



Lessons for All of Us

Until now I have avoided the temptation of commenting on the range of news reports on the misbehaviour at CBA Financial Planning and the apparent lack of response from ASIC. The catalyst for this column is not the original incidents, however, but the many “tut-tut” comments that I have heard in response. I think that many advisers are missing an opportunity to learn from the debacle. And I am not thinking about compliance lessons....

In my opinion the core issue at CBA FP that could occur anywhere is the quality of the response when someone identifies a problem in a business. I would invite you to reflect on how you behave when:

- A client complains about your advice
- A client complains about the behaviour of a member of your team
- A member of your team raises a concern about your business

1. When a Client Complains About Your Advice

I know this is unlikely but let's imagine that a client is not happy with something that you have done. How do you behave?

In my experience, the natural human response is to be defensive. When we are criticised we tend to deny that there is anything wrong. We defend our actions and look for evidence to support our position. If that is your behaviour – congratulations, you are normal. The problem is that once we lock into our position it is very difficult to objectively see the client's perspective.

I strongly recommend that you practice being curious and not defensive. Curiosity leads to questions and questions lead to better understanding and better insights. Let's say for example that a client calls and claims, “You misled me with your recommendation to buy X”. The normal human response is to deny that our recommendation was misleading and to quote the full rationale for that recommendation. The curious response is something like, “What makes you say that?” When we understand the client's position more clearly we are far better placed to assess the validity of their complaint.



2. When a Client Complains About Your Team Member

Similarly, let's imagine that a client is not happy with something that one of your team members has done. How do you behave in that scenario?

I think it usually boils down to two options. You can ignore the complaint (irrespective of what you may say to accommodate the client) or you can address the issue with the team member (in any number of ways). Whilst the former is always tempting, and perhaps justified at times, it is not in anyone's interests in the long term.

I strongly recommend that you commit to acting on the client's complaint, in an appropriate manner, based on the merits of the case.

3. When a Team Member Complains About Your Business

Finally, let's imagine that a team member brings to your attention a serious problem with the conduct of your business. How do you behave?

I think it depends on how closely that you are personally involved with the matter. Again the choice is between the defend/deny/ignore response and the curious/responsible/action response. You can guess what I would strongly recommend. The consequence of a poor choice may be the loss of a valuable team member.

I accept that none of these alternative responses come naturally but if you are genuine about your commitment to long term relationships with your clients and staff I think that some effort is worthwhile.

These are the best of times to be aware of how you respond when problems are brought to your attention – and to ensure that the response is effective rather than defensive or dismissive.