

# RESOLUTION 2025

## BIG DATA FLOWS

The most common theme identified by stakeholders was the changing world of Big Data, which will form the basis for much more tailored and “knowing” service provision on both a micro and macro scale. This report provides a full examination of the findings on this key theme.

**By 2025, we envisage that the much-heralded reality of “Big Data” will be widespread.** This was a common theme in all of the stakeholder workshops. While that may partly reflect the current buzz in the wider business environment, there is enough happening to support the view that the ease with which data will be captured, analysed and used effectively by organisations to anticipate and respond instantly to consumer needs will be greatly enhanced between now and 2025. This is supported by the Futures Timeline (for complaints technology).

The Big Data environment will see huge amounts of complex, functional information recording every individual's interaction with the world around them through electronic internet-enabled devices, including billions of everyday objects that will have embedded chips (the so-called Internet of Things). This will enable organisations to track and analyse a consumer's every move and purchase, providing a better understanding of behaviour and improving probability ratings to help anticipate the customer's next move and, in theory at least, reducing the potential for experiencing dissatisfaction. And consumers too will be able to access and use their own data in return for some form of recompense (such as better information and better deals) in ways that confer greater control over their day to day environment and lifestyle choices.

### What it means for consumers

- Consumers will expect a better, more seamless response to their needs mediated through the effective analysis of their data in real-time.
- They will be versed in what these data flows mean for them in purchasing, using and expressing problems in the future – with access to immediate displays and rating of those providers getting it right or wrong
- This should mean fewer unanticipated problems occurring for many consumers and far more rapid routes to help and resolution, but those consumers will also have

higher expectations and lower tolerance for errors.

- Conversely, data flows will increasingly form the basis for instant decisions by providers that might not favour an individual consumer – thus accentuating polarisation and hindering fair access.
- Consumers' expectations will be fundamentally altered through experience of these tailored services and will expect other organisations to be as knowledgeable as their best-informed provider.
- Consumers will therefore be increasingly subject to invitations to share their data more frequently and in more powerful ways, but will react negatively if they do not experience the benefits of these flows.
- The increased value of data will be recognised and consumers will expect it to be treated genuinely as an asset. Secure management of data by businesses may prove to be even more important for consumers than using their ability to use it to leverage rewards – biometrics may play a crucial role here.

### What it means for financial services

- The ability to gather and use the proliferating flow of customer data will become of paramount competitive importance to all players: both in terms of offering a more personalised/ tailored service but also the ability to provide a seamless process for customer engagement and dialogue.
- Better use of customer data and market research will also enable providers to respond faster to newly emerging needs, demographic shifts and offer culturally tailored services and communications.
- This will generate the capability (and then the expectation) of truly one-to-one service and of more sophisticated understanding of customers e.g. moving beyond segments to understanding the family network within which an individual lives –

this is a huge leap for the current institutions to deliver.

- Financial institutions currently are trusted with customer data and need to use this to their advantage. Effective early deployment of data tools will be crucial to building the trust needed for more profound innovations and so that consumers do not object to the automatic flow of even more data between them.
- Financial Service providers will likewise have to build rapidly on their current position of trust with regard to customer data in order to control access to and use of that data in the future – as more intermediaries are likely to intervene to disrupt the flow in future.
- We may see a growing disillusionment with the inequality of the data exchange towards the end of this decade and thus greater demands emerging from customers as a result
- Big Data will require a significant investment over the coming years and for those unable to respond to this, a growing dependence on external data specialists and providers.

### What it means for intermediaries

- Creation and analysis of data flows should provide a better basis for anticipating, tracking and resolving issues more quickly in the future.
- But those altered expectations mean that unless existing bodies, including the Ombudsman, can accelerate their speed of response and their ability to stay close to the customer in this environment, they will be increasingly

“ **Achieving most consumer friendly scenarios will require a huge investment in data analysis and digital marketing skills by the financial services institutions over the coming years.**

Charlotte Cornish,  
COO, IDM



“ **How can members balance keeping prices competitive with the necessary investment that Big Data will require in new technology? And can they keep pricing strategies transparent at the same time?**

James O’Sullivan,  
Building Societies  
Association



by-passed. That task will be made harder as new intermediaries blur the boundaries of who the provider is when problems occur.

- Third parties will be more trusted with data than financial service companies if they can demonstrate that they understand the consumer better and deploy the data more effectively. Third parties and ADR providers might find a niche as honest data brokers, which could open up new revenue streams for commercial enterprises.
- There is scope for new enterprises to do this if current ones don’t, with data flows providing the foundation for new kinds of third parties to intervene and transform the landscape – both commercially and for better resolution services. A failure to adapt could lead to a complete over-taking of the current ADR structures by new, nimble concierge and fixer services operating on a commercial basis.

### KEY IMPLICATION

In this area it seems that the real benefits will accrue to those services and organisations that can make big data work for them to enhance and improve responsiveness and service to consumers. Those that are unable to do so will be increasingly left behind. Real consumer benefits and long-term commercial advantage should be the goal but cannot be assumed, given the heavy investment required and the current bias in favour of short-term commercial imperatives.



This report is one part of a much wider project conducted by the Future Foundation for the Financial Ombudsman Service.

For a full overview of all aspects of the Resolution 2025 project, please visit:  
[www.resolution2025.com](http://www.resolution2025.com)

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