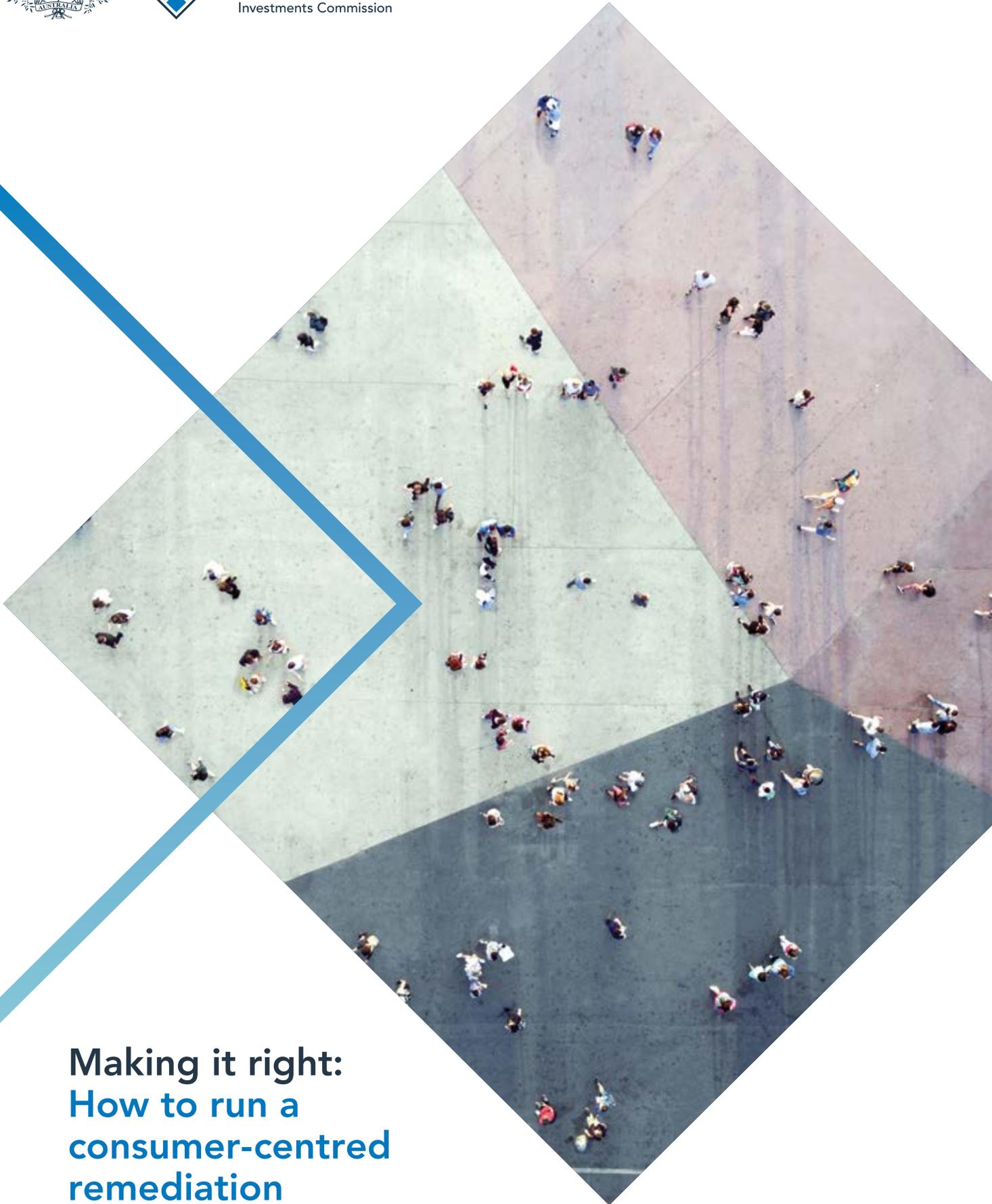




ASIC
Australian Securities &
Investments Commission



**Making it right:
How to run a
consumer-centred
remediation**

Key principles

A consumer-centred remediation puts the interests of consumers at the heart of every stage of the remediation.

