Therefore, during the early stages of a failure, the operation teams focus shifts to call centre mode, reverting to business as usual as the claim 'settles' over time.

Alan de Lacy, ICCL, Ireland

When the FGDR started to redevelop its ecosystem dedicated to depositors compensation in case of a bank failure, building the call center was one of the core projects because of the need of providing confidence through a real human effective accompaniment. „*Do not use technology as a substitute of human warmth*” - Bruce Crye / From Chaos to Coherence.

Sylvie Derozières, FGDR, France

FKTK had a great opportunity recently to test our capability to ensure the operation of crisis call centre. Circumstances dictated requirements: fast, qualitative, multilingual and using in-house resources. We have come to a conclusion that everything is possible if an action scenario is clear. Where practicable, it is more appropriate to use internal resources of the competent staff; however, the crisis management guidelines must be developed for the purposes of effectively performing. In view of our previous experience, today for communication we would more exploit also the possibilities offered by the social networks.

Agnese Licite, FKTK, Latvia

## 2. The implementation of call centers within EFDI members

Protecting depositors and investors through financial compensation, as well as adequate information provided are key conditions for effective financial compensation organizations contributes to mitigate a potential loss of consumer confidence or contagion in the financial system.

A call center is a key component of the crisis management systems providing real, consistent, constantly updated information and a human interaction and personalized answers to individuals that contributes to extinct the depositors anxiety. A call center is particular essential the first days following the failure, as the payment to depositors hasn't started yet.

To collect indepth information on different practical solutions on call centres, the EFDI PR Committee conducted a survey among members of the EFDI in 2015. Out of 55 member organisations, 37 responded (please see the below chart).

**In dark blue: countries responding to the Call center survey 2015 fieldwork**



List of schemes participated in the survey (2015 fieldwork):

1. Armenian Deposit Guarantee Fund, Armenia
2. Bank Deposit Guarantee Fund, Romania
3. Bond Holders Guarantee Fund of Cooperative Banks, Italy
4. Bulgarian Deposit Insurance Fund, Bulgaria
5. Deposit Guarantee and Investor Compensation Foundation, Lichtenstein
6. Deposit Guarantee and Resolution Fund, France
7. Deposit Guarantee Fund of Credit Institutions, Spain
8. Deposit Guarantee Fund, Ukraine
9. Deposit Insurance Agency of Albania, Albania
10. Deposit Insurance Agency of Bosnia and Herzegovina, Bosnia and Herzegovina
11. Deposit Insurance Agency, Russia
12. Deposit Insurance Agency, Serbia

13. Deposit Insurance Fund of Azerbaijan, Azerbaijan
14. Deposit Insurance Fund of Kosovo, Kosovo
15. Deposit Insurance Fund of Republic of Macedonia, Macedonia
16. Deposit Protection Company for Austrian Raiffeisen Banks, Austria
17. Deposit Protection Company of the Austrian Commercial Banks, Austria
18. Deposit Protection Fund of the Association of German Banks, Germany
19. Deposit Protection Fund, Slovakia
20. Deposit Protection Scheme of Cyprus, Cyprus
21. Depositor and Investor Compensation Schemes, Malta
22. Depositors and Investors Guarantee Fund of Iceland, Iceland
23. Dutch Deposit Guarantee Scheme (De Nederlandsche Bank), Netherlands
24. esisuisse, Switzerland
25. Financial and Capital Market Commission, Latvia
26. Financial Market Guarantee System, Czech Republic
27. Financial Services Compensation Scheme, UK
28. Guarantee Fund of Estonia, Estonia
29. Hellenic Deposit and Investment Guarantee Fund, Greece
30. Investor Compensation Company, Ireland
31. Investor Protection Fund, Hungary
32. Mutual Agricultural Credit Guarantee Fund, Portugal
33. National Association of German Cooperative Banks (BVR) Protection Scheme, Germany
34. National Deposit Insurance Fund, Hungary
35. Norwegian Banks Guarantee Fund, Norway
36. Savings Deposit Insurance Fund, Turkey
37. Swedish National Debt Office, Sweden

### About the survey

- The survey shows European deposit guarantee as well as investor compensation schemes (hereinafter financial compensation schemes or schemes) consider call centres a top mass communication channel for direct contact with financial customers (depositors or investors) especially during compensation period.
- Financial compensation schemes recognise the importance of call centers in their crisis communication management. However, the survey shows not all have an operational call centre. Out of the 37 responding institutions, 15 currently operate call center, a dozen more plan or currently consider to have one. Majority of those that do having call center recently had payout cases.
- Among the schemes that have installed a permanent call center disposal, 6 have settled an in-house solution, 4 opted for an outsourced provider, 5 have installed a combination of internal and outsourced solutions (so called mixed-economy).
- One of the biggest challenges compensation schemes face when setting up a call center is to choose the optimal model, to calculate the potential volume of calls expected (that may also be effected by third parties or even rumours or media speculation) and to prepare and maintain the call center disposal ready to intervene a few hours after the alert. This survey will cover all the main aspects and questions that are to be addressed in the project of building a call center dedicated to handle consumer calls during a financial crisis.
- Although cutting-edge technical developments may help for compensation schemes in the future to handle mass of enquiries during short period of time with also having the advantage of reducing operational costs, nature of compensation periods and financial crisis situations may require huge volume of human interaction when it is crucial to handle emotions of customers.

