

Management response to the independent assessor's annual report

2018/2019



Richard Thompson, principal ombudsman and quality director

“I’d like to thank the independent assessor (IA) for her report, and for her valuable insights and recommendations throughout the year. The IA plays an important role in our overall quality assurance framework and provides a further check and balance on our customer service. It’s important to us to learn and improve, and we appreciate her open and transparent feedback. This year, we’ve accepted all the IA’s recommendations.”

Executive summary

The past twelve months have been our busiest for five years. We’ve had more than 388,000 customers bring complaints to our service – up 14% on the year before – and we resolved more than 376,000.

Over the year, we’ve focused on building our resources so we can answer the increasing number of cases we’ve received in a timely and fair way. We’ve also been building our capacity and capability for 2019/2020, as we prepared to take on our new jurisdictions from 1 April 2019, to review disputes about claims management companies and review cases from small businesses.

Set against the increased demand for our service outlined above, the total number of service complaints we received and investigated was 3,861, and the IA investigated 552. Overall, while we received more complaints about our service than last year, more of our customers were satisfied with our response, which is reflected in the lower percentage of customers that have gone on to raise their concerns with the IA.

While we’ve been encouraged too by our positive consumer and business satisfaction scores for the year, we know that the increase in demand for our service will continue to put pressure on the time people need to wait for our answer.

This document reflects our response to what the assessor found, and highlights what we have been doing to act on her insight and feedback.

complaints about our service

The table below shows the cases resolved by the ombudsman service and service complaints we have responded to over the last three years.

We've seen an increase in service complaints the past year, both in volume and as a percentage of the number of cases we resolved. This is in part due to the increased volume of cases we've received, which has affected our ability to provide timely answers.

Almost half of the complaints investigated by the IA concerned communication, and the remainder were split between complaints about fairness and impartiality, and timeliness.

We need to do more to reduce the overall figures, but it's reassuring that on the whole customers are satisfied with our level of service. This is reflected in the percentage of customers that have gone on to refer their complaint to the IA, which went down to 14% this year.

year	2016/2017	2017/2018	2018/2019
cases resolved	336,381	400,658	376,353
service complaints			
total	2,825	2,501	3,861
as a % of cases resolved	0.84%	0.62%	1.03%
independent assessor			
service complaints reviewed	437	405	552
as a % of cases resolved	0.13%	0.10%	0.15%
% of complaints that escalated to the independent assessor	23%	16%	14%
designated satisfactory or adequate	262 (60%)	219 (54%)	253 (46%)
designated unsatisfactory <i>of which</i>	175 (40%)	186 (46%)	299 (54%)
designated unsatisfactory with recommendations	87 (20% of total)	85 (21% of total)	131 (25% of total)

The IA made recommendations in 131 cases this year, which amounts to 3% of the overall service complaints we received. Service complaints designated as *unsatisfactory with recommendations* (previously designated as *critical with recommendations*) are those where the IA had found the service had not done everything to correct service failures before they reached her.

how we're learning from service complaints

Learning from service complaints allows us to address the areas of concern directly, and understand how we can improve from what our customers are telling us.

In addition to presenting her annual report to the board, the IA meets some of our board members and executive each quarter to share feedback on the cases she has reviewed. She also provides half-year feedback to our senior managers, and her office gives monthly feedback on general trends. From this, the whole service shares thematic lessons learnt each month, with the help of IA case studies published on our intranet.

We've welcomed the IA's changes to classifications the past year which has simplified our handling of a case as either *satisfactory* or *unsatisfactory*. She has also shared learning points in her opinions where she's noticed areas of improvement which affect our service or case-handling overall. We've accepted all of the IA's learning points, have shared these across the service, and made necessary changes to act upon the feedback.

top four themes

This table shows the top four themes the IA outlines in her report, reflecting the concerns people raised when they contacted her – and how they compare to last year.

top complaint themes	2017/2018		2018/2019	
	number of cases	percentage of the total reviewed	number of cases	percentage of the total reviewed
communication	135	33%	259	47%
fairness and impartiality	62	15%	89	16%
timeliness	35	9%	82	15%
adherence to process	76	19%	77	14%

theme one – communication

The IA highlights that communication is our customers' main concern.

We've taken this on board, and over the last year have focused on the quality and quantity of our written and oral communication, as well as how accessible and understanding we are.

We've worked on better equipping our case-handlers with the right information so that our customers get more meaningful updates. Case-handlers now have better access to information about our waiting times, so they're able to better manage customers' expectations and update them more regularly.

