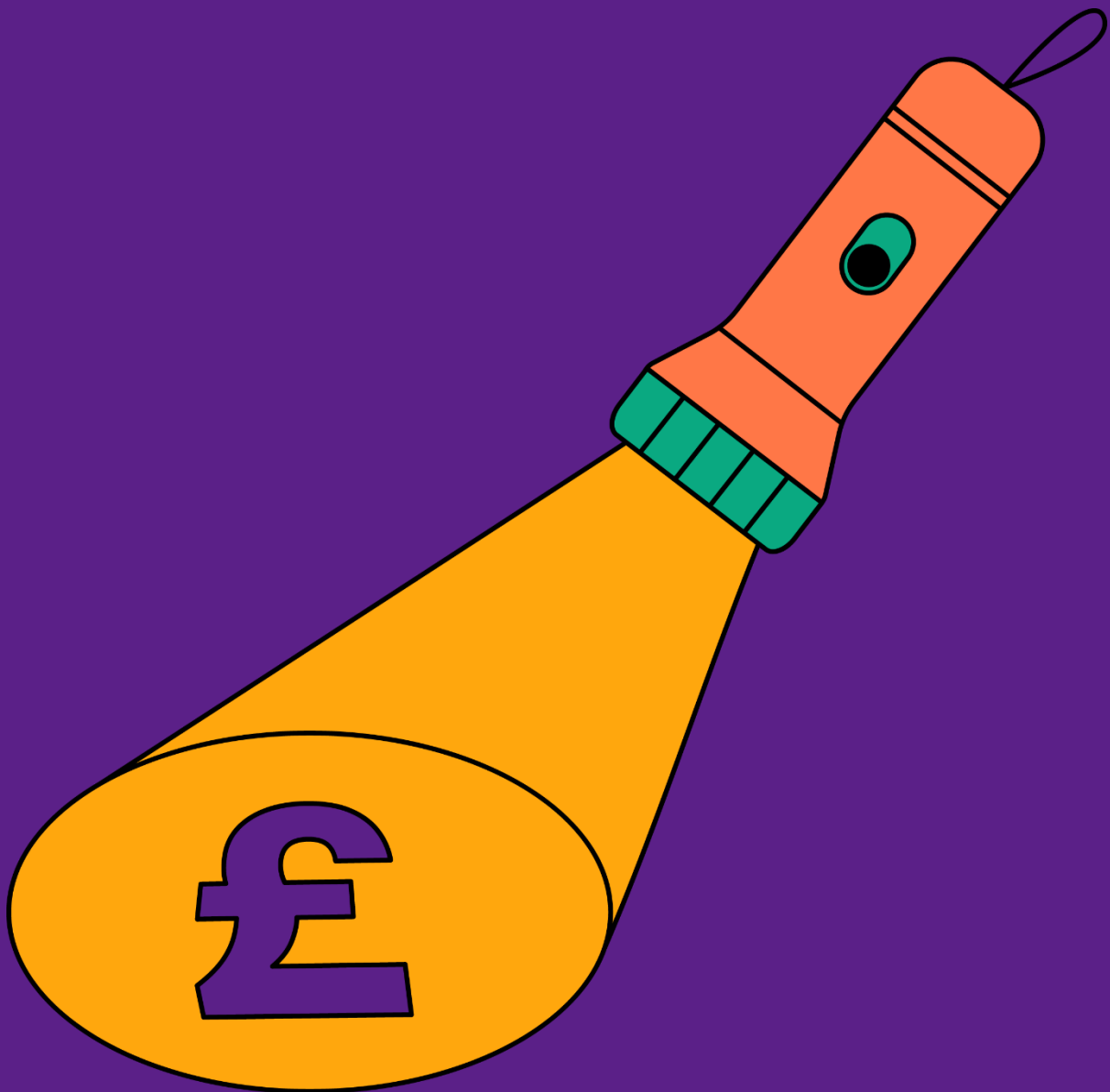


# Debt Advice

## Transformation Fund

StepChange End of Project  
Condensed Report



## Contents

|                                                          |   |
|----------------------------------------------------------|---|
| Executive Summary and Project Overview .....             | 2 |
| Background .....                                         | 2 |
| Project Objectives .....                                 | 2 |
| Key Outcomes .....                                       | 3 |
| Strategic Significance.....                              | 3 |
| Benefits, Challenges and Key Learning .....              | 4 |
| Benefits Achieved.....                                   | 4 |
| Improved Client Experience.....                          | 4 |
| Better Support for Urgent Cases .....                    | 4 |
| Increased Operational Efficiency .....                   | 4 |
| Better Insight into Demand .....                         | 5 |
| Challenges Encountered .....                             | 5 |
| Hidden Demand Became Visible .....                       | 5 |
| Capacity Constraints.....                                | 5 |
| AI Requires Ongoing Optimisation.....                    | 5 |
| Cost Management.....                                     | 5 |
| Advisor Feedback.....                                    | 6 |
| Future Development, Sector Learning and Conclusions..... | 7 |
| Quality Assurance Approach.....                          | 7 |
| Future Development Plans.....                            | 7 |
| Expansion Across Services .....                          | 7 |
| Supporting Self-Employed Clients.....                    | 7 |
| Overall Conclusion .....                                 | 8 |

# Executive Summary and Project Overview

---

## Background

[StepChange Debt Charity](#) is undertaking a major digital transformation programme to improve access to debt advice, increase operational efficiency, and provide more personalised support to people experiencing financial difficulty. Through funding from the Debt Advice Transformation Fund (DATF), StepChange tested whether an AI-powered conversational Virtual Agent Interactive Voice Response (IVR) system could improve client journeys and service performance.

## Project Objectives

The project aimed to:

- Replace traditional menu-based telephone systems with conversational AI.
- Improve routing of clients to the correct service teams.
- Reduce unnecessary repeat contacts and waiting times.
- Increase self-service opportunities.
