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WHITE PAPER:

# 9 social media archiving trends in financial institutions

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# 01 Introduction

In this white paper, we highlight some of the issues around social media engagement for financial institutions.

**What happens if:**

- someone has complained about your products, services or staff on your social media channels? How are you required to manage that complaint and the records that are part of it?
- someone has been bullied or defamed on your social media page, resulting in legal action? Could you be held liable for comments posted by third-parties to your page?
- you encounter non-financial risk? Should this be treated as seriously as financial risk?

**It can be tempting to view social media as a marketing tool that does not need to be managed in the same way as other kinds of communication like email correspondence or newsletters.**

**In the early days of social networking, that may have been true, but today social media has become an important communications channel in its own right.**

Social media has grown at a rate no-one could have predicted and as it evolves and becomes more widely adopted in business, it raises a raft of legal responsibilities.

For financial institutions, social media platforms are fast becoming places of liability. Incidents that trigger lawsuits are occurring online, and they require just as much investigation and documentation as any incident that occurs on-site at your institution.

Posting on social media may seem to be 'in the moment', but the conversations you have on these seemingly ephemeral channels last as long as any of the digital records your organisation creates - sometimes longer!

**ASIC's release of Regulatory Guide RG 271 in October 2021 adds even more rigour around the requirements.**

# 02 Could you be legally responsible for user comments on social media?


In June 2019, a Supreme Court ruling in New South Wales created new concerns for every single business that uses social media to communicate with its users.

In his ruling, Justice Stephen Rothman found that operators of commercial Facebook pages are legally liable for defamatory comments made on their pages, even if those comments are made by members of the public who are unconnected to the business.

While it was acknowledged that third parties left the comments at the centre of the defamation case of *Voller v Nationwide News and Ors* [2019] NSWSC 766, Justice Rothman ruled that the organisations named in the suit could be considered 'first or primary publishers' as their use of public Facebook pages were linked to their own commercial interests.

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**"2.5 staff members spending 10 seconds reviewing each comment should be sufficient to get through 7000 comments a day"**

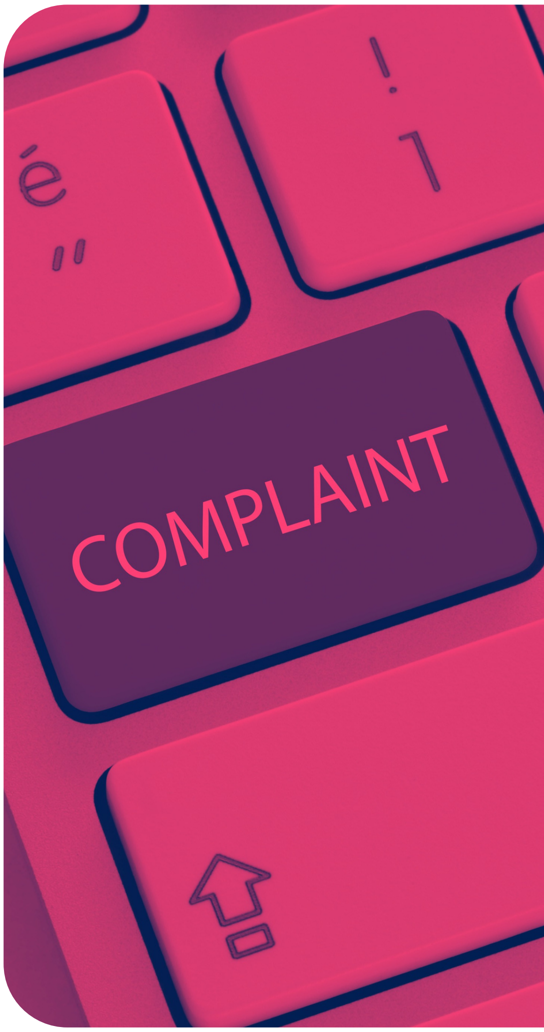
— ESTIMATED TIME IT WOULD TAKE FOR ORGANISATIONS TO MODERATE SOCIAL MEDIA COMMENTS

The court found that it was possible to hide most comments until a moderator had approved them for view, though Facebook is not designed to easily allow for this, and that organisations should have sufficient staff to moderate social media comments (by their estimate, 2.5 staff members spending 10 seconds reviewing each comment should be sufficient to get through 7000 comments a day).

The June 2019 ruling was controversial, yet it was upheld on appeal in June 2020. This highlights the very real need for businesses to take social media risk seriously.

