Central Bank of Seychelles

MYSTERY SHOPPING ON CUSTOMER SERVICE DELIVERED BY FINANCIAL SERVICE PROVIDERS

APRIL - MAY 2024



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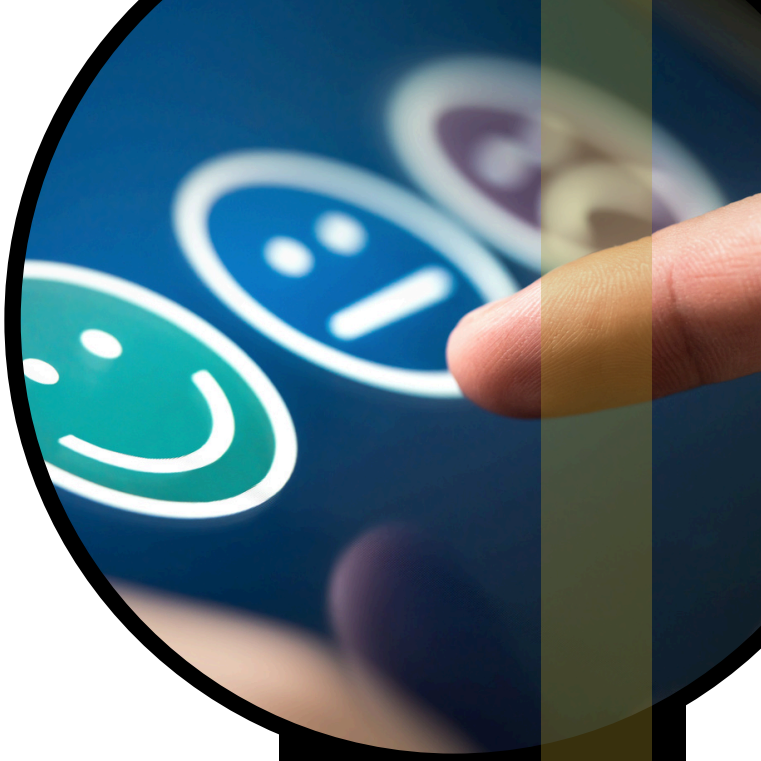


1.0 Introduction

In accordance with Section 5 of the Financial Consumer Protection Act, 2022 (FCPA), the Central Bank of Seychelles (CBS) conducted a mystery shopping exercise during the months of April and May 2024 to evaluate the level of customer service provided by Financial Service Providers (FSPs), notably the commercial banks and Seychelles Credit Union. Inquiring about personal loans was the chosen scenario for interactions between the mystery shoppers and the FSPs.

The areas investigated include:

- knowledge of the FSPs' staff about the product;
- the availability of a checklist of documents required for a personal loan application;
- the overall level of customer satisfaction encompassing factors such as waiting time and level of explanation provided by staff of the FSPs.

The main objective of the exercise was to evaluate the following:

- the accuracy of information provided and the consistency of information across the engagement channels;
- the levels of transparency regarding information provided by the FSPs, especially about fees and charges;
- the overall level of customer service provided by the FSPs.

2.0 Sampling

The mystery shopping exercise was conducted during April and May this year by CBS staff posing as customers wishing to obtain a personal loan, a common product offered by the FSPs. The exercise covered all seven licensed commercial banks (Bank of Ceylon, Al Salam Bank Seychelles Limited, Seychelles Commercial Bank, Nouvobanq, Bank of Baroda, Mauritius Commercial Bank (Seychelles) Ltd, Absa Bank (Seychelles) Ltd) and the Seychelles Credit Union. For the purpose of the report, the eight FSPs covered have been classified as FSP A to FSP H, in no particular order. The objective of the exercise is for CBS to identify areas for improvement and make recommendations for the deficiencies to be addressed by the respective FSPs.



3.0 Methodology

The mystery shoppers engaged with the FSPs through on-site visits to their branches and telephone conversations to evaluate the consistency of service and information provided across the different engagement channels.

3.1 On-site Visits

Between April 15 and May 21, 2024, the mystery shoppers tried as much as possible to conduct the on-site visits between 9.00am and 12.00pm to ensure the consistency of results across the FSPs. However, in some instances, the team had to conduct the mystery shopping between 1.00pm and 2.30pm due to certain factors, such as the inability to obtain the required service in the morning due to the busyness of the FSPs or the requirement to set up an appointment.

3.2 Telephone Interactions

Similarly, between April 19 and May 22, 2024, all FSPs were called between 8.30am and 12.00pm. If the calls were not picked up, the mystery shoppers tried calling again in the afternoon and the following days.

3.3 Information Requested

The mystery shoppers were asked to approach the FSPs to request information relating to personal loans as outlined below:

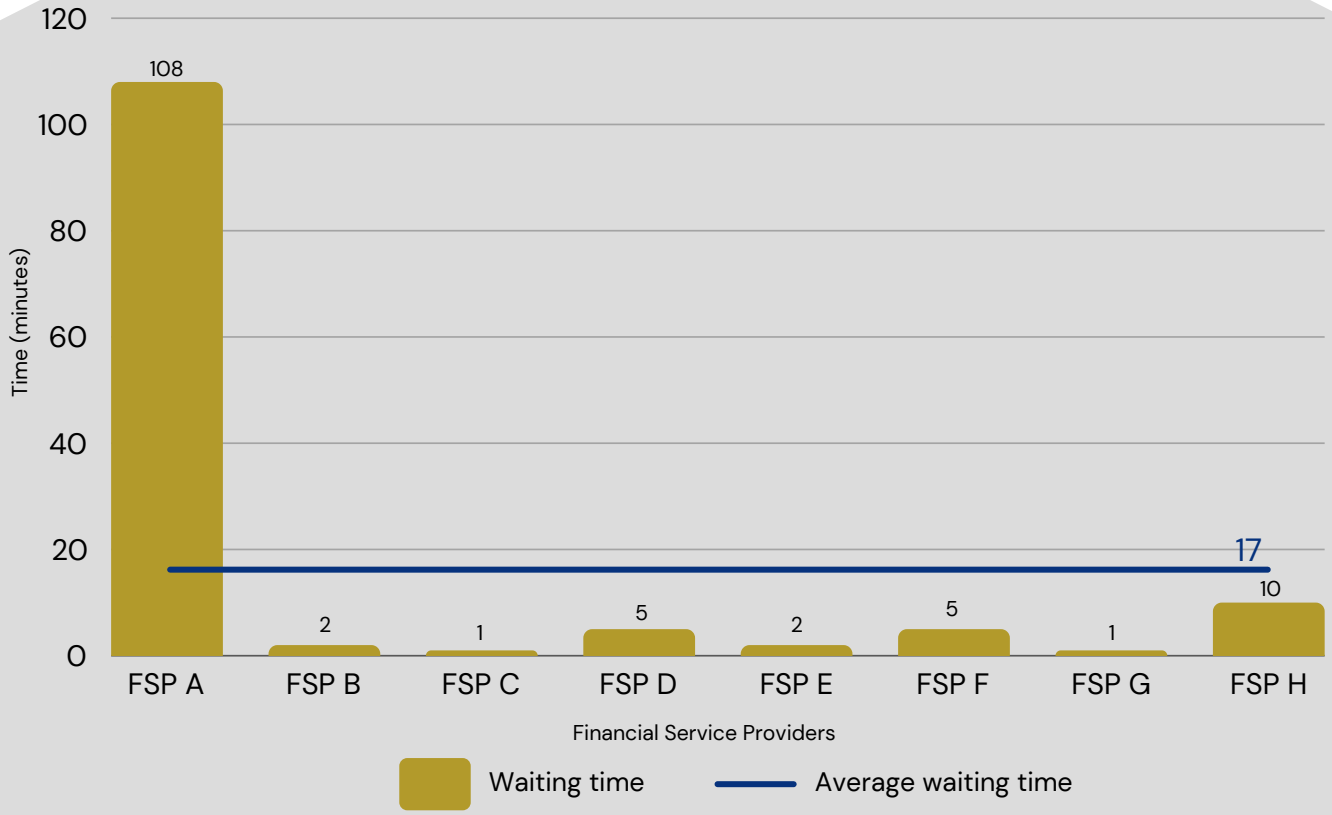
- a checklist of documents required for the loan application;
- availability of these documents on the FSPs' websites;
- the criteria to apply for a personal loan;
- the repayment period;
- the interest rate and how it is applied;
- any other applicable fees;
- prepayment penalties.

4.0 SUMMARY OF FINDINGS

The findings demonstrate the respective FSPs' performance compared to the average performance.

4.1 Findings Relating to On-site Visits

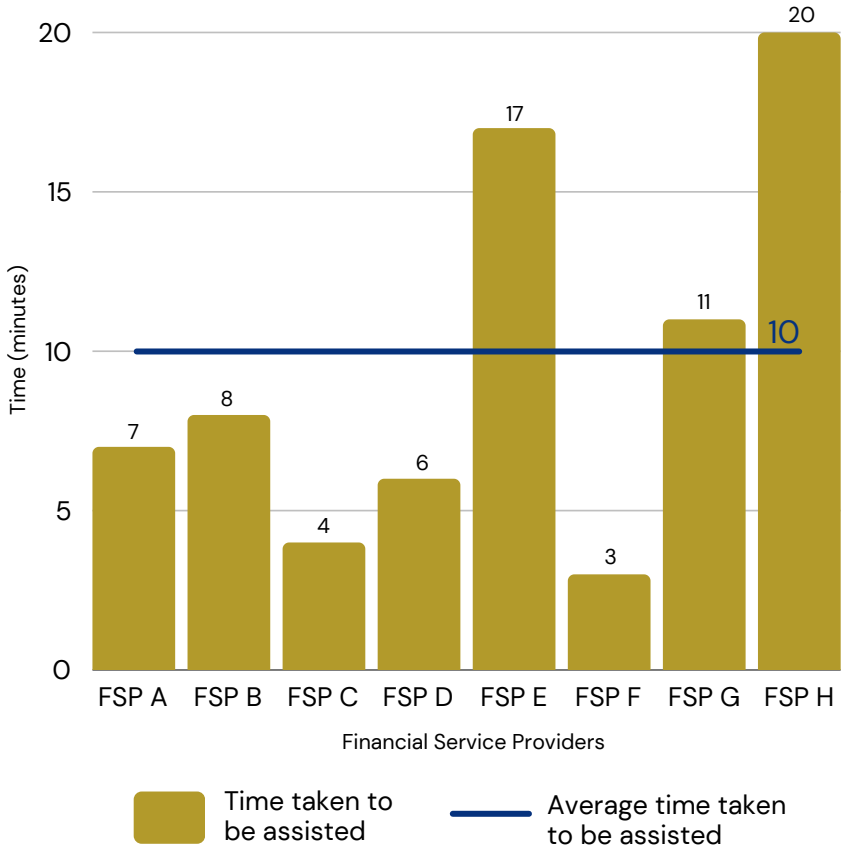
Chart 4.1.1: Waiting time to be assisted per FSP



The graph depicts waiting time from the moment the mystery shoppers entered the premises of the FSPs until an FSP staff attended to them.

- The average waiting time was 17 minutes;
- The longest waiting time was 108 minutes (1 hour and 48 minutes);
- The shortest waiting time was 1 minute.