We've raised our staff awareness of why good communication is important – such as publishing case studies based on the IA's reviews, on our intranet. They highlight the need to improve the clarity and accuracy of the information we provide. These also let everyone read the learnings from the IA, and she has acknowledged our keenness to embrace her recommendations.

We've trained our people on call handling, and developing our case-handlers' communication skills. It's important to us that our customers feel listened to, and we'll continue to monitor this.

Once launched, our customer portal and case management system, Phoenix, will provide more options for our customers to communicate and share information with us, and they'll also be able to check progress on their cases without needing to contact us.

We've also been working with specialist process improvement consultants to help understand where we can make changes to improve our customer experience. We've already implemented some of their recommendations on better customer communication.

theme two – fairness and impartiality

Fairness is at the heart of everything we do, and it's crucial we maintain customer confidence in this. Of the complaints in this area, we note that in the vast majority, the IA concluded that the issues were to do with the customers' perception of unfairness, rather than finding any evidence of actual unfairness in how we handled their case.

The nature of our role means consumers are sometimes disappointed with the answer we provide. And this understandably raises questions about fairness and our impartiality – so it's vital to ensure our case-handling doesn't lead to a perception of bias. The past year, we've continued to invest in our case-handlers' training to ensure the ongoing consistency and fairness of our answers.

We note the 89 complaints reviewed by the IA last year were caused by a perception of bias from our customers. In one of the cases she reviewed, the IA found that we should have done more to ensure the customer was treated fairly. As this is the first instance

the IA has reached this conclusion, we have shared the feedback from this case to ensure we capture the lessons learnt.

As well as learning from the IA's feedback, we've also taken on board the findings from our board-commissioned independent review by Richard Lloyd and from a subsequent review of casework outcomes, by Carol Brady. Both identified areas where we could improve, but the conclusions confirm the commitment of our people to doing the right thing and that consumers and firms can have confidence in us, knowing that we aren't institutionally biased.

We've trained everyone in unconscious bias and the perceptions of bias, as well as equality, diversity and inclusion – to reinforce the importance of treating everyone equally. We recognise there's always more we can do to reassure customers that we're fair and impartial in our dealings with everyone.

theme three – timeliness

It's disappointing that the IA found 43 of these complaints to be unsatisfactory, and we take on board her feedback that in these instances we've not always managed customer expectations well.

Our focus in how we work is to try to resolve our customers' cases as promptly as possible, and we're able to resolve many of our cases informally within days.

But the volume and complexity of cases brought to our service last year meant we've not been able to look at cases as quickly as we'd like to, which has led to longer customer waiting times. Our plans for the year ahead include further investment in growing our casework teams to address this.

theme four – adherence to process

The IA said that customers have raised concerns about delays and lack of progress while investigating complaints about our service. She noted we had not updated our website with information about how our service complaint investigation process was changing until we had rolled it out across the whole organisation, and that this had led to confusion for some customers.

We've been trialling a new process for investigating service complaints to give customers a more straightforward and quicker journey for resolving their concerns. While the trial was going on, the rest of the service was still on the previous two-stage complaint process. We decided to roll it out to everyone else in phases, and train

managers on it at the same time as complaints-handling training, and training on the process of offering complaints to the IA.

We took the decision to update the website at the point where more teams were using the one-stage process, rather than the two-stage process – indicating that this was now the official process. We indicated that customers were more likely to go through this process if they complained.

Our case-handlers know it's important to provide relevant information to our customers, which includes clearly explaining our role, processes, and next steps, in a consistent way. We tailor our correspondence to our customers' needs, so where there's a need to provide additional information we will do so and/or point to relevant pages on our website.

We're pleased that our case-handlers provide customers with their direct telephone and email addresses, which makes it easy for people to get in touch if they're unsure about an issue.

Some of our customers have experienced delays in receiving their requests for subject access requests (SAR) this year. The implementation of GDPR meant we received a lot more SARs than in previous years. We prepared for this by providing in-house training for all staff as well as the team dealing with these requests. We also updated our systems to ensure we were prepared to meet the projected increased demands.

The IA has noted we've hired more staff to help, however building and training our team to respond to the increased volumes has taken some time.

vulnerable customers

One of the IA's recommendations was that we remain consistent in our communications, especially with vulnerable consumers.

Vulnerability is an area we take very seriously, and are always striving to improve on. The IA's feedback shows that we haven't always got it right in every case yet.

We are seeing that customers are facing new types of problems, often with multiple types of vulnerability combining, so it's important for us that we can get people the help they need in a sensitive way. Case-handlers are increasingly turning to our dedicated accessibility team for advice on these complex cases. They contacted the team 1,454 times this year (compared to 632 times last year) for advice on how to support customers who need specialist help because of their personal circumstances, whether

it's advice on making reasonable adjustments in how we deliver our service, or dealing with highly sensitive issues.