# 03 Do you have to act on social media complaints?

From 5 October 2021 ASIC's Regulatory Guide RG 271 Internal dispute resolution is in effect, and provides clear requirements for how organisations in the financial sector should manage complaints from the public.




Among other changes that will come into effect with the release of RG 271 is a change to ASIC's definition of complaint.

ASIC now uses the definition found in AS/NZS 10002:2014 Guidelines for complaint management in organisations. AS/NZS 10002:2014 defines complaint to include statements of overall consumer dissatisfaction, as opposed to a specific incident or issue.

## RG 271 also establishes social media as an acceptable channel for complaints.

*“The inclusion of expressions of dissatisfaction made ‘about’ an organisation does, however, mark an important development.*

*By broadening the definition in this way, AS/NZS 10002:2014 establishes social media as a legitimate channel for making complaints.*

*We consider this to be appropriate, given that long-established patterns in how consumers complain to organisations are changing significantly.”*

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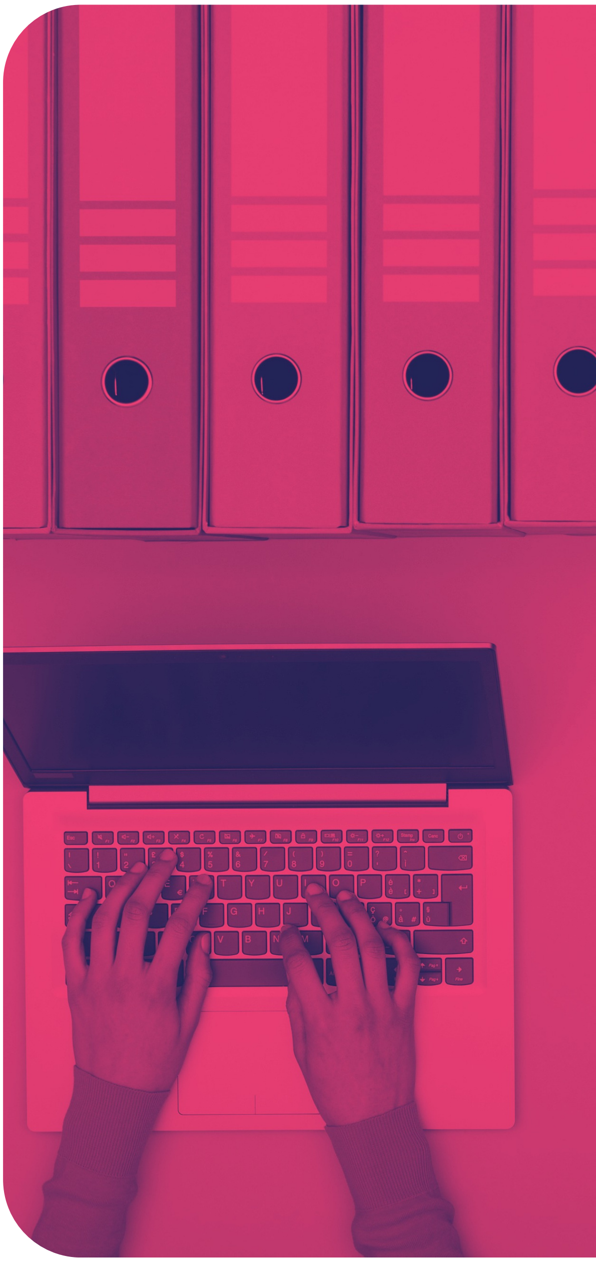
Social media is used by more and more members of the public to express their dissatisfaction with products, services and staff and complaint handling.

The broadened definition of complaint and the increased use of social media mean financial institutions will need to put a greater focus on monitoring, management and reporting for those types of conversations.

And that's where a social media archiving tool like Brolly can help.



Comprehensive, real-time archiving will also protect your business if a comment is missed because it has been edited after publication to meet the definition of a complaint and thus missed, or if a user deletes comments and then misrepresents the conversation in a complaint escalated to a regulator or watchdog.