Remember – your actions or the actions of your representatives have caused your consumers to suffer loss. It is your job to proactively fix the problem and make things right for your consumers.

What a consumer-centred remediation looks like

A consumer-centred remediation will:

- › be **fair in all the circumstances**
- › be **timely** without sacrificing quality or resulting in subpar consumer outcomes
- › **deeply understand** the problem and the affected consumers
- › **put the consumers at the heart of all decisions**
- › **ensure that consumers are returned, as closely as possible, to the position they would have otherwise been in**
- › make it easy for affected consumers by **minimising complexity and consumer action**
- › **give consumers the benefit of the doubt** when making assumptions
- › **be transparent**
- › incorporate **tracking and monitoring**, and record outcomes against the goal
- › **learn and adapt** by identifying areas for improvement and fixing them
- › be **well documented** throughout the entire remediation
- › **not profit** from your misconduct.

Consumer-centred remediations will require effort and resources.

Using this field guide

This field guide outlines what a general consumer-centred approach to remediation looks like and focuses on the consumer's experience. This field guide will help you achieve consumer-centred outcomes.

This field guide applies to remediations and firms of all types and sizes. **You can scale the approach to suit your specific circumstances.**

This field guide should be used alongside ASIC's Regulatory Guide 277 *Consumer remediation (RG 277)*. **This advice is not a replacement for RG 277 or your obligations under the laws that ASIC administers.** This field guide does not constitute legal advice. Any examples or lists in this field guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

This advice has been informed by evidence from the behavioural sciences and ASIC's experience with many remediations.

Keep in mind that this field guide is not a checklist – remediations need to be tailored to suit your consumers' circumstances, lives and needs.

At a glance: A consumer-centred remediation approach





Understand what has happened

Understand and fix the problem

Think deeply about the problem and consider that it might be more widespread than you first expect. Work out the root cause of the problem, underlying drivers, and how to stop it from happening again. Draw on information and expertise you have available from across the organisation to understand and resolve the problem. Look at which products, services, systems, processes and people are involved and affected – identify any common, underlying threads (see [RG 277.45–RG 277.53](#)).

Document this process so that, if required, you will easily be able to show the cause of the problem, your knowledge gaps and the steps taken to fix it (see [RG 277.230–RG 277.232](#)).

Identify your potentially affected consumers

Once you understand the nature and extent of the problem, assess which consumers may have been affected and the extent of their potential loss. Cast the net wide to identify who should be included and take an ‘if not, why not’ approach: If you do not think a consumer is potentially affected, what evidence can you provide to support this? Where possible, test whether you have properly captured those affected. In some cases, this can be done in tandem with the work done to ‘understand affected consumers’ (see [page 4](#), and [RG 277.54–RG 277.60](#)).

When you have groups of consumer cohorts, in the interest of time and efficiency, aim to work in tranches. Once you have enough

information on one group, progress the remediation for this group while you continue to scope other groups. In larger remediations you may also consider triaging groups so that ‘easier’ groups and/or groups that may be experiencing financial difficulty are addressed first (see [RG 277.142–RG 277.144](#)).

Take all reasonable steps to use evidence and records that your business holds or you can reasonably access (see [RG 277.40–RG 277.44](#)). It is ASIC’s experience that some licensees do not have sufficient records. Asking consumers for information should be avoided; if your records are not adequate, prioritise **giving consumers the benefit of the doubt**. In some cases, you may need to make assumptions that are **beneficial to the consumer** (see [RG 277 Section F](#)).

Start to identify which consumers you have contact details for, and think about what strategies you may implement to reach those you do not have details for (see [RG 277.157–RG 277.159](#)).

What is an appropriate outcome?

Determine whether consumers have suffered loss and what remedies (monetary and/or non-monetary) are appropriate. Some consumers may suffer additional loss that is not readily apparent. It is important to think creatively about how to understand the loss suffered and the remedies needed. A helpful rule of thumb is to only provide outcomes that you would be comfortable justifying publicly. Remember to document your methodology for calculating loss (see [RG 277 Section E](#)).

REMEMBER

Timeliness is key but should not compromise the quality of the remediation or consumer outcomes.



Understand affected consumers

To ensure your remediation is consumer-centred you will need to understand your affected consumers.

