

Are you really tracing lost customers, or just playing customer snap?

Many financial organisations maintain they are undertaking regular tracing of gone away or lost customers, but in most cases this means employing a third party who has their own list of names and addresses who provide matches with the information provided from the financial services company. **This is not tracing – this is just playing snap with customers names and addresses.**

The advantages of this matching approach are:

- It is cheap – often costing significantly less than £1 per name.
- The approach is only be successful if the customer happens to be on the third party’s database (but see also disadvantages below).

The disadvantages are significant and considerable if the intention is to really find and re-engage with customers:

- Successful matches are returned with a percentage of how likely the new address is to be correct. This percentage may be higher than 60% but is often less than that This means that you are mailing around half of people at the wrong address – a waste of your time and money. This is one of the reasons why those firms who can provide success statistics state that the proportion of updated addresses is less than 25%¹. Another reason is that because the address is not 100% accurate, new address details cannot be updated on systems without policyholder confirmation, and even when mailing to the correct address, the policyholder often doesn’t respond.
- Matches are only made where the customer appears on the data providers database which is often derived from credit applications – how often do old people or the deceased take out credit? This is looking in the wrong place.
- For many older cases, no matches are made because the customer is already deceased, but because the address on file is wrong, comparisons with the DDRI² do not find a match. And people who died before 2008 did so before the database was started.

For these reasons, this approach tends to be more successful with more recent gone aways and younger customers. However, if your portfolio contains older customers, or customers who lost contact several years ago, the approach is a waste of time and money as they won’t be found using this approach.

How to do proper tracing

Vestigium Services Limited (“VSL”) undertake real tracing by properly searching for the customer using AI complemented by human intervention:

- Updated information is provided to 99.9% accuracy meaning addresses can be updated on the financial services company’s databases without verification from the customer³.
- We charge on a per customer success fee basis – if we can’t find an address to the required accuracy we don’t charge.
- Our success rate to 99.9% accuracy is c.50%, at first review meaning that the success rate for updating records is 50% (vs 25% above). And we can find the Executor or Next of Kin of

¹ Pensions Policy Institute Briefing Note Number 134, November 2022

² Disclosure of Death Registration Information is the main database used to identify deceased customers.

³ Whilst mailing records can be updated, no benefits should be paid without undertaking KYC checks.

those who have already died. The unfound sit in our Repository for further review as they may be found as further information comes to light. Vestigium find circa 10% more to its 99.9% accuracy level in each subsequent year.

Vestigium are happy to work alongside existing providers and take cases they can't find. So continue to use your existing provider for the newer cases and younger customers, but try us for those that your existing provider cannot find. And in the unlikely event that we can't find any, it's not cost you anything, but provides you with comfort over your existing processes.

Case Study for a Life and Pension Company

Our client had carried out regular mortality testing, in some cases on a monthly basis, and “tracing” using data providers as noted earlier but had a significant number of policies which these providers had been unable to find. Having discussed the differences between our approach and their existing provider, the firm decided to try us out on our success fee basis and provided us with their file of untraced goneaways.

Vestigium found 69% of customers within a week.

Of the above 33% were already deceased. And whilst the majority of deaths were fairly recent, half to a third had died before 2020.

For those still alive we provided new addresses, enabling the firm to update their records with a new address without having the time or expense of mailing the policyholder for confirmation.

For those who were deceased we provided confirmation of the death and proposed next steps for finding the beneficiaries of the policies.

For the small proportion who we were unable to find, we have placed their details on our repository, at no cost to the firm or the policyholder, where we anticipate finding further cases each year in future.

For the policyholders where we have found a new address, they have now been reunited with their lost financial assets. A great outcome for them.

For the deceased policyholders, we can start to look for the beneficiaries of the policy to share the proceeds with them.

For the life and pensions company, they are no longer being charged annually for looking for the policyholder in the wrong place.

A WIN-WIN-WIN SITUATION

Vestigium Services Limited is an innovative customer tracing solutions organisation with a blue-chip client base. Information on the full range of services, including Forensic Tracing, can be found on our website: www.vestigium-services.com.

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