

TSB turns to Pester power.



Rosie Murray-West reports on TSB's unique approach to coping with a banking outage

As British Gas found out to its cost last year, taking to Twitter during a crisis can be a one-way street towards insult and ridicule. But that didn't stop Paul Pester, the chief executive of new 'local bank' TSB, getting straight onto social media when the bank suffered an outage that meant that customers could not use their cards.

Unusually, Pester chose to use his own Twitter account to post information about the unfolding issue, on 26 January and even replied to customers who were frustrated about not being able to withdraw money or pay for goods.

Unlike British Gas, whose customer services director Bert Pijls was lambasted for an hour on Twitter when he launched a Q&A just after unveiling large price hikes, third-party analysis of Twitter during the TSB crisis showed that fewer than a quarter of all tweets on the matter were negative.

Charlotte Sjoberg, head of media at TSB, says: 'We could see that TSB customers were venting on Twitter, so getting on there ourselves seemed to be exactly the right thing to do. Someone needed to apologise and the only person who could do that with any authority was the chief executive.'

'The media also have a known appetite for IT breakdowns in financial services; the 2012 RBS Group computer system problem showed that. It was therefore only a matter of time before all eyes would be on TSB.'

Despite this, TSB's decision was an unusual one. The bank, which is being spun out of Lloyds Banking Group and is not yet fully independent, was not the only one to face an IT glitch that day. The rest of Lloyds Banking Group, which includes Lloyds Bank, Halifax Bank and Bank of Scotland, suffered the same problem. However, they did not take to Twitter in the same way.

'Banks have traditionally hidden behind the facade of their corporate structure,' explains Sjoberg. 'This means that there is a disconnect between the bank and its customers. Perhaps the other banks' strategy was to keep silent and let the problem go away.'

She added that Pester's Twitter presence, which he masterminded from his home in Norfolk, was characteristic of a man who takes a very personal interest in customer service,

including ringing up customers who have emailed him concerning problems at the bank.

'We felt it was absolutely right to do this,' adds Sjoberg. 'The objectives were simple: Neutralise customer anger, show customers how TSB is different to other banks, and finally, as a result of the first two objectives, achieve balanced media coverage.'

TSB's use of Twitter was widely covered in the press and influenced coverage, including *The Independent*, *The Daily Mail* and *The Guardian*. The strategy led to praise from PR experts and the media. BBC Business journalist Joe Lynam tweeted that he was impressed to see TSB responding personally to the IT glitch, while reputation expert Jonathan Hemus, founder of Insignia Communications, also praised TSB's management style in the crisis. 'Both his messaging and the tone of voice were spot on,' he said. 'Pester's leadership shows how a personal touch from the CEO can take the sting out of a major issue, even for a sector that is far from popular.' ◻

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HOW THE TSB GLITCH STRATEGY UNFOLDED

When the IT incident started, the customer service Twitter team @TSB sent a proactive message to acknowledge the problem.

When it became clear that the fix would not be immediate @paulpester also started tweeting, and his tweets were backed up by retweets from @tsb_news.

Pester's tweets included advice to specific customers that they could continue to use Internet banking despite the glitch, and apologies about the telephone banking messages not being updated.

Post incident, @PaulPester also tweeted a full apology in a picture format (to circumvent the 140 character limit) to draw a line under the matter.

A statement was also posted on www.tsb.co.uk and shared on Facebook.