Argent Revisited

Malcolm Oliver edited Argent from 2002 to 2006. In this series, he revisits some of his editorials from that period and finds – as Hegel put it – that the lesson of history is that the lessons of history are forgotten. In this issue, he looks again at the problem of deliberately obscure or impenetrable language – as originally discussed in *Masters of the Indistinct*, in Argent 4.1, published in January 2005.

Past masters

My original editorial stemmed from a comment by the painter JMW Turner in response to a complaint from an American that the work that he had commissioned unseen was rather blurred. Turner declared himself a "master of the indistinct", an epithet that I likened (as the special focus of Argent 4.1 was on market research) to the then-commonplace experience of seeing answers to vague or fuzzy questions used to draw crystal-clear conclusions – which tended to match company preferences rather than real customer needs.

The same general criticism could have been applied to the language and emphasis then employed by marketers in general, and in financial services companies in particular, despite decades of regulation and consumer protection legislation.

In terms of promotional verbiage, some things have not changed much in the intervening thirteen years. Sofa sales still "must end this Sunday" – every Sunday; adverts for guaranteed acceptance over-50s life insurance still proclaim, with craftily-chosen dialogue, the policies to be "good value"; Volkswagen and others were able to confuse and mislead the public with trickery on engine emissions; the regulatory small print in TV ads is more comprehensive, but so small and so briefly flashed up that it is almost impossible to digest; and Ofgem rules intended to guide consumers to the cheapest deals mean that someone seeking to switch from one fixed-price tariff to another can be told simultaneously that they will "save" £250 yet their direct debit will increase by £20 a month! All fully compliant with regulations and the law, but all showing such mastery of the indistinct in language and content to confuse and misdirect.

Indeed, in some areas the situation has got markedly worse. Prime Minister's Questions generally descends into a meaningless cacophony of claim and counter-claim – all usually justified by indistinct mastery of the same basic statistics. President Trump scarcely needs a mention. And the whole Brexit process, from the initial referendum campaign through the last two years of negotiation and the current (as I write) catastrophic confusion on the proposed withdrawal agreement, has been characterized not by rational dialogue based on hard facts but by posturing and prevarication, and a preponderance of – as Kipling put it in an earlier end-of-era context – frantic boasts and foolish words.

But in financial services there are real signs of improvement. Much of this has been driven by governments and regulators in response to the many scandals that have shocked in the UK or, in some cases, across the world. But there is also a clear recognition, with the painful benefit of hindsight, from

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the companies themselves – or at least those that have survived – that things could have been so different, and so much less expensive, if the providers had explained more clearly the limited value and relevance of payment protection insurance and packaged bank accounts; if mortgage-backed securities and collateralized debt obligations had not been used to confuse and mislead bankers as well as customers; if Northern Rock had not promised more than the earth in pursuit of new business targets with its gravity-defying 125% loan-to-value mortgages; or if Equitable Life had not compounded actuarial incompetence with a foolish and forlorn attempt to rely on the arcane wording of its articles of association and to deny the promises that it had made to its policyholders.

Although most companies in the industry were innocent of these malpractices, and just as shocked by their revelation as governments, regulators and customers, this produced a crisis of trust in the whole industry – in the same way that respect for and confidence in (most) politicians has been massively eroded in the last couple of decades.

And many providers have now recognized that trust (and the necessary rebuilding of it after the recent travails, which have infected even the most innocent of banks and insurers) is a precious, and perhaps the most important, asset in an increasingly homogeneous market.

Leaving aside IT mishaps and the like, most banks and insurers offer pretty much the same facilities and features. Occasionally one will come up with a truly radical concept, but (with no patenting available on what is essentially a conceptual rather than physical idea) anything that really resonates with customers will soon be copied. So the hope that remains, once all the other ideas have flown from the box, is that customers want and need providers in whom they can trust, and in whom they have confidence that they will be secure.

If customers really feel that trust and confidence, then they will remain loyal, despite short-term blandishments to defect. That has been evident over the years in the Financial Services Forum Awards for Marketing Effectiveness, where the big-spending battalions have often been trumped by smaller organizations who really know their customers (in the everyday sense as well as regulatory terms) and whose customers really know and trust them – the Cambridge Building Society and Wesleyan Assurance are cases in point this year.

But perhaps the best example is the Cooperative Bank. Rooted in the cooperative movement (though technically not a mutual itself) and famed and respected for its ethical policies, it was rocked in 2013 by revelations that its chairman was less than ethical in his personal life and had no practical experience of banking, and by the discovery of a huge black hole in its accounts. Few at the time thought it could survive, but it has – and under new ownership it now shows signs of thriving again. It has retained most of its customers, despite the best efforts of rivals to lure them away, because those customers still had a basic trust despite the scandal – and that trust has been re-nurtured over the past five years by a re-emphasis of its core values in its customer communications, which in turn has been recognized in the Forum's 2018 awards. A classic example, to misquote a famous strapline, of how to turn a crisis into a BAFTA-winning drama. □

Malcolm Oliver is a freelance management consultant and lecturer, and a semi-professional grandfather! He is also an advisor to an investment bank, and sits on the judging panel for both sets of Financial Services Forum awards..