To do this, draw on as much information as you can reasonably access (both internal and external). Large businesses are likely to hold data insights about their consumers in multiple areas – connecting the dots will be important.

If possible, use the expertise of people in consumer insights, behavioural sciences or marketing to help you interpret the information you gather (see [RG 277.207–RG 277.209](#)).

Know your consumers

You will need to know about the ‘features’ of your consumers. Consumer features are objective details like age and life stage, occupation, economic position, culture, location and education. Some of this information may be in your records, and some you may be able to piece together from other sources. See [‘Resource A: Know your consumers’](#) for more detail about what **consumer features can tell you**.

Knowing these details will help with triaging, designing the consumer journey and communication planning (see [RG 277.145–RG 277.152](#)).

Recognise your consumers’ lives and needs

Think about the environment or situation your affected consumers could be in. It is important to recognise that this remediation is not occurring in a vacuum. Consumers are dealing with all kinds of life events and tasks at the same time (work demands, caring for children, injury or illness, death of a loved one, divorce, economic issues, stress, etc.)

Your consumers are dealing with the problem you have caused **on top** of everything else happening in their lives.

Keep in mind that consumers’ circumstances may have changed over time or since you last interacted with them.

Your consumers’ situation will affect how they experience the remediation and how they interpret and respond to your communications. It is important to consider and account for this where possible. See [‘Resource B: Consumers’ lives and needs’](#) for further details.

The information you gather here may help you divide consumers into groups for triaging (see [page 3](#)). It may also help you identify different subgroups, that will need to be considered when you map the consumer journey.

REMEMBER

Every case is different: Identify your consumers’ features and contexts that are relevant for your specific remediation.



Pause and reflect

Identify your knowledge gaps and consider using assumptions

If there are still gaps in your knowledge, work out how you may fill them. You might decide to make assumptions, either because you cannot fill your knowledge gaps or because it is more efficient to do so. If you make assumptions, these should benefit consumers and be tested and monitored (see [RG 277.114–RG 277.141](#)).

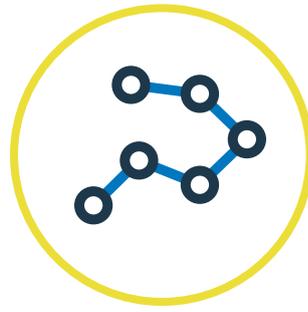
At all stages of the remediation, consumers should not be disadvantaged by your lack of data or information (see [RG 277.126–RG 277.133](#)).

Reflect on your overarching goal

Think about your overarching outcome goal and how you plan to track and measure it. This needs to be built into the remediation early and used to regularly assess progress, applying learnings as you go.

In conducting your remediation, your main goal is to return consumers, as closely as possible, to the position they would have otherwise been in.

During the 'Design and Build' stages you will need to ensure that your processes and implementation are still aligned with this goal.



Map your consumers' journeys

Map out the journey consumers will go through in this remediation. This is not unlike the maps that can be used to inform product design and marketing.

Draw on your knowledge of consumers and reflect on the underlying goal of your remediation when you map out these journeys. Where possible, draw on the expertise of people from areas such as consumer insights, behavioural sciences and marketing.

It is possible that different groups of consumers will require different journeys. In some cases this will include a journey for consumers you do not have contact details for.

The consumer journey(s) will outline the full experience of the consumer as they progress through the remediation and interact with your organisation and brand.

Some factors to consider when designing your consumers' journeys are listed below. The factors to consider are not limited to these examples; their relevance will depend on your specific remediation.

Minimise complexity and make it easy for your consumers

There should be minimal frictions in the journey – this means that few obstacles or barriers are experienced by the consumer. Your consumers should feel that the experience is very easy (e.g. refunds should be processed automatically wherever possible). Potentially affected consumers should not be asked to opt in (but a firm may consider letting other consumers outside the group of potentially affected consumers opt in) (see [RG 277 Section C, RG 277.150–RG 277.152](#)).

It should also be easy for consumers to nominate representatives, such as financial counsellors, financial advisers and lawyers.

