Our core business purpose is to help put people on a path to a better everyday life. To do this, we provide customers with opportunities to borrow a sensible amount in a transparent, responsible and sustainable way.
Our customer journey

We provide our customers with tailored and affordable products that match their specific needs, and we help them to handle the inevitable challenges that everyday life throws their way.

We develop tailored products to meet customers’ needs

We attract customers who we can serve

We carefully assess customer affordability and creditworthiness

We lend responsibly

We create value for customers by generating high satisfaction and loyalty.

We create value for customers through offers of financial inclusion, and for colleagues and brokers through the income and commission they earn.

We create value for customers by ensuring loans are appropriate to their situation, and thereby generate sustainable returns for shareholders.

We create value for customers by helping them access credit, stay in control and build their credit score to improve future access and choice.

We collect payments due

We manage arrears and customer difficulties

We create value for customers by helping them minimise the impact of any difficulties in an understanding way.

We create value for customers by helping them stay on track and adapt to life’s challenges whilst building their credit score.
The products, services and partnerships that we offer through our three divisions are therefore tailor-made to meet the particular needs of our customers. In general, the approach we take to providing credit to our customers involves lending smaller amounts over shorter periods of time. Under this approach, new customers to Vanquis Bank, Satsuma and Provident home credit get lower credit limits, or smaller, shorter-term loans to begin with. This enables us to observe and understand the behaviour of our customers before we consider granting further lending and it also enables the customers to experience our products and see if they suit their needs. It also enables our customers to enter or re-enter the credit market, stay in control of their finances and build credit scores for greater future access and choice. In the case of Moneybarn, where a vehicle is held as security, we are able to lend more credit for longer periods.

The Group’s core business is to provide tailored and responsible products, services and partnerships that help put our customers on a path to a better everyday life. The 2.4 million customers we are proud to serve come from all across the UK and ROI.

The employment status of our customers can vary and, due to their personal circumstances, they can be in receipt of state support. As a result, they typically have low to average incomes. Some of them have also had to deal with significant life events such as divorce, loss of a job, long-term illness and other challenges which, given that they have low to average incomes, can occasionally cause them to fall behind with their financial commitments. This can cause their credit files to be impaired and contribute to them being underserved or totally excluded by mainstream credit providers.
The improvement in customer satisfaction within our Provident home credit business this year reflects an improvement in customer service as a result of the successful ongoing implementation of the recovery plan during 2018.

We collect information on customer satisfaction through a variety of methods such as online forums as well as phone and face-to-face surveys.

**Improving customer satisfaction rates**

One of the key performance indicators we track to determine whether we are providing our customers with products, services and partnerships that meet their particular needs and help put them on a path to a better everyday life, is customer satisfaction. Measuring this year on year also gives us some insight into where we can make improvements to our offerings so that we can continually meet or surpass customer expectations. Information on customer satisfaction is collected through a variety of methods such as online forums and phone and face-to-face surveys, as well as focus groups. The overall customer satisfaction rates in 2018 for each of our brands are set out overleaf.

The improvement in customer satisfaction within our Provident home credit business reflects an improvement in customer service as a result of the successful ongoing implementation of the recovery plan during 2018. But we also recognise that there is more we can do in 2019 to continue to improve these scores, including:

- In Vanquis Bank, continuing to make enhancements to the suite of forbearance tools that was rolled out in the second half of 2018 to support more customers who find themselves in short-term difficulties to recover, avoiding default.

- In Provident home credit, continuing to review the additional controls, such as the voice recording technology we have been embedding throughout 2018, which is used by our Customer Experience Managers (CEMs) when interacting with customers. This technology not only enables us to review compliance and the quality of our interactions with customers to ensure that positive customer outcomes are achieved, but it also plays an important role in enabling us to review other matters, for example the health, safety and wellbeing of our CEMs, as they go about doing their jobs.

- In Satsuma, continuing to review and update our mobile app to improve its repayment functionality and make it easier for customers to see when their next payment is due and enable them to make missed payments via the app to clear any arrears.