## 3. Components of managing call centres

### 3.1 The number to call

One of the first questions, when setting up a call centre is, what telephone number should the public call. Although it's the best when financial compensation schemes can create or choose an easy-to-remember number in advance, most of the time it is up to the choice of the telecommunications provider. In the later case, communicating the number to the target audiences is highly important (*please see Communicating call centres*).

Considerations regarding call centre numbers:

*Single or Multiple number:* from an external communication point of view, it is easier to introduce only one number for both peaceful and crisis time. However showing up a new number at the outbreak of a payout is not unsurmountable (see below 3.2).

It may be advisable to have multiple numbers, due to the technical limitations of a single number or due to handle multiple payout cases, to divide or to separate DGS functions and other responsibilities (e.g. ICS compensation).

*Vanity or Easy-to-remember numbers:* an easy-to-remember number is appreciated. A number including conversions to words, such as 1-855-COOKIES-might be more memorable than some numerical phone numbers.

*Toll free or "Green" numbers:* in some countries green numbers are popular as they are free-of-charge for the callers, that is positively appreciated by victims in the context of a crisis.

*Local or "Blue" numbers:* a local call-free numbers (rest of the fee is paid by owner of the telephone number) is perceived with a minor cost impact.

*Black numbers:* callers pay the full price of the call, that is not the model commonly used by DGSs.

## 3.2 Communicating about call centres number

One of the key successes of call centres is to be known by the target audience. People need to know the number to use. That's why schemes need to make an effort to communicate efficiently their number to the public.

The effort of communication has to focus on the objective of making visible to the depositors the right number to call during the crisis.

There are several ways and channels to inform impactfully depositors/investors on the call center number. They can:

- include the call centre number;
  - in the regulatory disclosure of the failure;
  - in the payout documents distributed to depositors/investors and to media (press release);
  - in the financial statement to be sent to each depositor/investor for his/her/its payment;
  - in the branches of the failed bank;
  - in the branches of the payout agent bank;
  - on the scheme's website at the landing pages dedicated to the crisis, where as at the home page;
  - on the failed bank website;
  - on the paying agent bank website;
  - on the DGS/ICS/failed bank/payout agent bank's social media sites (e.g. Facebook, Twitter, V Kontakte etc.);
  - in advertisements (paid announcements in printed media);
  - in TV/audio spots.

### 3.3 Call center models and management

There are many ways to establish a call centre. However, the models for managing them may differ in large and small organizations.

Type of models:

- *In-house*: all call center capacity is managed, trained and maintained within the compensation scheme. However, it may have different capacities during normal business or during a payout.
- *Outsourced*: the call center is operated by an external call center provider with its own IT/telco solution, its own employees, the contracted dedicated staff being activated by the compensation scheme permanently or on demand.
- *Mixed model*: on top of the in-house capacity and IT/telco solution, there is a contracted back up call center provider with trained staff. Under the mixed model an organization operating an in-house call centre during normal business can contract also an outsourced call centre during a payout.
- *Cloud Contact Center+in-house operators*: schemes may gain access to telecommunication technologies (contact center hardware, software and recourses via cloud/VPN-connection to a provider while utilizing its own agents who process the calls using this cloud technology). All the connections, IVR, queuing, routing, reporting and etc. are being processed in the provider's cloud. The scheme pays the provider a monthly renting fee for the access to the CCC.

Several questions are combined to define the proper model that will fit the schemes requirements are:

- Internal/externalization: a call center fully handled by an external provider? Or partially externalized (IT, operators)?
- Peace and/or crisis time?
- Unique number to depositors whatever the situation is (crisis or peace time) or various numbers depending on the solution (internal/external) or on the situation (crisis or peace)?
- A call center for all requests or a call center segmented considering the tasks to be addressed: simple demands vs complex cases and claims?

Finally, the service provided to the depositor/investor is to be delivered at the same quality standards with no distinction whatever it is internally or externally managed.

### 3.4 Service hours

The amplitude of service can vary constantly considering the case and how the compensation is proceeded. Considering the experiences gathered throughout the EFDI PR Committee participants:

- Incoming calls might increase especially at the start of the payment phase, when clients are impatient to be compensated (around Day 4-Day 7);
- Incoming calls increase in the week vs during the weekend;
- Incoming calls increase with the level of amounts to be compensated;
- Incoming calls increase when the compensation process is unlikely slowed or delayed;
- Incoming calls increase with the volume of claims.

During payout event compensation schemes operate call centers on different service hours:

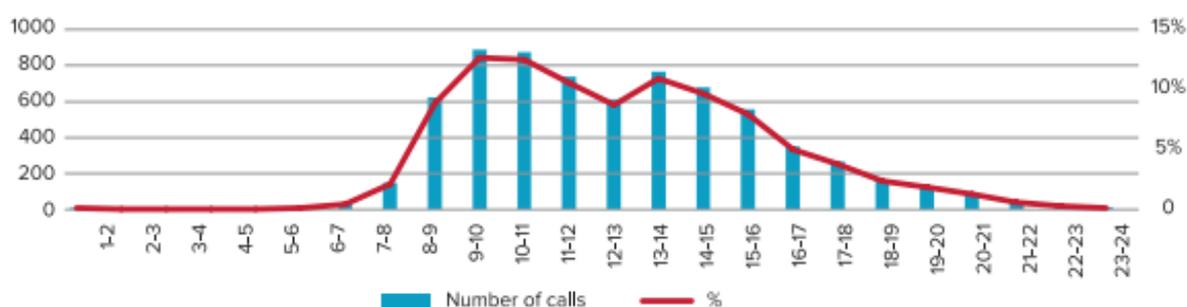
- Non-stop (24/7)
- Extended opening hours

Distribution of calls during a day may impose different level of service demand on the call center operators. Below is an example from the experience of the National Deposit Insurance Fund of Hungary.