Don't forget the wider impact on your consumer

Remember this remediation is not happening in a vacuum for the consumer. There will be other things going on in their lives that may affect their experience. The remediation itself could even be part of a major life event. This will need to be factored into the remediation. Do not simply assume everything is okay for them.

Be 'fault tolerant'

People can (and often do) make mistakes. For example, they might forget to respond or to take action, or might give incorrect information. To account for this, the consumer journey should be 'fault tolerant'. This means it is designed to identify and assist consumers who have difficulty engaging with the remediation. Consumers should not be disadvantaged if they make a mistake.

Consumers may not behave how you first think

Remember that your ideas about how consumers will behave are often influenced by your own background and unique perspective of the industry. You are not your consumers and it is likely your consumers will behave differently from you or in ways you do not expect. ASIC has often seen this in remediations. Sometimes consumers can even be in denial about the issue.

REMEMBER

A consumer-centred remediation journey is one that requires minimal consumer action.



Make your communications plan

A consumer-centred remediation needs an overarching communications plan (see [RG 277.145–RG 277.149](#)). This should be based on the consumer journeys you have mapped out and what you have learnt about your consumers ([see page 4](#)). You may need different plans for different journeys. The communications plan should set out:

- › **recipients:** who communications should be sent to (consumers directly, their representatives, estate executors, etc.)
- › **timings and frequency:** when you will communicate with consumers and how many times
- › **messenger and message types:** what messages and information will be communicated, at which times and from whom
- › **channels:** what communication channels you will use
- › **metrics:** what metrics to track and collect (and how)
- › **testing:** which pieces of communication need to be tested and when.

Timing and frequency of communication

Work out when it is best to communicate with your consumers. Provide information for the consumer at the stage when it is most relevant and useful to them – for example, information that will be most relevant and useful to consumers at the completion of the remediation, such as the consumer's outcome review rights, should be provided upon completion of the remediation, not earlier on in the process.

Generally, consumers should be notified as early as possible about the remediation, told about its outcome and what that means for them, given a chance to get more information, and be informed about how to lodge a complaint. Sometimes, it might be appropriate for these elements to be included in the same communication.

However, in many cases it is likely that further communication will be required to achieve good consumer outcomes (e.g. follow-up communications, updates, reminders, supporting communications). All communications should work together and complement each other to effectively communicate with the consumer.

Communication channels

A multi-channel approach will help maximise consumer reach and response rate. Some examples of communication channels include letters, email, phone calls, SMS, in-app notifications and online account messages. The channels you use should be fit for purpose, appropriate to consumers' circumstances (e.g. literacy and numeracy ability, language and age) and reflect consumer preferences (if that information is available) without unreasonably restricting the channels used.

Different channels suit different types of messages and content and different levels of consumer engagement.

Front-line staff should be appropriately trained to provide a tailored interaction and deal with complex issues as they arise. Tools like tailored call scripts and quality assurance processes (e.g. call monitoring and auditing) should be used to ensure quality, consistency and consumer-centred outcomes. Any key information that is provided to a consumer verbally should also be followed up in writing within 10 business days (see [RG 277.148](#)).

Use transparency

You should also be **transparent** about what has happened. Transparency and accountability are essential to ensuring trust and consumer confidence in the financial system.

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Make your communications plan

Creating a public facing, easily searchable and prominent remediation page on your website is an effective strategy we have seen firms use.

A public webpage has multiple benefits. In addition to transparency, it also serves as a way for consumers concerned about scams to independently verify the remediation and communications they have received. It also allows financial counsellors and consumer representatives to better assist consumers.

However, a webpage or other general public communications should not replace individual communications to potentially affected consumers.

Consumer calls to action

Ideally consumers will not need to respond or do anything during the remediation.

In the limited cases where a response or action is required from the consumer (i.e. a 'call to action'), this should be carefully planned (see page 9 for more information about calls to action, and [RG 277.150–RG 277.152](#)).

Non-responsive consumers

Communication plans will also need to include information about what to do if consumers do not respond. This includes consumers who haven't responded to a call to action and those who are sent cheques and do not cash them.

Plan which actions to take when a consumer does not respond, including sending different kinds of follow-up communications and further investigating how to reach them (see [RG 277.157–RG 277.159](#)).

