

A blue-tinted background image showing a hand holding a pen over a piggy bank with coins. The piggy bank is white and has a smiling face. The hand is holding a pen and is positioned as if about to write on a document. The background is a solid blue color with a pattern of small white dots.

INDUSTRY REPORT:
REGIONAL BANKS AND CREDIT UNIONS
Designing Efficient and Resilient
Contact Center Operations

WHERE ARE WE NOW?

COVID Changed The Contact Center



While the financial fallout from COVID-19 may have sent the US economy into a pandemic-induced hibernation in 2020, Americans have woken this Spring to low interest rates, lower unemployment, new stimulus checks, and widely-accessible vaccinations. Bolstered by a renewed consumer confidence, borrowing and spending are trending up. Meanwhile, bullish markets are encouraging millions of Americans to invest (many for the first time), and others are taking the opportunity to relocate, renovate, or refinance. In short, signs suggest that we are back in business.

Eager to make up for lost time, consumers are also actively shopping for the financial institutions that can best enable their plans. And with so many choices, they aren't likely to compromise. Thus, a golden opportunity is forming for community banks and local credit unions to stand out in an otherwise crowded field. Earning business can hinge on delivering a personalized, frictionless experience--and every phone call is a new first impression.

This Industry Snapshot will review the lessons learned in 2020 and offer suggestions for designing efficient and resilient contact center operations to prepare for what lies ahead without losing focus on what matters most--the customer.

WHAT JUST HAPPENED?

A Year in Review

Immediately following the onset of the pandemic, many financial institutions experienced a surge in call volume. Whether anxiously looking for loan forbearance, inquiring about stimulus checks, and for everything in between, the resulting influx of calls caught many contact centers off guard and ill-equipped to manage them with the same level of service that customers had come to expect. The challenges were many:

STRESS CHALLENGED AUTOMATION

The IVR typically creates self-service opportunities to reduce agent caseloads. But the increase in sensitive, stressful, or impactful issues related to COVID often resulted in more customers wanting to speak with agents directly. For contact centers already stretched thin, the bump in calls handled by agents almost always translates into longer call hold and handle times. These, of course, add cost to operations that rely on efficiency.

MAINTAINING SERVICE STANDARDS

Maintaining service and operations standards were challenged by the instant need to send agents home to quarantine. But, how do agents perform with only one screen when they typically use three? How do they access sensitive systems or information with or without a VPN? Do home wifi networks meet security infrastructure requirements? And how is staff trained and updated on important changes to tools, policies, and procedures?

WORKPLACE RESTRICTIONS & WFH AGENTS

Agent stations needed to be safe and socially distanced, too. While many contact center operations did already support at least some WFH agents pre-COVID, many were left scrambling overnight to solve the logistical challenge of transforming work space or transitioning an entire staff remote.

HIRING AND STAFFING

Many contact centers accustomed to drawing from a reliable pool of available agents found themselves in the industry-agnostic mad dash to staff up. Agents, especially well-trained ones, were in high demand and hard to come by. In addition, stay-at-home orders began to change consumer behavior. With more flexible schedules, or perhaps now left without work, many individuals were free to make phone calls throughout the day. The unpredictable shifts in calling patterns challenged staffing plans designed for previously normal circumstances.

OPPORTUNISTIC FRAUD

Preoccupied with alleviating friction for beleaguered customers, contact centers may have also relaxed security protocols in ways that gave fraudsters more room to maneuver. The IVR is one place of particular concern. Allowing customers to access information and self-service is a great way to save time, money, and frustration. However, Fraudsters are using it to advance their schemes. Consider this: Comparing fraud rates at the agent vs IVR shows that fraud calls at the agent are 1 in 1074, **versus 1 in 40 calls in the IVR being risky** or just under 2.5% of the total IVR traffic score high to moderate risk.

A DEEPER DIVE INTO IVR FRAUD RISKS

A commissioned study conducted by Forrester Consulting on behalf of Pindrop, October 2020 asked 259 global fraud detection and prevention decision-makers across security and risk, fraud, IT, contact center support, finance, and business roles to share their thoughts on fraud during COVID.

76% stated that fraudsters are using the IVR for account mining and reconnaissance activities and many stated those numbers are still growing.

66% are seeing new types of fraud in the contact center.

57% say fraudsters are using the IVR for account mining or reconnaissance.

57% say fraud attacks in the call center increased.

53% say the impact of fraud on their bottom line has increased.