Chart 4.1.2: Length of time taken for the mystery shoppers to be assisted per FSP



The graph depicts the time taken for an FSP staff to attend to, discuss and deliver the service to the mystery shoppers.

- The average time taken was 10 minutes;
- The longest time taken was 20 minutes;
- The shortest time taken was 3 minutes.

Chart 4.1.3: Introduction of staff

- None of the staff across the FSPs whose branches were visited introduced themselves to the mystery shoppers they assisted, although it is to be noted that some FSP staff had their name badges displayed;
- There was a general reluctance among staff of the FSPs to share their names with the mystery shoppers, although the intent of obtaining the names was for follow-up purposes. This finding is surprising given that an introduction by frontline staff helps to improve the customer experience.

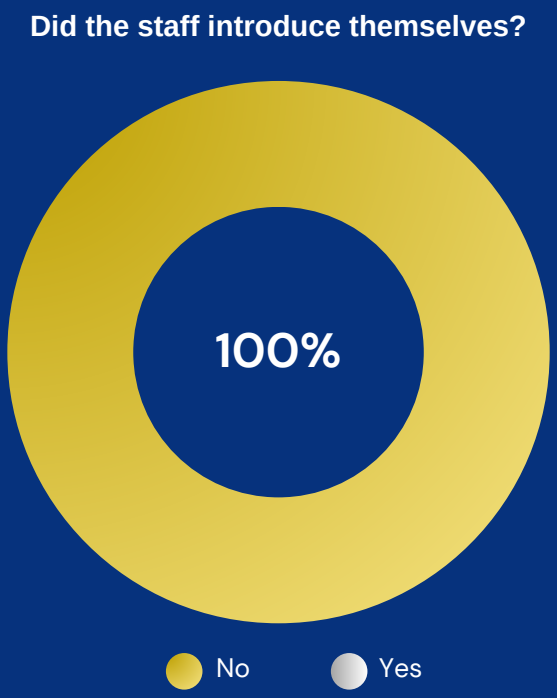
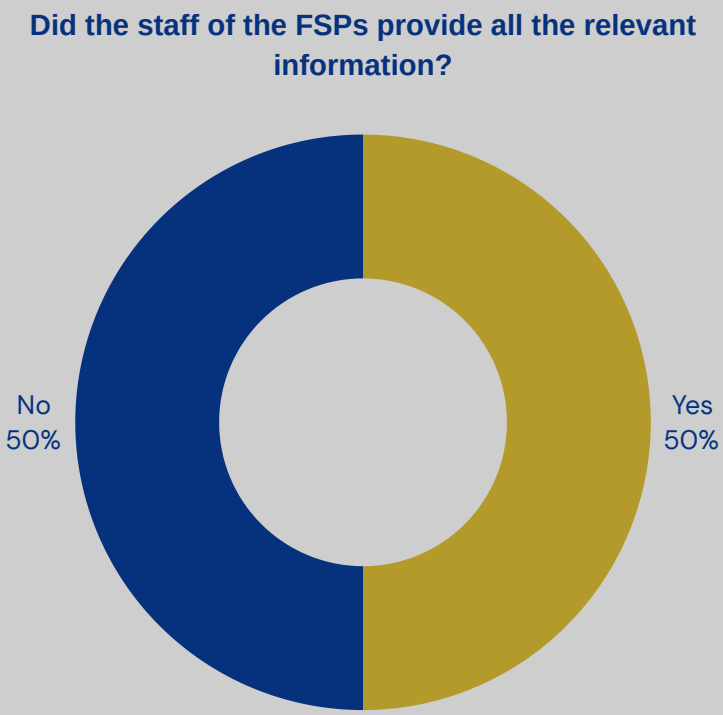


Chart 4.1.4: Provision of information



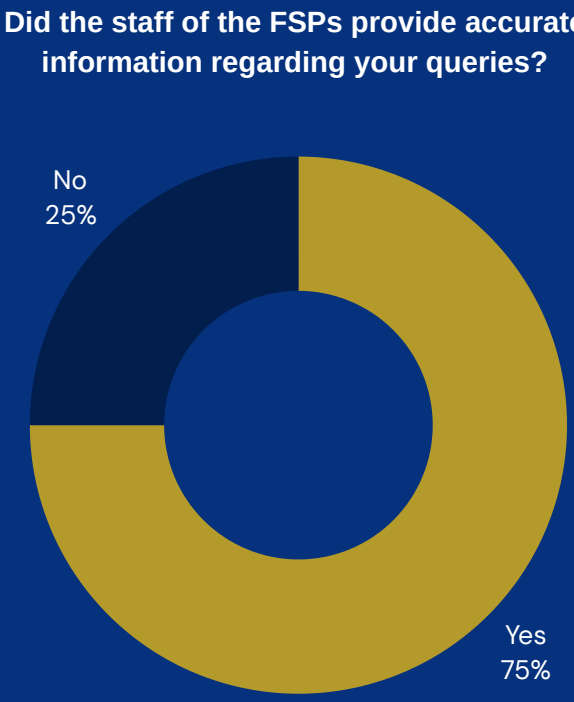
Only half of the FSPs visited provided the mystery shoppers with the requested information outlined.

The main reasons that staff from the remaining half did not provide the requested information are as follows:

- the mystery shoppers did not have an account with the respective FSPs;
- they did not have readily available documents to promptly respond to queries, nor did they attempt to seek information from more knowledgeable staff members;
- they were unaware of certain information being requested, especially in regard to interest rates, which they stated is not a question financial consumers generally ask.

It is important to note that one piece information that was clearly disclosed to the mystery shoppers relates to fees charged, which were cross-checked against the fees submitted to CBS by the respective FSPs.