Critically, you cannot assume that no response means that the consumer does not wish to participate or is happy with their situation.

Consumer support

Plan how to provide additional support to consumers, where needed (see [RG 277.92–RG 277.103](#)). Provide a central contact point so that consumers can get progress updates. This contact point should be easy and quick to access and reflect consumer preferences where known (e.g. a dedicated hotline or email address). If certain consumer cohorts require an interpreter, staff with cross-cultural training and/or staff skilled in catering for consumers with particular needs, plan how to provide these services.

What you have learnt from '[Resource A: Know your consumers](#)' and '[Resource B: Consumers' lives and needs](#)' may be useful at this stage, as well as drawing on people with the right expertise (e.g. communications and marketing).

REMEMBER

In most cases, multiple channels should be used to support key pieces of communication.



Write your communications

Once you have created your communications plan you can start to develop the content and appearance of each piece of communication.

Consider the purpose

When developing each communication, **consider its purpose**. Although all communications in your remediation share the same overarching goal, each communication's purpose will vary depending on when in the journey it is being sent out and what the consumer may need to do. For example, an initial letter may have the goal of telling the consumer about the issue, whereas a reminder text message may have the goal of prompting former consumers to provide their updated payment details.

There is no one-size-fits-all form of communication that will lead to a consumer-centred remediation

The development of your communications should draw on everything you have learnt about your consumers. Tailor the communications to them (e.g. their literacy and numeracy ability, language skills, age, and communication channel preferences). If you have different consumer subgroups, it is likely that they will need different communications designed for their needs.

Only use a call to action in limited circumstances

There should be limited circumstances in which there is a 'call to action' and the consumer is asked to do something. **Calls to action should not be onerous and should:**

- › request only reasonable action from the consumer (e.g. it is not reasonable for consumers to give subjective, complex or technical information, or historical information that would be difficult to remember)
- › be raised at relevant and logical points in the remediation
- › be made prominent in communications
- › minimise frictions and reduce burden for the consumer
- › be clear and easy to follow (e.g. broken down into simple steps)
- › include an 'unsure' response option for any question asked, and give consumers who respond with 'unsure' the benefit of the doubt
- › provide multiple response channels for the consumer to choose from: a consumer should not be forced to use a channel that doesn't suit them
- › be supported by easy-to-reach consumer support teams that the consumer can access if they need help.

Avoid multiple calls to action. In rare cases where this might be necessary, do not overburden the consumer. Consider prioritising the calls to action according to what gets the best consumer outcome (see [RG 277.150–RG 277.152](#)).

If you are using a call to action, **develop a plan for dealing with consumers who do not respond** ([see page 8](#)).

Write your communications

Other points to consider

Your communications should:

- › be **transparent** about the issue that has occurred and how this affects, or may affect, the consumer
- › be **clear about the timing** of the remediation and how long it will take from the consumer's perspective
- › include, at the appropriate time(s), **information on how to lodge a complaint**
- › use **simple language** and **short paragraphs** – avoid lengthy letters
- › **avoid legal jargon** or unnecessary information
- › be **transparent** about the refund amount and how it was calculated

- › **provide contact details** for consumers who need help or have questions
- › **use behavioural insights where possible and appropriate**. However, these should not be used to influence consumer behaviour in a way that only suits business interests and should not be applied as a token gesture of consumer centricity.

Keep in mind that these aspects of your communications may be undertaken at different times.

See '[Resource C: Good practice in communications](#)' for further examples.

REMEMBER

Your consumer may be surprised by this remediation, and this will affect how they act or respond.



Test, learn and adapt

Testing: Soft launch

Testing can help with the effectiveness and overall efficiency of your remediation.

Your approach to testing will vary depending on your remediation size, its complexity and what you want to test at different stages.

Ideally a 'soft launch' or pilot program would be run for large/complex remediations and be factored into the planning and timeline.

A soft launch involves testing the effectiveness of your approach with a small, mixed group of consumers before a full rollout of the remediation to all consumers. It is important to ensure that your soft launch is not only run with one specific group (e.g. not just the 'easiest' group).

The soft launch should help you to identify any refinements for the journey, communications or internal procedures before the full launch. This is also a good opportunity to test any knowledge gaps you may have.

