
EXCEPTIONAL BANK CUSTOMER SERVICE

by [Steve Brown](#)

We are always looking for ways to make things more efficient and we think we hit on a new one. Yesterday, we had to call a mega-bank's customer service group to fix a problem with our credit card. While our call was "very important" to them, they had to repeat that message for 20 minutes before a customer service rep picked up. On the other side of the coin, we get these bizarrely-termed "courtesy calls" at dinnertime wanting to know if we want to reduce the rate on our mortgage. We put the two ideas together. March all the employees in Telemarketing over to Customer Service and have them pick up the phone before that darn computer-push-1-for-customer-service machine kicks in!

If that idea isn't enough for a pre-holiday Friday, we have others. When it comes to providing "exceptional customer service" for banks, we took a look at what customers expect. When it comes to making the difference between "average" and "exceptional" service, it turns out that having knowledgeable employees is the number one requirement. Bank customers want the employee to understand their problem and develop a plan on how to fix it. This means training takes on greater strategic importance in 2010, as customer problems are on the rise, due to economic stresses.

Next to demonstrating knowledge, "exception service" was very important when the customer's problem was solved in a single contact. Having to call a customer back or worse, having the customer call another contact, quickly erodes any possibility of exceptional service. One tactical takeaway for bank management surfaced when we asked bank employees in a survey about what stops them from solving customer problems in one call. More than 80% of respondents said "authority to solve the problem" is the #1 issue. Next to that, 65% of employees said access to information is what keeps them from solving the problem. More delegated authority and proper systems can improve customer service in a majority of community banks.

Beyond having the proper knowledge and solving problems quickly, "attitude" was the next largest delineation between average customer service and exceptional. Drilling down on "attitude," bank customers noted that demonstrating a true desire to help, being courteous, showing a balance of fairness between the customer and the bank and providing service that is relevant to the problem, were the top four reasons given (in order) on what constitutes an "exceptional attitude."

Finally, behind attitude, our experience shows that the bank's brand and value proposition round out the top 5 delineating factors for exceptional customer service. Drilling down on these items, "Promoting a sense of trust" was the #1 response (which turns out to be a combination of factors such as name recognition, customer referrals, the lack of hearing anything negative about the bank and brand definition). Part in parcel with the brand, customers want to understand the value they are getting for their fees, loan and deposit rates.

While many banks we surveyed do in fact provide exceptional service, it is a hallmark of top performing banks to constantly reassess the challenge. If for some reason you want to be reminded of poor customer service, let us know and we will have that next timeshare telemarketer give you a call.

BANK NEWS

By 2012

The Treasury has proposed a global requirement for banks that are systemically significant in size to hold high levels of capital and be subjected to stricter liquidity rules. The department is advising an agreement be reached by the end of 2010 and implemented by 2012.

Branch M&A

Bank of Kentucky (\$1.3B, KY) has agreed to purchase 5 branches from Integra Bank (\$3.3B, IN) for an undisclosed price. \$85mm in deposits and \$35mm in loans are included in the deal

CMBS

According to Realpoint LLC, the dollar amount of delinquent CMBS in July dropped, the first decline since September of last year. However, the balance remains at \$25.68B, 6X that of July 2008. The delinquency rate for CMBS in July dropped to 3.14% from 3.50% in June. However, the improvement was mostly due to a reclassification of General Growth loans (filed for bankruptcy), so after adjusting for that, delinquencies climbed about 10%.

Arrested

Former Dallas Cowboy football player, Gene "The Hitting Machine" Lockhart, Jr. was arrested for mortgage fraud yesterday by the FBI. Aside for being well known as a linebacker, apparently he was well known for recruiting "homebuyers" that falsified income to place higher than needed offers on homes for the purpose of driving up the price of sold homes and inflating the size of the mortgages and fees.

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