Chart 4.1.5: Accuracy of information provided



- Information provided to the mystery shoppers was cross-checked against information the FSPs submit to CBS, such as information on loans, schedules of fees and charges, etc;
- For most of the FSPs, while some staff were unaware of specific information about personal loans, they did provide accurate information in other instances;
- Some FSPs did not attend to the mystery shoppers' requests for information if they did not have an account with them. This indicates that financial consumers who shop around are being declined information if they do not have an account with the respective FSPs.

Chart 4.1.6: Satisfaction with information provided

- Based on their experience, the mystery shoppers were satisfied with explanations provided by 62% of the FSPs visited;
- The mystery shoppers were not satisfied with explanations provided by the remaining 38%, mainly because while their staff provided general answers to the questions, they lacked knowledge when discussing the specificity of the product. Some staff did not offer any explanation, despite the mystery shopper repeatedly asking for clarification.

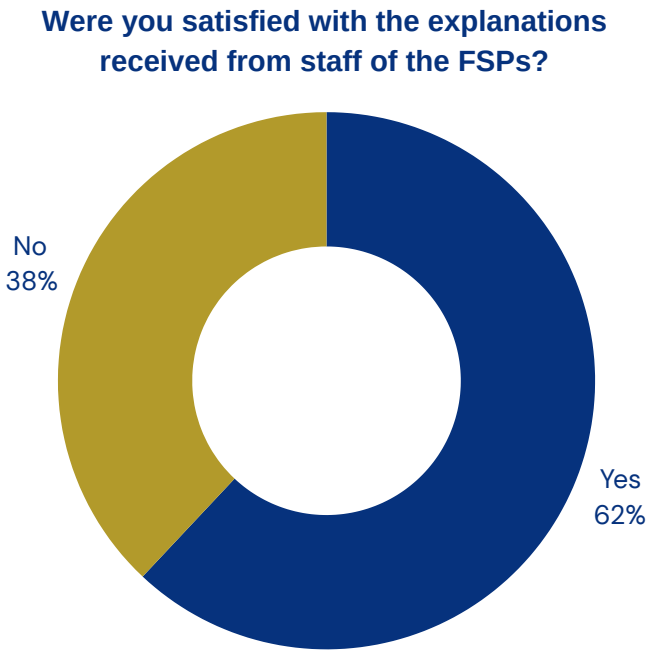
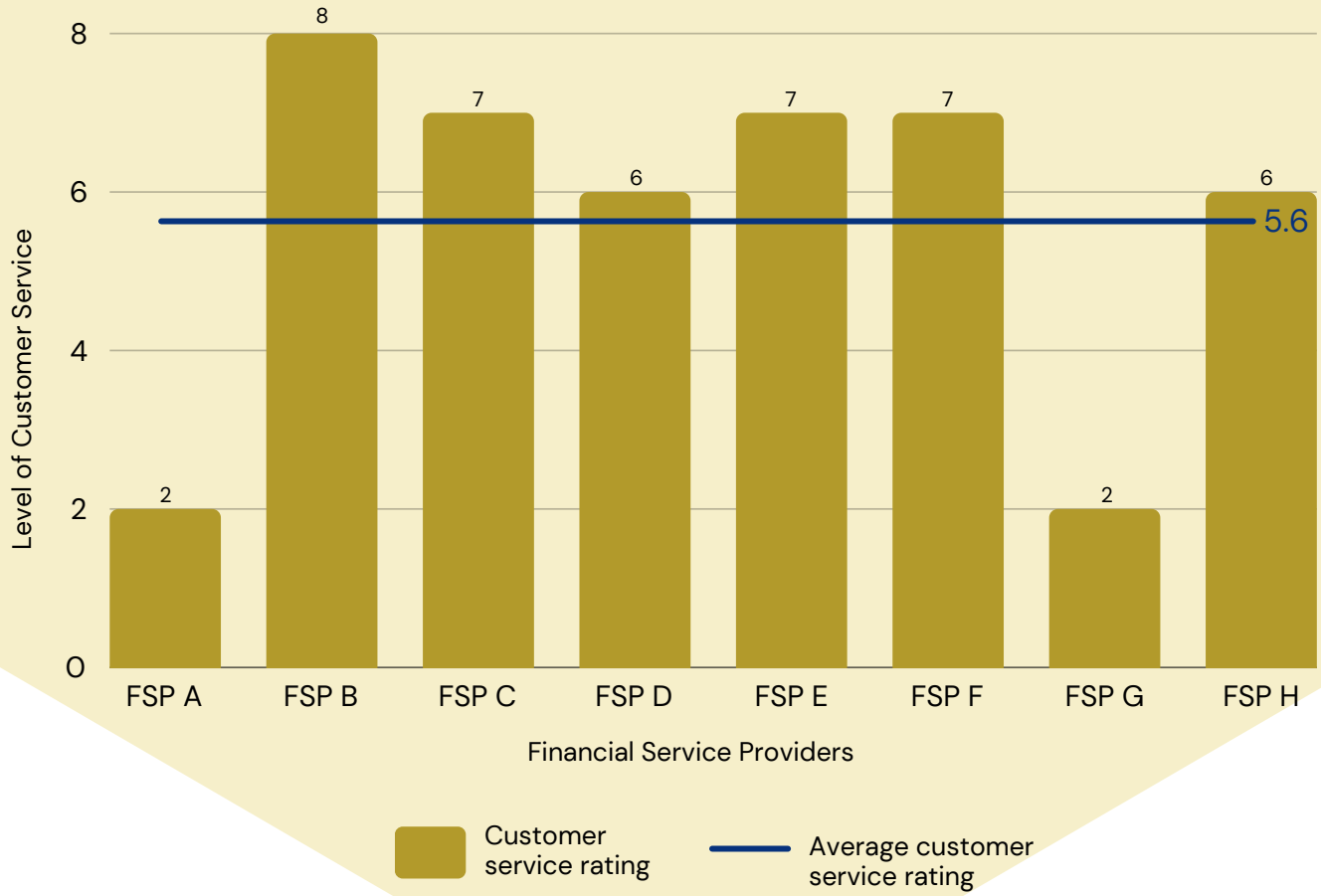