- Capture better data about client needs and demand.
- Improve access for self-employed and business-owner clients.
- Generate learning that could be shared across the debt advice sector.

The solution was developed with [Connect](#) and integrated into the [Genesys](#) telephony platform. Instead of navigating numbered menus, clients could describe their needs in natural language, allowing the system to identify intent, answer straightforward enquiries, or route calls appropriately. Urgent cases could also be prioritised automatically.

## Key Outcomes

The pilot delivered substantial improvements:

| Measure                                  | Result           |
|------------------------------------------|------------------|
| Reduction in IVR demand                  | ~34%             |
| Reduction in call limiting               | ~70%             |
| Reduction in transfers                   | ~23%             |
| Intent recognition accuracy              | Increased to 85% |
| Improvement in payment call answer rates | 50% to 95%       |
| Increase in self-service containment     | 5%               |
| Reduction in queue volumes               | ~20%             |
| Reduction in abandonment rates           | ~43%             |
| Reduction in handling time               | ~6%              |

These results indicate that many previous contacts were caused by service friction, misrouting, and repeat attempts rather than genuine increases in demand. By making access easier, StepChange reduced avoidable demand while simultaneously improving client outcomes.

## Strategic Significance

The project demonstrated that conversational AI can:

- Improve client access to debt advice.
- Deliver operational efficiencies.
- Provide better insight into client demand.
- Support future digital transformation.
- Create a model that other debt advice organisations can adopt and adapt.

# Benefits, Challenges and Key Learning

---

## Benefits Achieved

### Improved Client Experience

The new system significantly improved first-time routing accuracy. Under the old menu-based system, clients frequently chose incorrect options and had to be transferred between teams, resulting in lengthy waits and frustration.

Following implementation:

- Client-to-review transfers fell by around 23%.
- Overall transfer rates reduced by 18% compared with historical averages.
- Clients were more likely to reach the right advisor first time.

### Better Support for Urgent Cases

The AI system identified high-priority requests more effectively.