### Distribution of total calls by 24 hours

*DRB Banking Group payout case, Hungary, 2015*

*Total call center service period: 57 days*



## 3.5 Servicing period

The best service period is the one that absorb the volume of questions providing them a satisfactory answer. This service is essential to achieve the compensation mission at a high quality standard, to create a positive opinion amongst the failed bank clients population, then to maintain confidence towards the public in general.

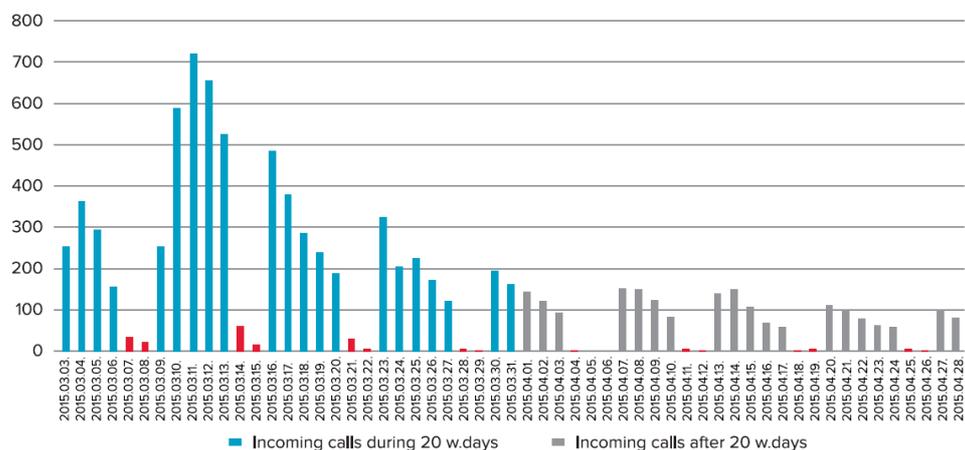
Nevertheless, some operational criteria to be taken in account are :

*The time length of the compensation process:* A well-functioning call centre is available during the entire payout period, at least 20 working days. However, public interest in the bank and financial compensation schemes may mean having to activate the call center before the bank legally fails (period of alternative measures, recovery and resolution time). It may be also necessary to extend the servicing period beyond the statutory 20 working-days timeframe for reimbursement. Example for the extended servicing hours: both in the KTB payout case in Bulgaria in 2014 and DRB Banking case in Hungary in 2015 the servicing period of the outsourced call center lasted for two months.

for the chart below shows extended servicing period in a payout case from the practice of the NDIF of Hungary (20 working days of period marked with blue):

### Incoming calls during DRB Banking group payout event

*Number of calls since the beginning of the compensation period*



*Profile of the customer base:* One main reason for extending the servicing period is that complex cases may require more time and consultation with depositors (e.g. inherited deposit, or handling complaints) especially with investors (please see Chapter 4. on Investor compensation cases specificities) to be completed.

## 3.6 Servicing tasks

The survey shows that most EFDI members use call centres purely for answering incoming questions, while others use the trained operators for multitasking, like managing other communication channels too.

The below table shows operational examples for different tasks carried out by call centers:

	Task 1	Task 2	Task 3	Task 4	Task 5
<b>Esisuisse (Switzerland)</b>	handling incoming calls				
<b>DIA (Russia)</b>	handling incoming calls	register/escalate complaint			
<b>BDIF, Bulgaria</b>	handling incoming calls		redirecting specific queries and those in foreign languages to the in-house call center	recalls on request;	escalate journalists to the PR center
<b>FGDR (France)</b>	handling incoming calls	escalate complaints to the claims processing center			

### 3.7 Capacity planning

Calculating the call handling capacity needed is one of the most challenging and important tasks in setting up a call centre. This is especially true in case of outsourced call centres, which are activated by a payout event. It is required by the provider to calculate numbers of incoming calls in advance as precisely as possible that will be the base of the purchase order.

Another important consideration is the number of daily calls are not constant during the payout. While planning capacity, special consideration needs to be given to the first day(s) volume, as well as any other third party events that may influence the volume of calls (e.g. gossips and rumours, media visibility, social media virality).

#### Examples of number of operators in different schemes:

	In-house		Out-sourced	
	Peace time	Payout time	Peace time	Payout time
<b>DIA (Russia)</b>	3	5	40	120
<b>FKTK (Latvia)</b>		4-5		
<b>DNB (the Netherlands)</b>	4	8		
<b>Esisuisse (Switzerland)</b>		5		20+
<b>DGF (Ukraine)</b>		3		44
<b>BDIF (Bulgaria)</b>	2	3+		3+
<b>FGDR (France)</b>	1	1	2	2+ to 200
<b>NDIF (Hungary)</b>				45

Purchasing the requested capacity is crucial. Purchase ordering method is based on the number of operators to be triggered per day.

Below is an example of calculation used by the FGDR of France.

The calculation of the volume required would be based on the following steps:

- a) number of opening servicing hours expected per day;
- b) duration of the hours worked per operator per day (E.g. 8 opening hours of work per day per operator);
- c) average length of incoming calls to be fixed (e.g. 4 minutes);
- d) estimating the volume of incoming calls (that vary all along the payout), based on a % of the number of clients. A recall rate or other additional risk ponderation criteria might be increase the rough calculation of number of incoming calls. (e.g. number of incoming calls: 30% of the total number of clients. Then, recall rate: 50%. 50% of the clients that have call once, will recall.)

e) split the number of overall incoming calls depending the timeline (e.g. 30% of calls between day 1-10, 30% between day 11-19, 30% between day 20-30);

f) calculation of the number of operators required to take charge of the incoming calls load.