Chart 4.1.7: Customer service rating



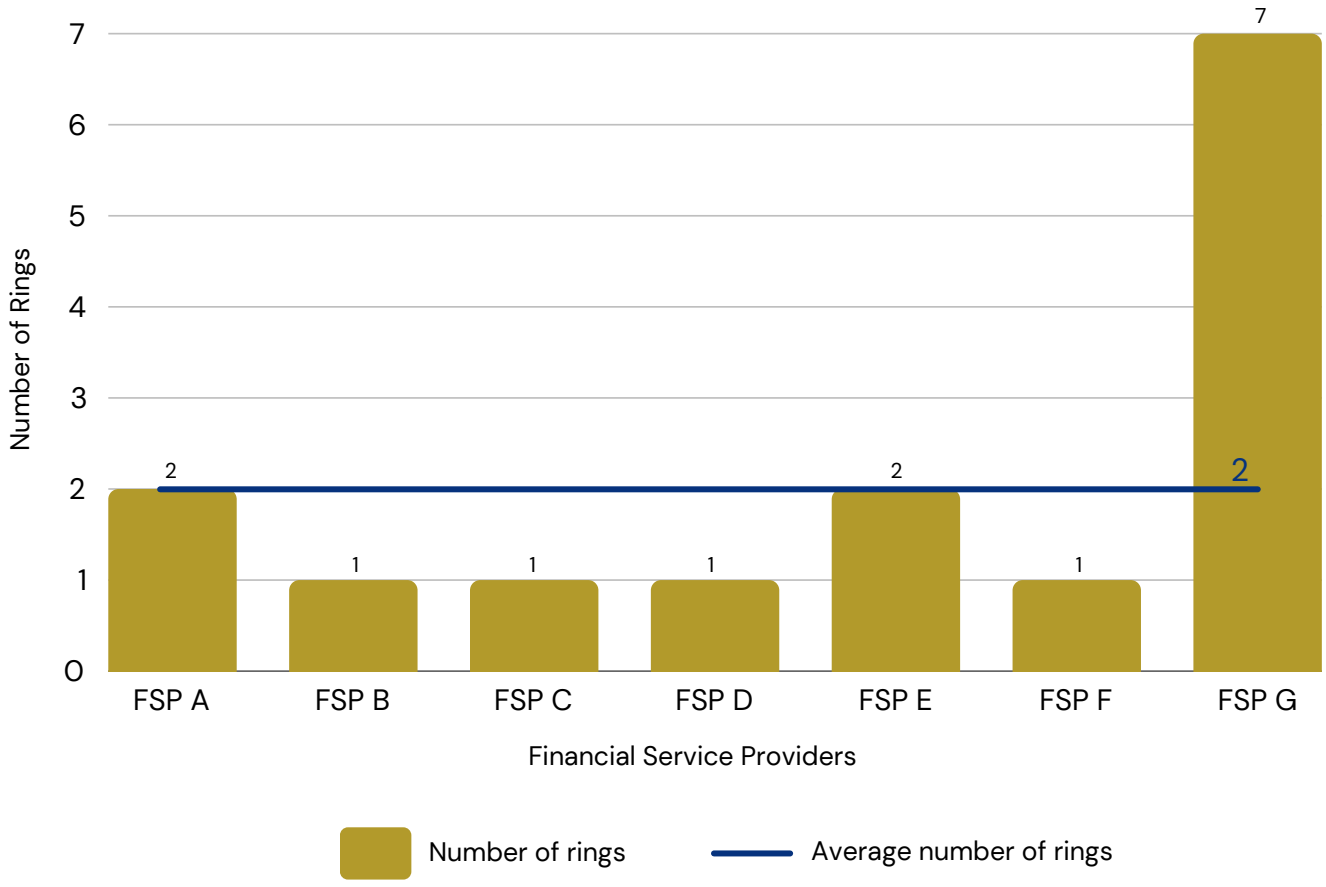
The mystery shoppers rated their overall experience with the FSPs on a scale of 1 to 10, with 1 being the lowest and 10 being the highest.

- The average customer service rating is 5.6;
- Two FSPs fall below the average with a rating of 2;
- The highest rating received by a FSP is 8.

