

What does it mean to be honest and fair with customers?

We spend over £1.2 trillion on UK goods and services annually. Given this, some level of customer problems is perhaps inevitable. However, the current and disproportionate level of damage this causes to both individuals and the UK economy is not.

[Citizens Advice research](#) paints a stark picture, in which people in the UK face frequent and serious problems with products and services, and suffer significant and often severe health and financial impacts as a result. The research shows that problems within essential markets - primarily energy, water and telecoms - are most likely to have adverse knock-on effects and that vulnerable, disabled and elderly customers have the highest chance of being impacted. The findings also highlight the resulting impacts to the UK economy both in financial cost and lost productivity at work.

Just considering the lens of severe customer problems represented in Citizens Advice's report - and recognising that many problems go unreported because of the barriers to doing so - it is clear that there is a great deal more that businesses can and must do to be honest and fair with customers.

The changing landscape of customer relationships

Over the last 50 years, a number of measures, including regulation, have been put in place in order to protect customers' rights. However, these measures have failed to keep pace with the changing nature of the interactions and relationships between businesses and their customers. This is particularly true in relation to the growth of technology and the internet-based services over the last two decades. Ultimately what customers want – access to good quality goods or services and the knowledge to help them make informed choices – has not changed. However, the current customer support systems are struggling and too often businesses fail to act in the genuine interest of their customers.

Customer issues today range from ever-present problems such as claiming compensation when they are sold faulty or unsafe products or services, to more recent challenges of overly complex contracts, unfair pricing for existing customers, marketing based on manipulation, and the most recent – understanding how their data is being used and how data breaches can leave them exposed to having their personal information hacked.

In addition to personal interest, it is increasingly apparent that as a society we must consider the environmental or other social impacts of the goods and services we choose. The clear imperative to better manage climate change and reduce the use of non-renewable natural resources is a growing challenge for and responsibility of businesses. However, business is often found to be reactive rather than proactive in respect to environmental obligations, with retroactive responses to customer concern, as seen in the recent responses to public concerns surrounding the widespread and unregulated use of single-use plastics.

One common theme, reflected in these changes, in the work of organisations including [Citizens Advice](#) and [The New Citizenship Project](#), and also in the growth of ideas such as the sharing economy, is redressing the balance of power between business and the individual. The UK Government has responded to this in [GDPR regulation](#), [its commitments on plastic](#) and in its recent [modernising consumer markets policy consultation](#). However, achieving this requires a fundamental shift in thinking in business, from encouraging passive consumption to supporting and enabling active, informed, customer decisions.

> 35%
people will face at
least one customer
problem each year

£23bn
cost to the UK
economy each year of
problems customers
face

40%
said their problem had
a knock-on effect on
their work

Three provocations from Blueprint

How a business thinks about its purpose and the people it interacts with profoundly shapes and informs what it does and how it does it. Recognising that long-term success depends on the system in which they operate, businesses are and must be increasingly concerned about demonstrating that they have a purpose that benefits both business and society. This places value on creating and sustaining respectful relationships not only with its customers but across the entire value chain. If people in business respect and recognise people, including their customers, they will think differently about the products and services that they provide, how they use technology and data, the information they make available, and how they treat their customers.

The Blueprint Principles paint a picture of what a business thinking and acting in this way might look like. The Principles can act as a start point for a discussion about what it means for a business to be “honest and fair with customers”. Here are some illustrations of the behaviors this might involve:

- *Seeks to build lasting relationships with customers*
There is a clear understanding of the importance of building relationships with customers reflected in many marketing campaigns. However, there is much more that could be done, and business has an opportunity to take the lead in this area, rather than waiting for regulation.
- *Deals honestly with customers, providing good and safe products and services*
There is a raft of regulation to help protect customers from unsafe products. However, there are still businesses which aim to do nothing more than comply with the letter, rather than the spirit of the law, in dealing with their customers.
- *Openly shares its knowledge to enable customers to make better informed choices especially in situations of information asymmetry or power imbalance*
There is increasing demand for companies to be more transparent about their pricing, their sourcing, how environmentally sustainable and how healthy their products are, and to deal fairly and promptly with problems and complaints. The opportunity that this approach presents is becoming clear in the growing number of start-ups, from challenger banks to energy companies that differentiate their products by offering customers easier access to information.

During our [evening panel discussion on 7th November 2018](#), all participants are invited to share about what honesty and fairness with customers looks like and the barriers and behaviors that lead businesses to fall short. We hope this forum will generate an open discussion about how to meet these challenges and diverse views on how to achieve this.

To start the discussion we've outlined some of the key challenges in this document – we would also like to hear the challenges your business faces. Share [your thoughts in advance](#) or join us in November!

MORE INFORMATION

Blueprint is a charity that helps business to be guided and inspired by a purpose that benefits society. For more information about this and the others in this series of events visit our [website](#).