### Number of operators handling incoming calls: maximum daily capacity

When a compensation case starts, it is of the utmost important for the schemes to have the ability to handle all possible incoming calls of those concerned about their savings or investments in the bank and of the media. One of the key success factors of call center is the carefully designed daily handling capacity.

#### Examples for maximum daily handling capacity of some schemes:

DGS	Incoming calls Maximum capacity/day
FKTK (Latvia)	150
BDIF (Bulgaria)	500
FSCS (UK)	3,000
NDIF (Hungary)	5,000
DIA (Russia)	15,000
FGDR (France)	From 200 up to 230,000 incoming calls (equivalent of 2 000 operators per day)

### Flexibility of resources

Beside the carefully planned capacity, it is also very crucial for a call-center to be able to react quickly and efficiently to sudden changes of the volume and variances of incoming calls. It needs to be able to scale the number of operators involved efficiently. These processes should ensure the provision of the right staff with the right competencies at the right time across all the interaction channels to meet the customer service requirements. The experience, discussion and statistics provided by an external provider might be essential to approximate quantitatively the requirements and the organization to be extended in cas of a payout.

## 3.8 Operators vs. IVR or robots

As we are entering to a more digital world, there are number of technologies financial compensation schemes may use.

### *IVR (Interactive Voice Response)*

One of the most widely used technical tool in call centers. IVR provides technical support of automative waiting messages, and various orientations that address specific questions of callers. This technical service is valuable for optimising the management of a great volume of incoming calls

treating specific tasks that not require a human interaction. Then it is complementary with the service provided through a human operator. An IVR system is used to service high volume of calls, reducing cost. The use of IVR allows callers' simple queries to be resolved without the need for queueing and incurring the cost of a live call center operator.

#### *Social media*

Other forms of communication, such as web announcements and social media can help to support the call centre by providing answers to common questions or reacting to the themes of calls from depositors/investors. They can help to reduce the volume of calls received.

#### *Robots*

Robots based on artificial intelligence may be also available as an efficient technology although practical experiences from financial compensation schemes has not been showed up yet.

#### *Chatbots*

The most cutting edge technology that incorporate social media messaging platforms (e.g. Viber, Messenger) with artificial intelligence to be linked to the call center operation.

#### *Human operators*

Despite available cost-reducing technologies financial compensation schemes may have good reason to use human operators to answer incoming calls during financial crisis. While providing clear and comprehensive answers for enquiries handling emotions of individuals is still part of the job schemes need to carry on to ensure public trust in the financial system. Reducing panic of individuals and mass is yet better done by using human voice of credible operators who delivers information in a calming tone.

### 3.9 Messages and contents for operators

In order to have comprehensive trained teams before activating a call centre in case of a payout, all foreseeable questions must be taken into consideration. All messages and answers given by the operators must be relevant to the request as well as clear and comprehensive to the depositor/investor.

As a key success factor is the consistency of messages delivered from all possible sources (e.g. schemes, authorities and media), messages delivered by the call center need to be verified and constantly updated as well as promptly amended in view of queries and new information to be announced (e.g. name of the paying agent bank). It is important to keep daily contact with call center whether it is inhouse or outsourced.

The below list of questions provides broad range of collection from different practices of EFDI member schemes.

#### **Q&A topics for DGS:**

General enquiries on DGSs:

1. What is the purpose of a DGS?
2. What are the roles of the Host DGS and the Home DGS?

Resources of the DGS:

3. What is the DGS's size?
4. Does the DGS has enough money?

Limit/amount:

5. How much compensation will I get?
6. What about any exchange rate?
7. Is interest on a deposit included in compensation?
8. What will be the currency of the compensation?
9. How much interest is paid on deposit insurance, if the interest due under the deposit contract have not been credited yet? Is anything deducted from the interest (interest tax)?

Depositors-related:

10. Who are the eligible clients?
11. What shall I (as Depositor) do to get my conepnsation?
12. What do I have to do to claim the compensation?
13. What happens, if I am not happy with the amount the [DGS] pays me?
14. I have lost access to my main bank account so I do not have any money. Can I get a priority payment?
15. What is the coverage limit for depositors?
16. What about a joint account holder who is underage?
17. What happens, if the deposit owner is deceased?
18. What about underage depositors?
19. What about legal entities?
20. What about foundations?
21. What about local municipalities?
22. What about school cooperatives?
23. My name has recently changed (divorce, marriage), what do I need to do?
24. My address has recently changed (divorce, marriage), what do I need to do?
25. I live abroad, what do I need to do?
26. Are proxy holders entitled to compensation?

Deposit types:

27. What about Temporary High Balances (THBs)?
28. What are the covered and non-covered products?
29. What about a joint account?

30. What about other specific accounts, such as long-term investment account, life insurance accounts, securities etc.
31. What about guardianship deposits?
32. Are bonds and certificates of deposits covered by the DGS?
33. Does the DGS cover bonds, repos and other investment types?
34. What about collective deposits?

Process of Payout:

35. What are the Method(s) of payout?
36. Role of agent bank if any?
37. What to do for claiming?
38. When the compensation starts and how long will it take?
39. What is the order of payout (will you pay depositors in alphabetical order)?
40. What to do with the pre-paid card the DGS has sent to me?