4.2 Findings Relating to Telephone Interactions

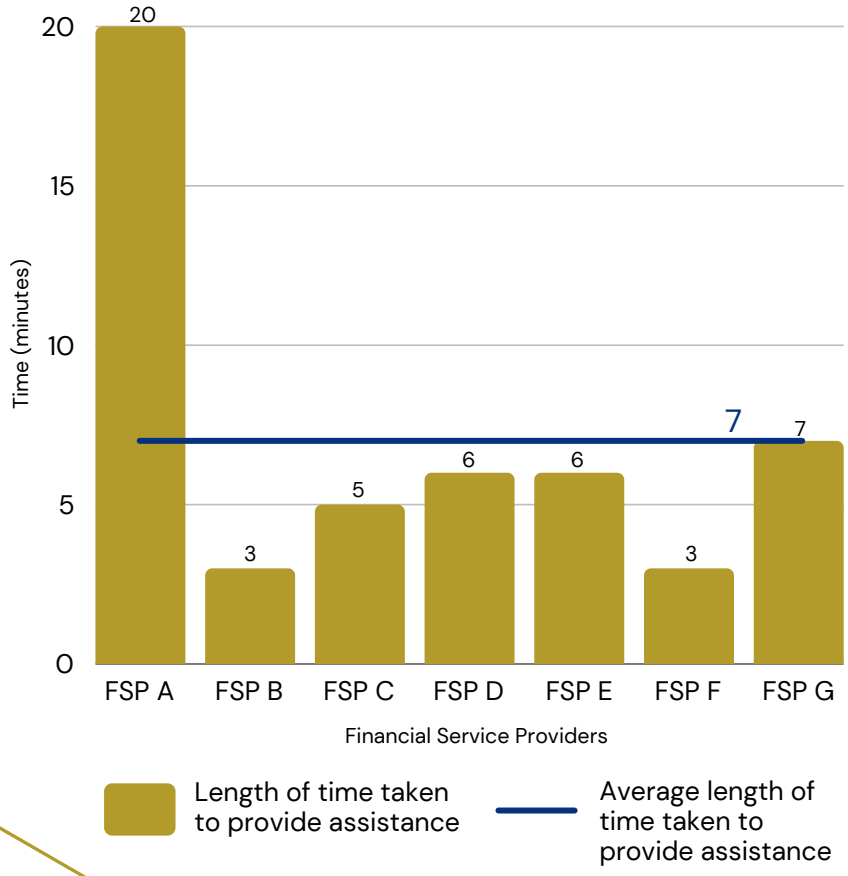
The analysis excludes one FSP, which the mystery shoppers attempted to contact 15 times over 10 days, from May 6 to May 17, 2024, but the calls were unanswered.

Chart 4.2.1: Number of rings before the call was answered



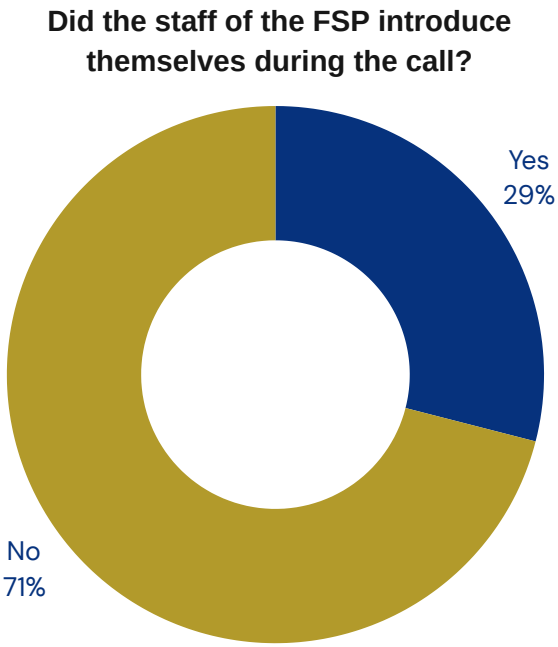
- The average number of rings was 2, meaning the telephone rang twice before it was picked up by a staff of the specific FSP;
- The highest number of rings was 7;
- The lowest number of rings was 1.

Chart 4.2.2: Duration of call to provide assistance per FSP



- The average length of time taken for staff of the FSPs to assist the mystery shoppers was 7 minutes;
- The longest time taken was 20 minutes;
- The shortest time was 3 minutes.

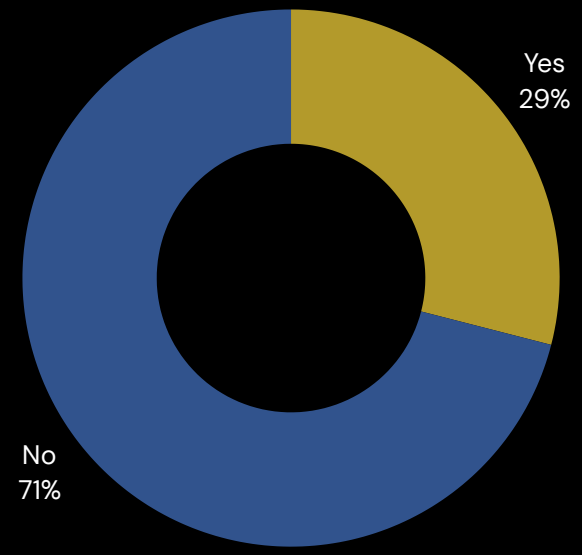
Chart 4.2.3: Identification of staff



- The staff of only two FSPs introduced themselves at the beginning of the call;
- Staff of the other FSPs were very reluctant to reveal their names over the phone.

Chart 4.2.4: Provision of information

Did the staff of the FSPs provide all relevant information during your interaction?



- 71% of the FSPs did not provide the mystery shoppers with all the relevant information about the requested service;
- The remaining 29% provided the mystery shoppers with all the relevant information.

Chart 4.2.5: Accuracy of information provided

The accuracy of the information was cross-checked against information the FSPs submit to CBS, such as information on loans, schedules of fees and charges, etc.

Three FSPs provided accurate information, while the mystery shoppers had doubts about the accuracy of information provided by the others for the following reasons:

- the staff had to put the mystery shoppers on hold numerous times during the call to seek clarifications from colleagues;
- one FSP did not want to provide information over the phone;
- the staff rushed through the interactions, causing the mystery shoppers to miss key details and be required to call back.

Did the staff of the FSPs provide accurate information regarding your queries?