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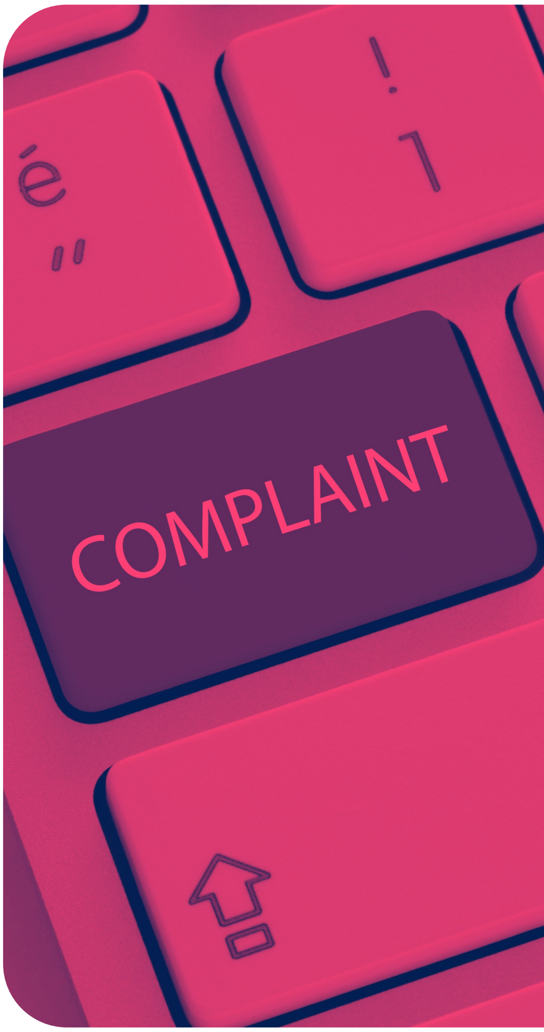
# Helpful links

| | |
|---|---|
| Your essential guide to RG 271 for customer complaints on social media | https://brolly.com.au/rg-271-idr-social-media-essential-guide |
| RG 271 Internal dispute resolution | https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-271-internal-dispute-resolution/ |
| AS/NZS 10002:2014 Guidelines for complaint management in organisations | https://www.standards.org.au/standards-catalogue/sa-snz/other/qr-015/as-slash-nzs--10002-colon-2014 |

# 04 Non-financial risks

In April 2019, the Actuaries Institute released 'The Social Condition Report – A Suggestion for Financial Services Businesses' in response to 'The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry'.




In this report, co-authored by Ian Laughlin, former deputy chairman of the Australian Prudential Regulation Authority, bank boards were urged to consider the appointment of 'social risk officers' to help quantify and respond to non-financial risk.

# Social risks to consider

The Social Condition report identified social risk areas, including:

- True Values Risk – the risk that the actual values, as shown through attitudes and behaviour of management and employees, are inconsistent with the espoused values.

- Self-Awareness Risk - the risk that a business engages in or effectively condones poor behaviour without realising this is how it would be seen by others.

- Fake News Risk - where stories about poor behaviour – real or perceived – by financial institutions are likely to continue to be prominent. This can also include ‘revenge risk’, where disgruntled customers undertake social media campaigns to create negative publicity.

- Litigation Risk - society in general is becoming more litigious, and the legal profession increasingly regards financial services litigation as a fruitful area of work.

# Helpful links

**The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry:**

https://www.royalcommission.gov.au/banking

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# 05 The benefits of social media for insurers

With nearly 8 in 10 Australians using social media in 2020*, insurers have a golden opportunity to communicate with clients around risk preparation, response and recovery.

Social media sites are of tremendous benefit in communicating and sharing important information during natural disasters in particular.

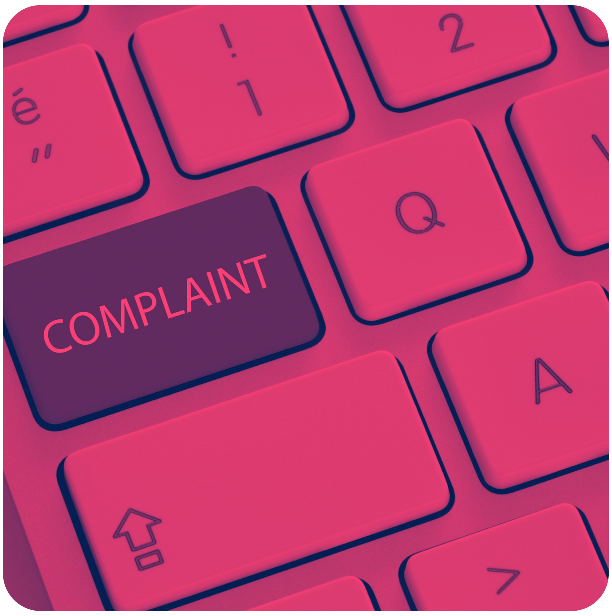
*We Are Social / Hootsuite We are Digital Report 2021
https://datareportal.com/reports/digital-2021-australia


**Social media sites are of tremendous benefit in communicating and sharing important information during natural disasters in particular.**

**These sites can be used before and after natural disasters in the following ways:**

- Passively - this involves the use of social media to share information and receive feedback. Suncorp's Canstar award-winning Cyclone Resilience Benefit, which offered discounts of up to 20% to customers in North Queensland who made improvements to their home to fortify it from cyclones, was an initiative which was widely promoted on social media to wide acclaim.