Over the limit:

41. What will happen with the money in a deposit account beyond the coverage limit (100,000 EUR)?

Other questions:

42. Is there any fee or tax to be deducted or paid after the received reimbursement?
43. How long can the money stay unclaimed?
44. If I keep my money in a safe-deposit box in a bank, is it guaranteed by the DGS?
45. Which other banks participate in the DGS?
46. How soon and from which institution can I receive my compensation in the event of my deposits become unavailable?
47. How does the coverage limit of 100,000 euro per depositor per bank apply after a merger of two banks?
48. Does co-insurance apply to deposit insurance?
49. Do deposit insurance claims have a limitation period?
50. Where are the branches of the payout agent bank?

### 3.10 Type of content

Schemes can categorise the content call centres may use as follows considering the tasks assigned to the operators (see above):

- General content provided for treating simple calls with standardized answers
- SCV contents access provided for treating personalized questions or claims about the compensation (products, amounts, beneficiary etc...).

To decide which way to follow, a compensation schemes need to consider certain legal and also technological aspects.

*General content only:*

The call centre informs the depositor and the general public about the compensation, its main roles and conditions of service (maximum limit, THB limit, timeframe and description of insured financial products) and the main relevant information about the occurred payout case.

Advantages	Disadvantages:
<b>Fast training</b> <b>Ability to calm down depositors on the overall progress.</b>	Limited ability to calm down depositors
<b>Low initial costs and maintainance</b>	Limited ability to inform depositors on their own individual compensation

*SCV contents :*

The DGS can set up a call center able to provide limited SCV data for depositors on demand. Data protection has to be taken in account when access of SCV data. Giving access to SCV data to operators requires a procedure to authentify the incoming caller before allowance of data access (to avoid fraud situations).

Advantages	Disadvantages:
<b>Increased depositor satisfaction</b>	Longer training period (requires quality control)
<b>Higher ability to calm down worrying depositors by adequate answers</b>	Higher costs.
<b>Ability to process claims treatment totally or partially.</b>	Higher security constraints (procedures, sytems, training of operators)

Examples of content provided by DGS:

DGS	General messages	SCV content access
<b>FKTK (Latvia)</b>	Yes	Yes
<b>NDIF (Hungary)</b>	Yes	Yes
<b>FMGS (Czech Rep.)</b>	Yes	No
<b>BDIF (Bulgaria)</b>	Yes	No
<b>FGDR (France)</b>	Yes	Yes (**)
<b>FSCS</b>	Yes	N/A (*)

*\*: The FSCS normally pays out system automatically within seven days using the bank's records and means it does not require this facility.*

*\*\*: The progress status of the client treatment is accessible to the Call center operator. Claims are escalated to a dedicated Processing Center where the operators have a full access to the SCV files and are able to operate claims treatment.*

### 3.11 Used languages

Financial compensation call centers need to be able to answer enquiries in at least the official language(s) of the country. The growing importance of language competences might be predictable based on the covered institutions profile. The issue of operational languages of the call centers might also be an important aspect of management in case of cross-border compensation cases.

Examples of used languages in recent compensation cases:

DGS	Case	Used first language	Used second language
<b>FKTK (Latvia)</b>	Karjbanka case (2011)	Latvian	Russian
	Trusta Banka case (2015)	Latvian	Russian
<b>NDIF (Hungary)</b>	Orgovány SCB (2014)	Hungarian	German
<b>FMGS (Czech Rep.)</b>	ERB Bank Case (2015)	Czech	Russian

Without any other local criteria, English is the preferably chosen foreign language throughout large Europe.

### 3.12 Activating call centre (including testing)

The activation time and period is also crucial part of the contract and requires a particular attention. While in most cases depositors take notice of a payout only after the DGS announces the start of its compensation, it is advisable to activate the call center beforehand. It may also happen that the supervisory authority closes the bank and depositors start calling the DGS before it is in a position to issue a press release or deliver any accurate information.

Activation often is not only a push-the-button case. It may take two hours or more to activate the call centre. Many telecom provider offers a minimum requested time period within it guarantees to activate a call center on request. In case of a huge payout, every hour, especially at the beginning, can be key factor to the successful payout case.

It is recommended to anticipate the following items:

- IVR organigram and pre-recorded main messages to be activated at first day of the compensation period;
- Pre-ordering purchase grid with several hypothesis of number of operators required;
- Q'nA and other documentation ready to be transmitt to operators at first day of the compensation period;
- Period of notice agreed for opening the service and provide adequate IT and human resources.

### 3.13 Metrics and reporting

To monitor the call center services' performance, it is necessary to identify metrics and key performance indicators (KPI) to measure the current service level. Indicators for piloting the activity are is crucial to see how well and how accurately the call center works and delivers its service. Metrics and reporting are necessary in order to control costs and also in supporting data-driven decisions e.g. extending the pool of operators or cutting them back.

In a well detailed service level agreement the call center promise of maintaining certain standard of services and also specify commitment to answer a set percentage of calls within a certain number of seconds, such as answering 75% of the calls within 20 seconds.

Some call center KPI:

1. *Call resolution*: measure the outcome of each call handled by the agents. This indicator also exists for calls handled by the IVR system
2. *Average handling time*: measures the average amount of time spent on each call and includes related administrative duties, such as submitting call reports.
3. *Average call time in queue*: the average amount of time callers wait in call queues before an operator responds.