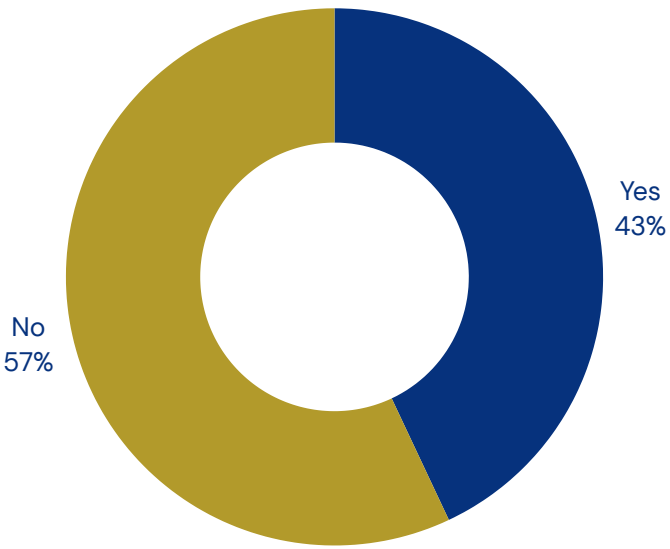
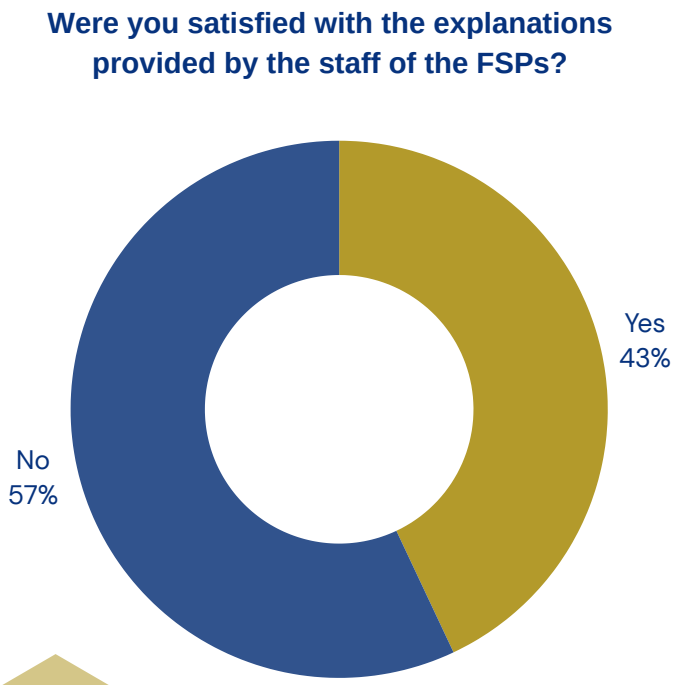


Chart 4.2.6: Satisfaction with information provided



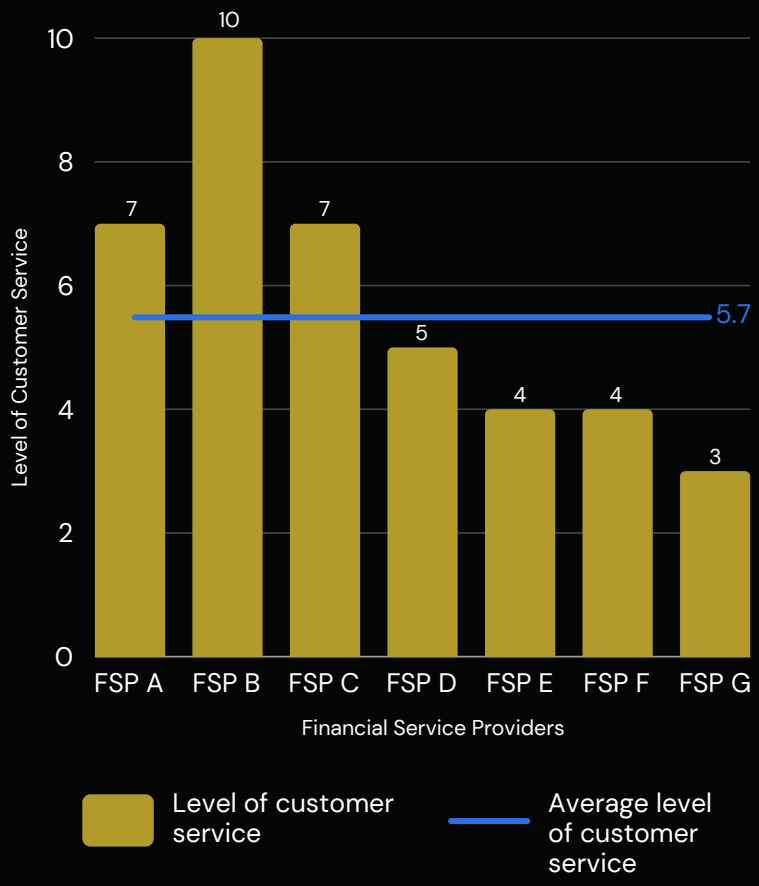
The mystery shoppers were satisfied with the explanations provided by 3 FSPs.

The main reasons the mystery shoppers were not satisfied with the explanations provided by the other FSPs are as follows:

- the staff spoke too fast, and the mystery shoppers could not retain some of the information communicated to them despite asking follow-up questions. The mystery shoppers were advised to visit the respective FSPs in person to receive the information;
- the staff did not offer any explanation and requested the mystery shopper to visit the respective FSP;
- the staff were not well-versed about the product, thus provided incomplete information.