The benefit of a soft launch is that **it causes minimal (if any) delay to the remediation as a whole**. It should help refine the remediation, identify issues and **reduce the likelihood of needing to re-do parts of the remediation in the future**, saving you money in the long term.

Other useful testing

Other testing methods can also help improve your consumer journey and communications. However, the ability to conduct them will depend on your specific circumstances and resources. Some examples include, but are not limited to:

- › cognitive testing
- › randomised controlled trials (RCTs) or A/B testing
- › targeted qualitative follow-up activities with specific consumer cohorts to ensure the process is achieving the desired outcome.

For larger firms, it is possible that you already have the systems, established processes and/or relevant expertise to conduct this kind of testing or could easily adapt.

Learn and adapt

What is learnt through testing, or any other types of learning (through complaints, etc.), should be applied to the consumer journey, communications or internal processes – continuously improving the remediation.

REMEMBER

Keep a record of testing to demonstrate your method and outcomes.



Monitor your outcomes

To monitor the progress and effectiveness of your remediation a range of metrics need to be tracked. The exact metrics will vary depending on your specific remediation; however, the consumer outcome will always be a key metric to track. **This applies to all remediations regardless of size.**

To appropriately monitor outcomes:

- › **identify and track** meaningful metrics that indicate progress against your outcome goal. This should be identified in the scoping phases and incorporated into planning – not left until the last minute
- › **record** these metrics regularly
- › **analyse** your data to identify and address issues
- › use the data to **assess your outcomes** against your original goal
- › **document** the outcomes and key learnings of your remediation
- › **revise** and add new metrics as you learn and adapt.

Monitoring assumptions

If using assumptions, you should monitor them to ensure you achieve fair and timely consumer outcomes and to confirm that the assumptions continue to function as expected. Assumptions should be monitored until all payments are finalised.

You may need to revisit your assumptions if new information comes to your attention that suggests the assumptions are no longer beneficial to consumers (see [RG 277.140–RG 277.141](#)).

REMEMBER

What you learn may be helpful for another remediation.

Resource A:

Know your consumers

Below are examples of what you might already know or be able to learn about your consumers, and what information these details could tell you.

This is an example only and is intended to act as a broad starting point for you. Determine what features are relevant to your specific remediation.

INFORMATION	DISCUSSION POINTS
Age	<ul style="list-style-type: none"> › What is their lifestyle and life stage? Does this present specific risks or opportunities for your approach? <ul style="list-style-type: none"> – Will this affect how much time they have available? › Based on their age, are there things they are more or less likely to know? <ul style="list-style-type: none"> – Will they have much experience with financial products? › Based on their age, might there be different preferences for payment channels? › Based on their age, might they have preferences for different communication channels? › Could circumstances have changed over time or since you last engaged with them?
Location	<ul style="list-style-type: none"> › What does their location tell you? › Will access to resources be an issue for them? (e.g. Will they be able to respond easily? Will they be able to get help if they need it?) › Will communications easily reach them or will they be delayed?
Literacy and numeracy (e.g. reading, writing and maths ability)	<ul style="list-style-type: none"> › How will this affect communications? › How would this impact their journey? › Do they need additional support?
Economic situation	<ul style="list-style-type: none"> › Are they experiencing financial difficulty or stress? (Remember, you need to be on the lookout for indicators of this; you cannot wait for a consumer to self-identify or use the word 'hardship'. This should also go beyond just those who are technically classified as being in 'financial hardship'): <ul style="list-style-type: none"> – If so, are they being prioritised? – Has this been factored into how the problem is assessed and what the outcome is for them? – Do they use the Centrepay system? How may this affect them? › Based on their economic situation, what services are available to them? Are there any they are excluded from?

Continued over >

Resource A:

Know your consumers

INFORMATION	DISCUSSION POINTS
Culture and language	<ul style="list-style-type: none">› Does culture or language affect how the process will be experienced by the consumers (or subgroup of consumers)?› Will extra support be needed (translation services, financial counselling, etc.)?› Is a culture expert needed for consultation?› Are special materials or a different approach needed for culturally or linguistically diverse groups?
Occupation	<ul style="list-style-type: none">› Will they have specific needs based on their occupation?› Does their job take up lots of time? Could they be time poor? Does it mean they are unavailable at certain times (and should not be contacted then)?› Could they have recently lost their job?