4. *Rate of abandoned calls*: measures the number of callers that hang up before they can be connected to an agent.
5. *Rate of customer award*: score that the customers award the operator after the conversation

Other metrics relevant to financial compensation schemes:

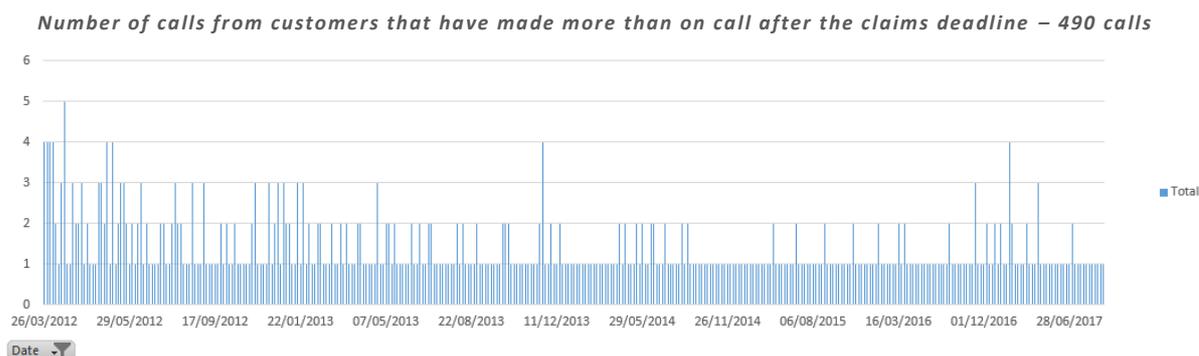
- Total inbound calls
- Distribution of calls in a day
- Number of operators in charge
- Average length of calls
- Time to put the system in place
- Time to increase the capacity, time to decrease it

## 4. Investor compensation cases specificities

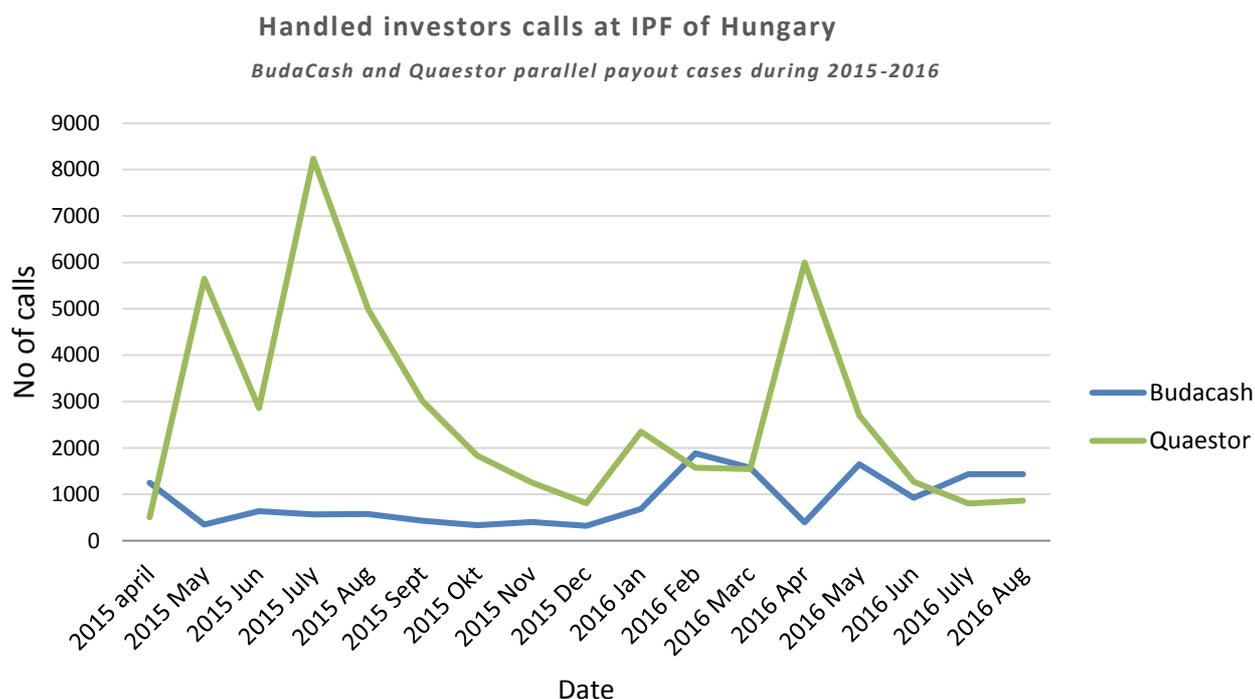
Compared to deposit guarantee, investor compensation payouts are often more difficult, more time consuming and most likely to cause higher rates of complaints. It follows from this that client communication is more challenging for call centers. The primary rationale for the difference is because an ICS is usually activated due to a fraud. Frauds can make establishing the clients exact entitlement and quantum of compensation extremely difficult if the investment firms records are incomplete or unreliable. As a consequence of this, the compensation process can be much more interactive for the claimant and require a higher level of customer engagement, often with long time delays in-between. E.g. an ICS event requires a customer to make a claim.

In the graphs below are the calls in the Custom House Capital case, which occurred in Ireland in October 2011. The case has resulted in just under 2,000 claims being made. However, as the fraud was quite complex to unwind and a number of lengthy legal cases were taken, compensation has only been certified by the 3rd party claims adjudicator for 25% of claimants to date.