- In Moneybarn, continuing to invest resource and technology in customer operations to help us to identify and resolve situations where customers are in financial difficulty.
Dealing responsibly with customer complaints

Ensuring that we keep customer complaints to an absolute minimum is also a good indicator that we are treating our customers fairly and that our products, services and partnerships meet their specific needs. Understanding the reasons behind complaints also helps us to improve the services we offer. We have well-established complaint-handling processes, procedures and timescales to guide our customer relations teams in resolving issues in a professional and timely way. Vital to resolving customer complaints satisfactorily is ensuring our staff are trained well enough to deliver excellent customer service whether face to face, on the telephone or via email. The total amount of hours employees spent on customer-focused training in 2018 was 134,055.

We provide the contact details of the Financial Ombudsman Services (FOS) to all our customers, so they have another option if they feel we have been unable to resolve their complaint to their satisfaction. During 2018, the total number of complaints referred to the FOS was 4,302 (2017: 1,792). Of these, 1,278 or 30% (2017: 20%) were upheld in favour of the customer.

During 2019, we will focus attention on ensuring that customer complaints are kept to an absolute minimum.

Supporting customers in vulnerable situations

The purpose of our business is to help put people on a path to a better everyday life, by offering credit to those who really need it and struggle to access it from mainstream banks. However, we understand that with this comes great responsibility. This is why we have reviewed our Social Impact Programme, which traditionally focused on providing grants to local community organisations and charities, to include a workstream dedicated to improving the level of support we provide to our vulnerable customers, as well as our staff who are working on the front line with them.

We understand that our customers can find themselves, at times, in financially challenging situations due to unforeseen circumstances such as ill health, loss of income, family bereavement or other significant life events. Therefore, we ensure that our call centre staff are trained in recognising signs that might indicate a customer could be classified as ‘vulnerable’, or may be facing financial difficulty, whether in the short term or long term.

We have developed relationships with organisations and charities such as IncomeMax and the Money Advice Trust, which provide training to our staff to help them communicate effectively with such customers. The training and guidance our call centre receive is informed by the customer protocol, TEXAS (Thank, Explain, Explicit consent, Ask and Signpost), developed by the Money Advice Trust and Royal College of Psychiatrists, as well as guidance published by our regulators, the Financial Conduct Authority and the Prudential Regulation Authority Prudential. In certain cases, our staff can offer customers forbearance options such as breathing space or an adjustment to their repayment plans so they can manage their finances better. In some cases, a decision may be taken to write the debt off.

As well as the work we are doing in our contact centres to ensure our staff are equipped with the right skills to support our customers, we have a long history of supporting a wide range of organisations within the money advice sector. By supporting these organisations, this allows our customers to seek free and low-cost independent and personal financial advice and support if they are facing financial strain.

### Customer satisfaction rates for 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VANQUIS BANK</td>
<td>86% (2017: 87%)</td>
<td>38,767 (2017: 33,768)</td>
</tr>
<tr>
<td>moneybarn</td>
<td>4.7/5 (2017: 4.7/5)</td>
<td>4,551 (2017: 3,691)</td>
</tr>
<tr>
<td>Provident</td>
<td>87% (2017: 85%)</td>
<td></td>
</tr>
<tr>
<td>Satsuma</td>
<td>4.7/5 (2017: 4.8/5)</td>
<td></td>
</tr>
</tbody>
</table>

### Customer complaints received in 2018

| Provident Credit Division (Provident and Satsuma) | 36,584 (2017: 33,254) |

---

Provident Financial plc Corporate Responsibility Report 2018
IncomeMax

Vanquis Bank continues to work with IncomeMax, through an innovative partnership that began in 2015, to support customers of the Bank that are experiencing financial difficulties. IncomeMax is a community interest company that helps people to maximise their household income by providing them with independent personal welfare advice that helps them take control of their finances. The advice provided by IncomeMax helps households to increase their income, reduce household bills and get the debt advice they need. Vanquis Bank’s dedicated One Call team, which offers additional support through financial capability and capacity assistance, puts customers in touch with IncomeMax. IncomeMax then provides independent personal money advice to help customers take control of their finances.

MONEY ADVICE TRUST

In 2018 we funded the equivalent of one specialist National Debtline advisor. National Debtline offers free and impartial debt advice by phone, webchat and online, and its specialist advisors help callers to understand their debt options and to manage their money with confidence. In 2018, National Debtline helped 169,820 people and 90% of those who spoke with a specialist advisor said their debts had reduced or stabilised within 12 months of making contact.

We also made a financial contribution to the running costs of Money Advice Trust’s Insight function, which carries out in-depth analysis of National Debtline and Business Debtline clients. The insight generated is used to evaluate the impact of National Debtline’s services and aid a better understanding of their clients, for the purposes of shaping future service improvements, as well as aiding the wider understanding of personal debt in the UK.