- Actively - sites like Facebook and Twitter can be used to inform victims of support and relief team visits to disaster affected areas, correct misinformation and dispel rumours. They can also be helpful in minimising insurance fraud - social media can assist in showing a claimant's location, provide information about their home and contents, and verify or disprove information provided to insurers.




One of the biggest challenges in a crisis is ensuring that the information those most at risk receive is up to date and accurate. In the event of an investigation into crisis communications, proving that information was correct to the best of your knowledge at the time of posting is crucial.

An archive capturing your social media crisis conversations in real time will ensure you have a secure and comprehensive record of all your posts and comments, including those that have been hidden, edited or deleted in the social media platform.

**In the changing world of customer service for insurers a social media archive makes compliance possible. Not just 'nice to have' - it's an essential**

# 06 Mitigating your organisational risk

Depending on how many communication channels are active for your institution, or how many records your channels generate, you could be looking at a tremendous amount of archiving responsibilities – capturing detailed records, including additional media, links, and metadata, and ensuring those records are stored somewhere secure and searchable is a full-time job in itself!

Whether your institution is dealing with complaints, moderating disputes or user comments which could result in legal action, or providing information in a crisis, a comprehensive archiving solution is crucial for monitoring and managing any online incidents that occur in your social media channels.

The more efficiently an incident is dealt with, the faster your institution can restore stability and safety to your social media platforms. However, this is far easier said than done.

**Want to know more about the real cost of manual archiving?**

Read our blog post The real cost of manually archiving social media.

As your social media teams will confirm, constant monitoring and management of social media is extremely time consuming. Even a task like finding a single post in your Facebook feed can involve a great deal of scrolling and waiting for pages to load. You can't search or segment your live Facebook, Instagram or Twitter feeds, or tag for easy retrieval, or annotate to inform colleagues about relevant and related information.

You might think that manual archiving might help, but manual archives are:

- hugely time consuming to create and maintain
- unable to be searched or filtered by date, post type, channel, keywords, or actions such as hides, edits or deletes.

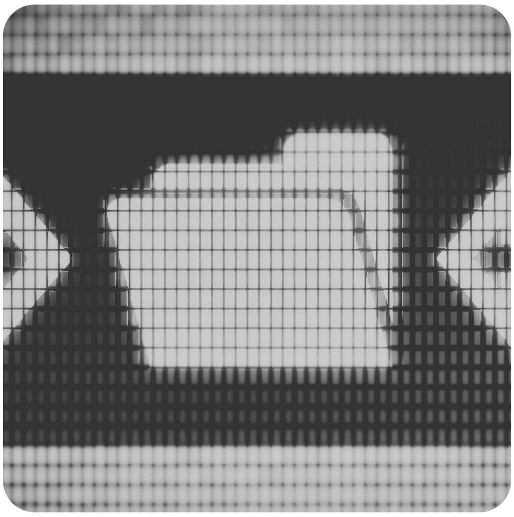
So even if your team has the time to manage your social media for compliance, ongoing management and interrogation of records for every online interaction would be impossible to do manually.

# 07 Capturing information

An essential part of managing your business information and records is to capture it into systems that manage and support its use over time.

Manual screenshots entered into spreadsheets are not considered acceptable records, as there is no associated metadata to prove the record is in its original, unaltered state.

A record captured manually in this way cannot be retrieved or used in legal proceedings or as part of an audit.



## Capture should be easy

Make the capture process easy for all staff. This should reduce the risk of information and records not being captured.

**Where possible:**

- automate the process
- integrate capture into normal business processes
- provide clear, precise instructions and support

Staff should know where to capture their information. Business information and records should not be kept on personal drives or group workspaces.

**Approved locations may include:**

- electronic document and records management systems
- business systems and databases specific to your institution
- administration systems for finance and human resources management
- third-party applications.

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# 08 Retrieving information

Having your detailed, real-time records available in a secure archive is of little use if you can't find the records when required. To get the most out of your archival system, you need to be able to collect social media engagements, comments, conversations and threads, including digital media and link capture, and store them in one searchable archive. This way, context is preserved, as even edits and deletions are captured and able to be retrieved.

For your customers, this can mean a more seamless service experience, as their social media communications can be retrieved as simply as an email, even if the post they first left their comment on no longer exists.