### Custom House Capital case



Another ICS example shows the various monthly incoming calls during long period of compensation time. In 2015 in Hungary, Budacash and Quaestor<sup>1</sup> were among the biggest independent investment providers. Both failed at the same time generating parallel compensation cases for the Investor Protection Fund of Hungary.



Due to the long time ICS cases can take to resolve, a call centre generally needs to be able to move beyond only dealing with generic questions, to being able to handle explicit, customer claim specific queries. A good example of this can be seen through the scope of products covered by an ICS as being quite broad with consumers often unsure if their investment is in scope.

In addition to the considerations raised above about multiple calls from customers, it is notable that many of these customers maintain detailed records of their calls to ICS and reference their most recent contact. Utilising an in-house call centre enables ICS to provide accurate and consistent customer specific answers using information from our claims database which reduces the risk of Data Protection outsourcing risks.

Investor compensation is also not usually an automated process. In most cases, the database of the failed company does not allow an automated compensation process for the reasons outlined above, this means investors are asked to submit claims with supporting evidence for their claim. Quite often the only supporting evidence a customer can provide has been produced from the fraudulent records of the failed investment firm. Hence, the client service will differ from deposit insurance cases (different deadlines, timeframes, interactions etc.). In particular, it is notable that

<sup>1</sup> BudaCash case: 12,000 investors; Quaestor case: 32,000 investors. In all approximately EUR 336 millions of compensations to be paid.

many claimants make contact in the early stages to understand their entitlements. It is also notable that call volumes may increase close to the claim deadline date (as evidenced from the graph below) primarily from claimants seeking guidance on completion and submission of the claim form.

### Below the distribution of incoming calls

*Custom House Capital case, Ireland, 2012*



The main characteristics of investor compensation payout processes from the communication aspect are:

- The compensation process is more interactive and complicated and therefore harder for consumers to understand.
- It is more likely that the investor will not agree with the amount of compensation.
- In case there are parallel DGS and ICS payouts, different compensation limits and payout timelines may cause misunderstandings as well as complaints.
- For a successful ICS payout, it is crucial to inform investors of their responsibilities, about what they need to do, by when, and the precisely described evidence they'll need to provide.
- By contrast, the ICS will need to communicate clearly the role it will fulfil, along with the role of other participants in the process (e.g. Courts, Regulators, Liquidators etc.). The ICS needs to communicate clearly when customers might expect further contact, from which participant in the ICS process, the form of those communications, and other related information.
- Deadline for claims may also cause more complaints.
- Some investors may also think it is enough they send their claims to the liquidators of the failed investment firm.
- Due to the longer timeframe for compensation, call centers may need to be tasked and retained for a much longer time than for DGS2.

## 5. Costs

Call center fees depends on several factors from the skill levels needed to the type of work to the location or duration of service. Most call center providers have different pricing models for the inbound and the outbound services. While during payout, the schemes can be overwhelmed by incoming calls, in some cases it is necessary to be equipped of a service able to make recalls.

Some factors that influences the fee of the call center:

- Servicing time: the cost of a 24/7 service may be more expensive vs working days
- Competencies and skills of operators:
  - a pool of operators that is specialized for financial services may be more expensive than a less qualified one.
  - Request for multilingual operators
- Service designed for oversight purposes
- Rate of abandoned calls (in many European countries it is 4-5% as maximum)
- Sailing of number of calls treated per week/per month

Some call center pricing models that have been identified:

a.) *Shared* – It is defined as services in which a pool of operators answers calls within other tasks. In this case the schemes pay just for the time used on a per minute or perhours basis on deposit insurance purposes.

b.) *Dedicated* – This type of service basically involves a dedicated group of operators that handle calls exclusively for the compensation scheme. Call centers typically price this on a per hour rate, (ex: number of operator per day expressed on a 'full time equivalent' basis). Dedicated services are ideal when volume is significant and fairly predictable, and in case of a high rate of claims (complicated cases that increase the average lenght of call).

This type of call center pricing might be compiled into a monthly rate instead of an hourly or daily rate.

In case of cloud contact center, the renting fee mainly depends on the number of licenses and communication channels the agents use. The reason for it getting more popular is that it is cheaper to rent the telecommunication suite than to buy it.

## 6. Training

In order to have a valuable call center, schemes need to invest sufficient time, money and effort into the development of a comprehensive training program maintaining its call center solution. This

is essential so their operators can be well prepared to meet expectations when it might be activated under short notice.

The training sessions might occur once or twice a year, with of one or two days sessions to ensure a trained core team constantly, and able to transmitt their knowledge and skills to new operators if required.

During such training the objective of the schemes is to:

- Educate the operators on deposit insurance and investor protection, on the schemes's mandate, on the overall legislation (e.g. products, amounts, compensation process etc.) and also about its wider context and vocabulary precisely;
- Explain their role in building and maintaining public confidence in the financial system;
- Teach them how to behave under pressure and to react properly on strong emotions.

The process for sharing this information with the operators is also important and needs to be clear and efficient... The schemes need to ensure all call center operators are provided with the information they need, understand and assimilate it; thus they can deal with customers as required. Information should be easily accessible, delivered in a timely and effective manner, and udated with only authorized information.

A training tool kit can be constituted with selected documentation such as:

- Information leaflets on the scheme;
- Example of a Payout Annoucement document and press releases;
- Q&A;
- Supports prepared forthe training sessions.

Training sessions will be dedicated to review those supports and might insist on the „real life“ situations through role play exerices. Each session is concluded with a written evaluation questionnaire to measure the acquisition of knowledge. Ideally, the provider is consituing a „Core team“ that is strongly immersed through years then is able to train other operators in case of scalability.