Chart 4.2.7: Customer service level rating

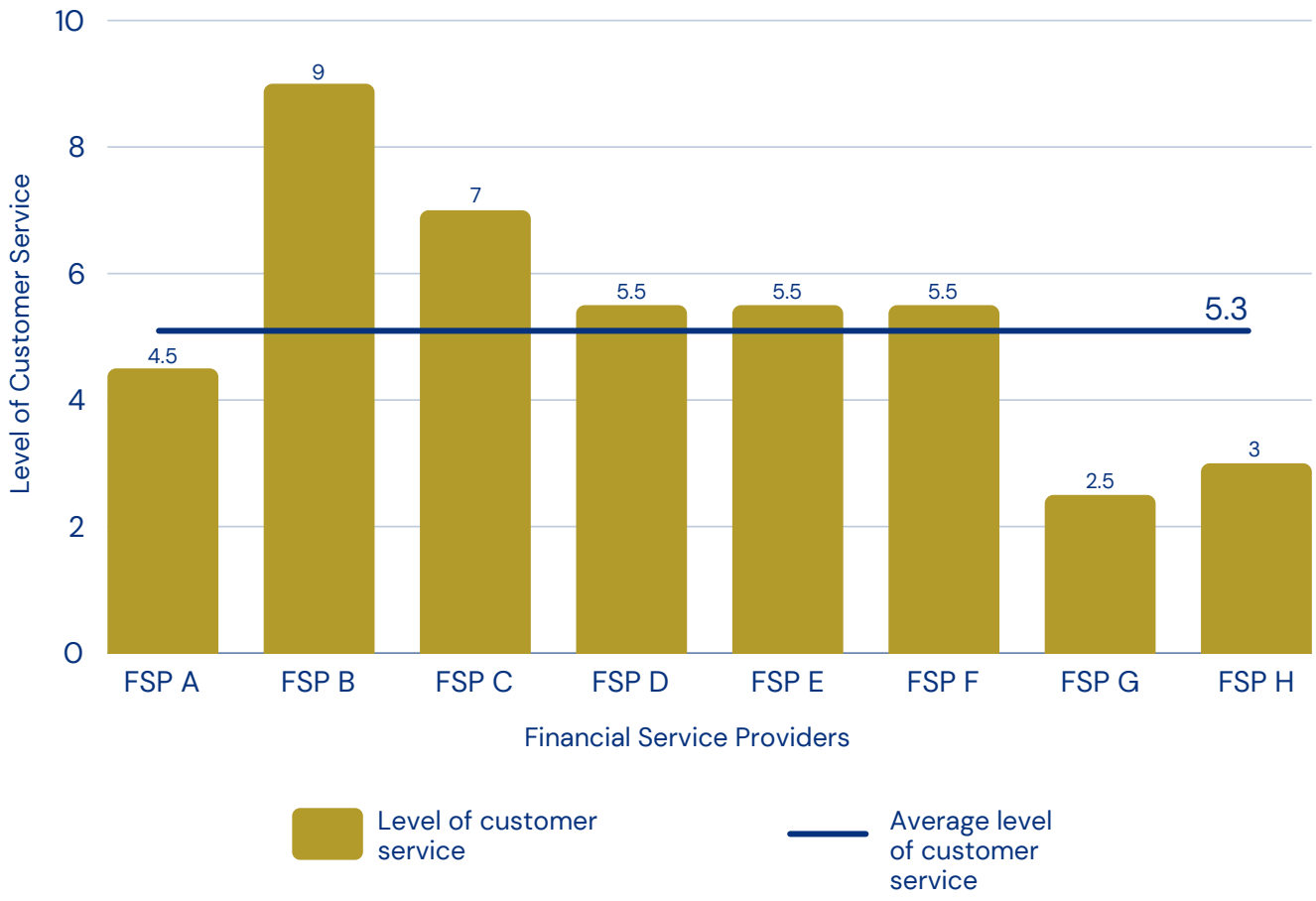
- The mystery shoppers rated their overall experience with the FSPs on a scale of 1 to 10, with 1 being the lowest and 10 being the highest.
- The average customer service rating is 5.7;
- 4 FSPs fall below the average;
- One FSP received a maximum rating of 10.



4.3
Overall Level of Customer Service

Based on the findings and insights gathered through the on-site visits and telephone interactions, the mystery shoppers provided a rating to showcase their overall level of satisfaction.

Chart 4.3.1: Overall customer service level rating



- The overall average level of customer service is 5.3;
- The highest overall rating is 9;
- The lowest overall rating is 2.5.

5.0 RECOMMENDATIONS

Section 14(1) of the FCPA makes provision for the Competent Authorities to publish all general or individual measures adopted under the Act, including enforcement measures, imposition of penalties, redress decisions or statistical data.

The publication of market research is a practice currently being undertaken by central banks with a consumer protection mandate. Such a practice by CBS will further reinforce the institution's commitment to the International Monetary Fund (IMF) Transparency Code in terms of its reporting and dissemination of consumer protection outcomes.

Following the mystery shopping exercise, CBS presented the findings to the FSPs and outlined several recommendations for them to address their individual and collective deficiencies.

Key findings and CBS' recommended actions

IDENTIFIED DEFICIENCIES	RECOMMENDED ACTIONS
Staff reluctance to introduce themselves when interacting with customers.	FSPs should train and advise staff to introduce themselves when interacting with customers.
Staff are either not equipped with the necessary documents to promptly address customer queries or are not sufficiently knowledgeable about the product, resulting in the provision of incomplete or inaccurate information.	FSPs should review internal processes to allow frontline staff to swiftly access all relevant information needed to assist customers.
Staff refusal to assist/provide information: • over the phone and requiring customers to visit the FSPs in person; • to individuals who do not have an account with the respective FSPs.	FSPs should attend to and assist all financial consumers.
Failure to provide feedback or follow up on customer queries.	FSPs should have a follow-up system in place to honour commitments given to customers.
Staff interactions with customers are either rushed causing key details to be missed, or prolonged resulting in delays and frustrations among other waiting customers.	FSPs should ensure that staff are equipped to respond to queries in an effective and efficient manner.
Unanswered phone calls.	FSPs should have dedicated staff equipped with customer care training and knowledge of the institutions' products, services and processes to answer phone calls and swiftly assist customers.
Prolonged waiting time for customers to be served by a customer service staff.	FSPs should review internal processes and allocation of resources to decrease waiting time.
Due to the unavailability or absence of staff, customers are requested to come back another day to obtain a service.	FSPs should have a business continuity plan in place to ensure customer service is maintained at all times.



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