## Data sovereignty is another consideration when selecting an archiving tool or service.

Data centres for most social media archiving services are based in the US – for Australian and New Zealand financial service providers, this can be problematic, as this can make private data subject to US laws (specifically the Patriot Act) and subpoenas.

For many organisations, hosting in the US is too risky as it leaves clients vulnerable to having sensitive information obtained by foreign agents.

By choosing services that offer hosting in Australia, you can maintain the highest standards of customer privacy. Brolly is 100% Australian owned and operated, with your records stored in Australian-based data centres which means you've got peace of mind when it comes to cross-border disclosure of personal information (Australian Privacy Principle 8).

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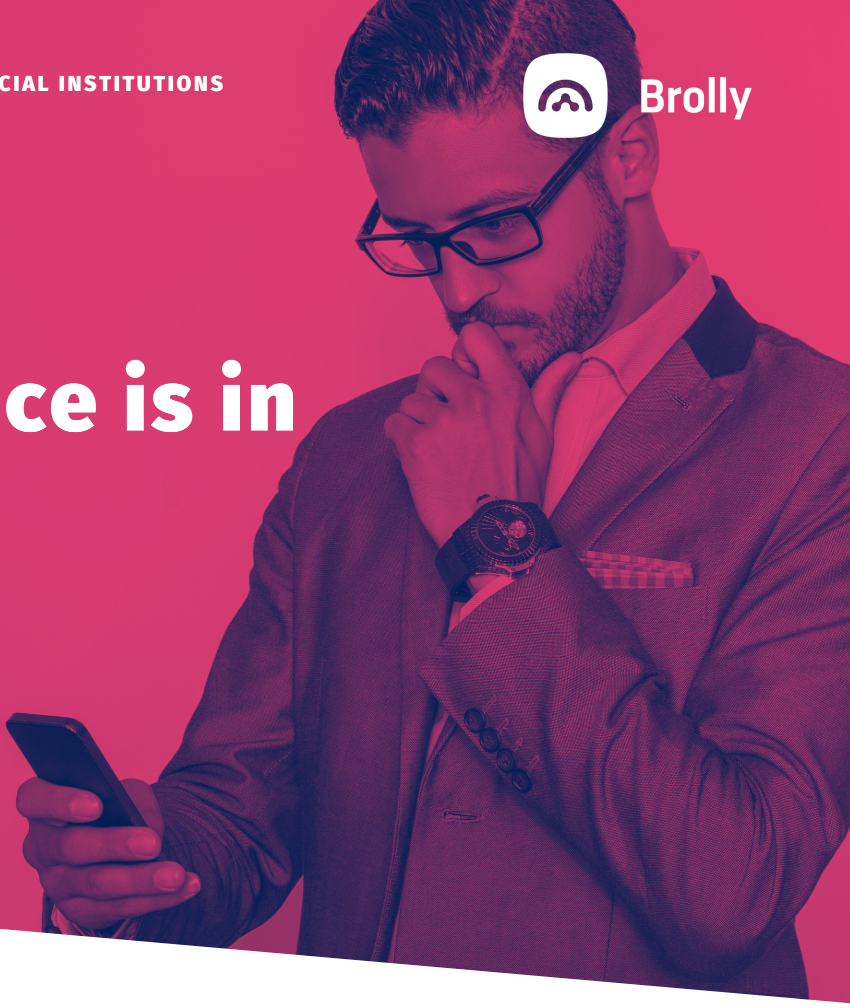

# 09 The evidence is in

## It's time to invest in serious social media archiving.

As social media management and moderation policies grow stricter and broader in their scope, a traditional manual approach to archiving online content will no longer cut it.

If your institution hasn't already implemented policies around digital record keeping, it's very likely that archiving social media will be law within the next decade.

ASIC's October 2021 release of RG 271 is just a start. A comprehensive, searchable social media archiving tool is the easiest way to ensure compliance.

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# How Brolly can help you

1

Realtime capture and secure exports provide **significant and measurable cost savings** compared to manual archiving.

2

Alerts let you know when **complaints-related keywords and phrases** appear in your social media channels.

3

Easy, fast and efficient compliance with RG 271 IDR response time requirements with **search, filter, tag, annotate** and **export** features.

4

Automatically capture **every version of complaints and responses**, even if they have been deleted, edited or hidden in the social media channel.

5

Analyse and report on social media data across all your channels, with **multi-format exports and data insights,** including sentiment and trends.

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# Social media archiving made beautifully simple with Brolly

## Contact the team at Brolly, or book a demo today.

**Book a demo**

Book a demo: https://calendly.com/brolly-learn/why-brolly

Email: hello@brolly.com.au

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