## 7. Selecting a provider

Within the key criteria for selecting a call center provider, are the IT solution, costs calculation, purchase model (number of calls, number of operators), security and human ressources policy.

### 7.1 Technical plateform

The quality of the technical platform is one of the important criteria of the external provider:

- IT/Telco technology;
- Call centers equipment and location;
- Phone network and capacity;

- IVR technical solutions;
- Reporting tools for providing statistics during activity.

## 7.2 Human resources

When selecting a call center, it's important to define our objective and priorities. As call centres are all about people, it is advised to have a look at the below criteria in addition to the quality standard and policy of the provider in the field of human resources and training.

- *Skills and abilities* – the technical skills and knowledge required from the operators include compensation-relevant knowledge of the organisation's legislation and procedures. It may also include mental abilities, such as understanding written information or the ability to adopt to fast-changing information.
- *Behaviours* – what are the behaviours required for performing effectively during payout. They are usually included as part of a competency framework and include such things as communicating, dealing with worrying/panicking depositors, etc.
- *Personality* – it is the candidate's preferred style of working – their attitudes, motivations and values. For instance, some people prefer to make outbound calls, while others are more reactive one and take inbound calls. Some people enjoy influencing and persuading, others are less confident doing that. Understanding a candidate's preferred style is vital when deciding, if they will fit well to the financial compensators' sensitive work manner and time.

## 7.3 Reglementary conformity

The capacity and solutions proposed by the external provider to meet with the ISO norms, and any critical reglementary conformity (e.g. General Data Protection Regulation of the EU) is a criteria to be taken in account.

## 7.4 Quality and data security

A call-center should handle, store and retrieve customer data in a secure, access controlled and monitored environment. It also should implement a process to keep the data private and to be only shared with the authorized parties.

It is desirable for a call-center to operate according to ISO Standards for Customer Service Organizations such as EN 15838 or ISO/FDIS 18295-1 which are widely-spread in European Contact Center markets. It's purely optional but if a call-center is officially certified according to these standards, it would certainly add extra value and trust.

## 7.5 Scalability

As the DGSs model is based on crisis management, the scalability of the call center system is key:

- Time to install IVR responding machines and capacity;
- Time to install operators and capacity (in number of operators and number of incoming calls);
- Notice Period.

## 7.6 Disaster recovery

It is important to have a back up in place in case of any problems or issues that prohibit the scheme in the use of its internal or external call centres. This might result from a disaster, for example, not being able to access to their premises due to a problem with the building or other impediments.

Disaster recovery involves a set of policies and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a disaster. When making disaster planning, the recovery time objective must be carefully set.

The recovery time objective is an agreed duration of time under which a call center capabilities must be restored after a disaster (or disruption) happens. It is necessary to avoid unacceptable consequences for depositors associated with a break in business continuity.

### Examples of disaster recovery metrics for DGS callcenters:

DGS	Disaster recovery time	Disaster recovery capacity
NDIF (Hungary)	4 hours	Required to provide the same level of capacity.
FSCS (UK)	4 hours	Required to provide the same level of capacity.
FGDR (France)	1 hour	

## 8. Conclusion/Summary

Call centres are a key component of an up-to date and modern communications system when financial compensation schemes respond to a bank failure or crisis. They convey consistent clear and personalized messages towards individuals (depositors/investors, general public, professionals) that reinforce those spread out in the other channels of communication.

They provide a unique human direct contact with the depositors/investors. This is critical for reassuring people, aiding consumer confidence and enhancing public trust in the financial system.

PR/Communications Committee of EFDI is collecting and regularly updating its members's knowledge and experiences on call center.

## List of abbreviations and explanations:

DGS: deposit guarantee schemes, that compensate depositors in case of bank failure

ICS: investor compensation scheme, that compensate investors in case of failure of investment service providers

IVR: Interactive voice response

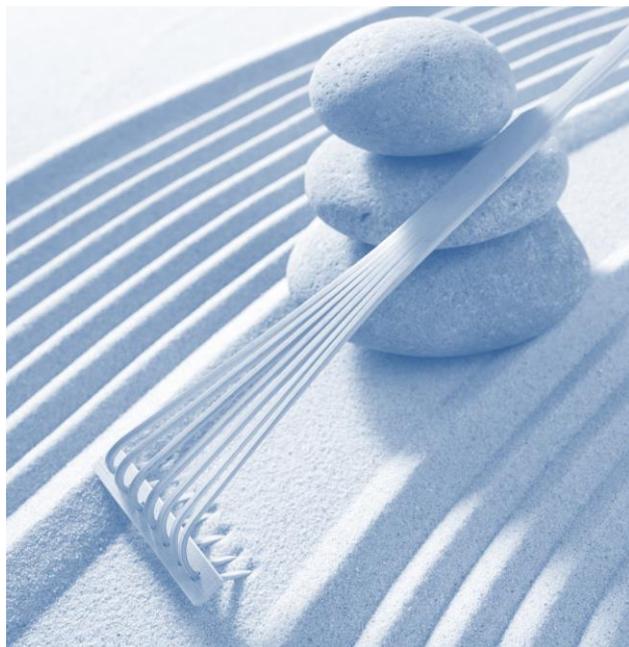
KPI: key performance indicator

SCV: single customers view

SLA: service level agreement

THB: temporary high balance

Q'nA: questions and answers also known as frequently asked questions (FAQ)



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