The funding received by AdviceUK was used to support the work undertaken by its National Money Advice Co-ordinator (NMAC). The purpose of the role is to build the capacity of the money advice members of the AdviceUK network to meet the needs of their clients. Some key responsibilities of the NMAC are: to support the members of the AdviceUK network that provide money advice to the general public in areas such as policy, legislation, training and funding; to identify and develop new funding opportunities; and to represent the interests and views of the AdviceUK network and clients at a national level to the Government, regulators, policymakers, funders, the credit industry and other relevant stakeholders.

Money advice Scotland

The funding we provided to Money Advice Scotland in 2018 contributed to the successful delivery of its annual conference in which delegates from across the credit industry, local authorities and money advice sector in Scotland attend for training purposes. It also enabled Money Advice Scotland to achieve Investors in People Gold status, which demonstrates its commitment to its staff, which in turn enables it to maintain sustainable and high levels of service delivery to the many advisors in Scotland’s money advice sector.

The Institute of Money Advisers held its annual conference in Manchester in June 2018, with the theme ‘Money advice: credit where credit’s due’. We contributed £4,800 to the cost, to help ensure the event remained affordable and accessible to money advisors from the not-for-profit sector. Over 200 debt advisors and sector colleagues attended the conference over two days, participating in continuing professional development accredited workshops, networking and sharing insights into innovative and good practice.

Our funding helps support the Money Advice Liaison Group’s regional forums across the UK, which promote communication and best practice sharing between commercial, not-for-profit and government organisations concerned with debt, debt advice and debt collection. Through our relationships with these organisations, we are able to stay up to date with debt/money advice issues that are material to our customers and the wider financial services sector, as well as gain the perspective of the money advice sector regarding regulatory developments on issues such as responsible lending, customer vulnerability and the evolution of good practice in money advice and financial capability provision.
Managing arrears

In unfortunate scenarios, some of our customers will fall behind on their repayments, meaning we have to make contact with them and rearrange their repayment schedule. It is of utmost importance that we are empathetic and understanding in these circumstances and offer forbearance measures where possible, so we can protect their credit score. However, there are cases where customers, in spite of all efforts to assist them, either cannot or will not cooperate with our efforts to rearrange their repayment schedule. Our divisions therefore have systems and processes in place to deal with these situations, however these processes differ slightly, due to regulatory requirements and the products we have on offer.

Vanquis Bank, Provident home credit and Satsuma loans all have internal recovery procedures in place which are aimed at reconnecting with customers via letter, telephone or SMS text message. These procedures enable us to determine whether customers are experiencing any personal difficulties which are preventing them from making repayments. Then, we can agree with them any appropriate forbearance options (e.g. a reduced payment arrangement). If, having used these internal processes to reconnect with a customer who we believe has the capacity to repay, it is still not possible to secure payments from them, we may appoint a debt collection agency (DCA) to pursue the debt. When this occurs, we retain the title and responsibility for the actions of the DCA and the DCAs will only receive commission on the payments they collect. Our operating businesses only use DCAs whose track record is known to them and who are members of the DCA trade body, the Credit Services Association. The activity DCAs undertake on our behalf is contractually based and we formally audit their activity and performance every 12 months. These audits focus on all aspects of work that the DCAs undertake on our behalf, including ensuring that their activities are responsible and comply with our processes and procedures.

The management of accounts in arrears for Moneybarn is less straightforward than our other subsidiaries due to the nature of the business. Moneybarn’s policy is to try to keep as many customers who are in arrears in ‘live’ agreements as possible. They do this through a series of forbearance strategies, including reducing contractual payments for a period of time, payment holidays and extending agreements to facilitate a long-term reduction in payments. Even with forbearance strategies available, some customer agreements will prove to be unsustainable. In these situations, the agreement will be ended and the vehicle recovered and sold. The sale value of the vehicle is offset against any shortfall debt the customer might have on their agreement. Any further shortfall debt is then recovered through payment arrangements with the customer. All payment arrangements are only entered into if the customer can afford them, validated by full income and expenditure assessments.

We have call centre staff who are trained in recognising signs that might indicate a customer could be classified as ‘vulnerable’, or may be facing financial difficulty, whether in the short term or long term.