Unfortunately, very few of the brands represented strongly agree that they have a good handle on their current fraud situation:

Only 34% have a good understanding of how fraud is started and perpetrated throughout the CC.

Only 36% can discover and stop fraud in real-time with a high degree of confidence and accuracy.

Fraud in the IVR is a growing trend, and one that brands should be considering even if it is not familiar territory.

LOOKING AHEAD

Key Takeaways to Prepare Contact Centers for the Future

While a lot has changed since the beginning of the crisis in March 2020, the long-term impact of COVID on the contact center remains to be seen. For instance, despite some positive trends, not everyone is benefiting from the recently favorable economic conditions:

- Some estimates forecast at least 200,000 loan defaults in 2021 and a 70% increase in foreclosures over the subsequent two years.
- Fifty-one percent of Americans also reported that their financial situation had gotten worse during the crisis.

So, it is important to recognize that the recent, welcomed surge of activity from eager customers may simply run in parallel to anxiety-fueled spikes in call volume from less fortunate individuals looking for help managing their circumstances.

Regardless of a caller's disposition, call volume is up and providing exceptional service remains as important as ever to keeping customers and gaining new ones.

AUTOMATING AUTHENTICATION

In the early days of COVID, many brands managed higher call traffic by opting for automation during authentication. This was an effective way to:

- Save time for customers by allowing self-service in the IVR whenever possible.
- Reduce the bandwidth required of agents to help lessen hold times when call traffic surged unexpectedly.
- Avoid frustration for callers and agents by reducing the reliance on tools like knowledge-based questions (which fraudsters can routinely answer correctly), and one-time passcodes that add active steps to make customers feel like criminals.

LESSONS FROM 2020

Automation can also bring new security risks. Making things easier for customers frequently made things easier for criminals, too. The urgency to solve important issues without delay and the constantly changing calling or buying patterns already made it difficult for businesses to identify criminals from customers. Fraud strategies made it even harder:

- Spoofing is used to trick the IVR into thinking a customer's phone number is calling. This opens the door to confirm account information before speaking with an agent, or worse, authenticating an identity.
- Social engineering obtained sensitive information directly from individuals or agents, then used that information in real time to complete the fraud event.
- Data obtained from security breaches helped to provide answers to Knowledge-Based security questions throughout the call process.

PLANNING AHEAD

Prioritizing the Balance Between CX and Security

With estimates that Americans have already lost \$382 million to fraud, including a skyrocketing rates of Identity Theft, it's likely that the threat will continue for some time to come. However, for any potential vulnerabilities it may create, automation during authentication is a vital part of delivering the experience customers expect. A recent survey conducted by Next Caller underscores this point:

56% of consumers believe brands are equally responsible for providing flexible and accommodating customer service and protecting personal information and accounts from fraud.

Striking a balance between security and service is paramount. Prioritizing the following suggestions will help keep customers safe and build brand loyalty in the process:

- **Make Authentication Passive.** This means removing active steps for callers to confirm their identity. Automating also helps to avoid the friction created by knowledge-based questions and one-time passcode while saving time in the process.

- **Use ANI Validation to Fortify Security.** ANI Validation confirms that an incoming call is coming from the device that actually owns the telephone number. In other words, the call is not being spoofed. This is important to maximize customers who experience a more seamless experience, without rolling the red carpet out to impersonators.

- **ANI Match.** Once you can trust that the number showing on the caller ID is real, automatically connect that number with a customer's account whenever possible. This allows you to personalize the experience, increase the options for self-service to make customers happy and reduce agent caseload, and reduce the cost per call by saving handle time. It will also make life easier for agents who have to ask fewer questions before getting down to business.

- **Design Authentication on a Spectrum.** Not all transactions are created equal. For low-risk calls like checking on the status of an application or a service ticket, a light-weight authentication process is ideal. For higher-risk transactions more prone to fraud like transferring funds or opening accounts, a multi-factor authentication process will be necessary. Outline every action that would be eligible for self-service, and allow those transactions in the IVR when callers pass ANI validation and ANI match.

About Next Caller, a Pindrop Company

Next Caller, a Pindrop Company, is an enterprise-grade call verification service for contact centers. Next Caller's primary service, VeriCall®, allows businesses to passively “green light” customers while flagging suspicious activity like call spoofing to protect against fraud before it starts. With Next Caller, businesses can save time, money, and avoid treating customers like criminals. Next Caller was founded in 2012 and acquired by Pindrop in 2021. Next Caller is headquartered in New York City.

For more information visit <http://www.nextcaller.com>.

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