Resource B: Consumers' lives and needs

Below are some examples of what to consider when thinking about your consumers' lives and needs, and how this may affect the consumer journey or communications.

This is an example only and is intended to act as a starting point for you. Think about this specifically for your remediation, which may involve other contextual factors not listed below.

CONSUMERS' LIVES AND NEEDS	INSIGHT
<p>Is it likely the consumer will be expecting this?</p> <p>Will it be a surprise?</p>	<p>In ASIC's experience it is common that many consumers are not aware of the issue until the firm contacts them. In the case of mis-selling it is also possible consumers may not be aware they have the product at all. If consumers are surprised, this could trigger uncertainty or stress, which will impact how they experience and behave during the journey. Therefore, you may consider ensuring that extra support is built into your consumer journey and design initial communications to alleviate uncertainty.</p>
<p>Will the consumer understand what is going on and what is required of them?</p>	<p>If a consumer does not know they have the product, is unsure about it, or does not understand it, it is possible that they may not respond appropriately to the remediation. They also may not fully understand the knock-on effects of the remediation, such as the need to cancel or obtain products. It is important to make all the ramifications of the remediation clear to the consumer.</p>
<p>Will the consumer see the situation differently from you?</p>	<p>Consumers might interpret or experience a situation differently from you, or how you expect them to. For example, a refund amount that you see as minor could actually be significant for some consumers, or consumers can sometimes be in denial about what has occurred and who is at fault. You need to consider that there may be differences and design the consumer journey(s) with safety nets to allow for these differences.</p>
<p>Is their matter complicated or simple?</p>	<p>A complicated matter may need a more detailed journey with more touchpoints and support to step consumers through the remediation. A complicated matter may also need additional communications or supporting material (e.g. reminders, FAQs).</p>

Continued over >

Resource B: Consumers' lives and needs

CONSUMERS' LIVES AND NEEDS	INSIGHT
<p>What state of mind will the consumer likely be in? Could the consumer be stressed in some way (e.g. as a result of financial limitations, illness, a traumatic event, being time poor)?</p>	<p>Stress in different forms can impact the way people behave, process information and make decisions. The journey and communications should be designed to account for this – for example, by minimising the actions required, giving clear steps and instructions, removing unnecessary information, providing the option to get additional support, etc.</p>
<p>Could there be other life events that will affect the consumer and how they experience the journey or interpret and/or respond to the communications?</p>	<p>Other life events and stressors can affect consumers' behaviour. As a result, any consumer journey should be 'fault tolerant' to allow for differences in how people behave and respond. Similarly, you may want to consider building in mechanisms (e.g. reminders) in the communications plan to ensure that communications are effective.</p> <p>It is also possible that other life events or situations such as family or domestic violence may require a different approach. In cases like this you will need to draw on specialist expertise.</p>

Resource C:

Good practice in communications

Below are some common examples of good practice techniques used in communications design such as letters. **This list is intended as an example only.** Depending on your remediation, there may be other additional techniques you may consider using.

TECHNIQUES	DESCRIPTION
Personalise	Tailor the message: if different groups need different information, prepare separate materials for each group rather than forcing a one-size-fits-all message. Ensure the channel of communication suits your audience.
Layer information	Only include information necessary for the reader to make a decision or to act. Background and other information can be put at the end, on a separate page, or be left out completely.
Order information effectively	Order the information from most to least important from your reader's point of view.
Embrace white space	First impressions matter. If letters look dense or too wordy, people will not read on.
Use headlines	Use an action-oriented title, bold key points, or include a summary box with two to three of the most important key points to catch the eye upfront.
Provide signposts	Create short sections with reader-centric labels, so it's easy for the reader to find answers to their questions. Use labels that are action-oriented, instructional or written as a question.
Slash your word count	If you had to cut your words by half, how would you do it? Remove jargon and use short sentences and plain language. Aim to keep letters under one page in length.
Make it attractive	Highlight the benefits to your consumer and make the communications visually appealing. Use design elements to draw attention to key information.