Most notably:

- Payment-related call answer rates increased from approximately 50% to 95%.

This ensured clients requiring urgent assistance received support quickly and consistently.

### Increased Operational Efficiency

Efficiency gains were achieved despite advisors dealing with proportionally more complex cases.

Results included:

- Average handling time reduced from 13.31 to 12.46 minutes.
- Talk time reduced by 0.3 minutes.
- Wrap-up time reduced by 0.5 minutes.

The report attributes these improvements to better triage and use of AI-supported advisor tools, particularly Agent Copilot.

## Better Insight into Demand

Intent-based routing enabled StepChange to understand more clearly why clients contact the charity.

A significant finding was that:

- Approximately 80% of demand comes from only five contact reasons.

This provides a strong evidence base for future service improvements and resource planning.

## Challenges Encountered

### Hidden Demand Became Visible

Although overall demand reduced, the project exposed previously hidden need.

Key findings included:

- Review-team demand increased by 34%.
- The proportion of demand requiring specialist advice rose from 28% to 40%.

This suggests many clients with complex needs were previously not reaching the correct support service.

### Capacity Constraints

Improved routing uncovered shortages within specialist advisory services. While client access improved, capacity needed to be expanded in downstream teams to meet newly identified demand.

### AI Requires Ongoing Optimisation

Conversational AI is not a "set and forget" technology. Continuous monitoring is necessary to:

- Improve intent recognition.
- Adapt to changing client behaviours.
- Prevent misclassification.
- Maintain service quality.

### Cost Management

AI introduces variable operating costs.

Foundation for Credit Counselling, 123 Albion Street, Leeds, LS2 8ER trading as StepChange Debt Charity and StepChange Debt Charity Scotland. A registered charity no.1016630 and SC046263. It is a limited company registered in England and Wales (company no:2757055). Authorised and regulated by the Financial Conduct Authority (Firm Registration Number 729047).

During the first full month:

- AI consumption costs were approximately £15,000.

Forecasting these costs remains challenging because usage patterns are still developing.

### **Advisor Feedback**

Advisor feedback was generally positive, particularly regarding automated call summaries.

Benefits included:

- Reduced administrative burden.
- Reduced note-taking effort.
- Lower cognitive load.

However, advisors reported:

- Occasional inaccuracies.
- Information overload.
- Trust and adoption challenges.
- Workflow integration issues.

As a result, use of Agent Copilot remains uneven across teams.

# Future Development, Sector

## Learning and Conclusions

---

### Quality Assurance Approach

StepChange implemented robust quality monitoring processes covering both Virtual Agent IVR and Agent Copilot.

Monitoring includes:

- Daily review of intent recognition.
- Analysis of misrouted calls.
- Assessment of AI-generated outputs.
- Continuous advisor feedback collection.

This approach improved intent recognition accuracy from 82% to 85% within the first month and helped maintain alignment with Money and Pensions Service (MaPS) standards.

### Future Development Plans

#### Expansion Across Services

StepChange plans to:

- Expand AI triage into additional contact centre services.
- Extend conversational AI into digital channels.
- Refine advisor-support capabilities.
- Improve cost efficiency and intent models.

#### Supporting Self-Employed Clients

A major area of future focus will be improving support for business owners and self-employed individuals.

Planned developments include:

- A dedicated online information hub.
- Tailored guidance tools.
- AI-powered virtual assistants.
- Digital self-service journeys for suitable low-complexity cases.

The proposed AI assistant would answer questions using approved knowledge content and provide personalised guidance based on a client's circumstances.

## Overall Conclusion

The project successfully demonstrated that conversational AI can transform access to debt advice services. The technology reduced client friction, improved routing accuracy, increased self-service, enhanced prioritisation of urgent cases, and generated valuable operational insights. While challenges remain around specialist capacity, advisor adoption, and AI running costs, the pilot provides strong evidence that AI-powered triage can improve both client outcomes and organisational efficiency. The findings offer a practical blueprint for future digital transformation within StepChange and across the wider debt advice sector.