This year, we've invited organisations and charities to run training to help us become more aware of different vulnerabilities and build these considerations into our work. Organisations include Step Change, Macmillan, Department of Work and Pensions, Surviving Economic Abuse, Toynbee Hall Debt Charity and Domestic Abuse, and Money Education Project.

We've also run awareness campaigns for staff, on improving the customer journey for some of our more vulnerable customers. We recognise that we need to continue to focus in this area and can always do more – so that in every case customers are treated sensitively and consistently.

unreasonable behaviour from our customers

The IA said she'd seen an increase in cases where customers were behaving abusively and aggressively towards our staff – and that it was becoming more explicit in nature. These included “threats against staff and their families, comments of a sexual nature, racial discrimination, and extreme profanities.” The IA commented she was pleased to see the measures we'd implemented to manage customers displaying inappropriate and unacceptable behaviour, though there was still more work to do.

We will not tolerate any abusive behaviour towards our staff. Our people are dedicated to providing a great service and helping our customers, including those who may be struggling with difficult personal and financial circumstances. But it's important that staff know there are behaviours which we and they should not have to tolerate – and that they feel empowered to know what to do when they encounter such behaviour.

We've published our policy on handling unacceptable and abusive behaviour on our website, so that it is clear to our customers the consequences to them of engaging in such behaviour. The IA supported what we'd done so far, and acknowledged that it's a work in progress, but also said we could sometimes be quicker in responding when instances occur.

Our staff told us they needed more support on how to manage this behaviour in a consistent way. We've created a professional practice group of colleagues from across the service, guidance for case-handlers, and a half-day workshop to better support them and other staff in receiving 'in the moment' assistance, when faced with challenging behaviour. We'll continue to keep this under review.

stepping in early

The IA decided to step in early on 24 cases this year, which was 74% more than last year. She steps in early when she feels there are exceptional circumstances, and this year she felt there were communication and process-related issues that were affecting these cases that merited stepping in early to put things back on track.

She found nine of these cases to be unsatisfactory, but the remainder she was either satisfied with or matters had been resolved fairly before she got involved. She recommended we consider introducing Service Level Agreements and/or indicative timescales to manage customer expectations and make sure they're updated regularly.

As highlighted above, we are working to resolve complaints at the earliest possible stage – as we know the importance of identifying issues early and getting things back on track. This is both in our case-handling process as well as in how we look into concerns about the service we provide.

We reiterate what we said above about improving our communication to address the IA's concerns. We also encourage case-handlers to give proactive and tailored updates, and instil in them the importance of acknowledging and responding to emails and calls at the earliest opportunity.

annex A –number of cases

These tables show a breakdown of the number of cases mentioned in the independent assessor’s annual report.

cases reviewed by the independent assessor about *communication* were as follows:

	2017/2018	2018/2019
total cases reviewed where this concern was raised	135	259
cases designated unsatisfactory	76 (56%)	191 (74%)
cases with recommendations	43	85

cases reviewed by the independent assessor about *fairness and impartiality* were as follows:

	2017/2018	2018/2019
total cases reviewed where this concern was raised	62	89
cases designated unsatisfactory	8 (15%)	13 (15%)
cases with recommendations	0	3

cases reviewed by the independent assessor about *timeliness* were as follows:

	2017/2018	2018/2019
total cases reviewed where this concern was raised	35	82
cases designated unsatisfactory	25 (71%)	43 (53%)
cases with recommendations	14	19

cases reviewed by the independent assessor about *adherence to process* were as follows:

	2017/2018	2018/2019
total cases reviewed where this concern was raised	76	77
cases designated unsatisfactory	45 (59%)	34 (44%)
cases with recommendations	19	17

cases reviewed by the independent assessor involving vulnerable consumers:

	2017/2018	2018/2019
total cases reviewed	50	63
cases designated unsatisfactory	21 (42%)	38 (60%)
cases with recommendations	16	21

cases where the independent assessor stepped in early:

	2017/2018	2018/2019
total cases reviewed	1	24
cases designated unsatisfactory	1 (100%)	9 (38%)
cases with recommendations	1	5

annex B – further information

service complaints

Service complaints are received at manager level (we've previously recorded this as case-handler level) and/or at senior manager level. The table below provides a breakdown of this data.

	2016/2017	2017/2018	2018/2019
cases resolved	336,381	400,658	376,353
service complaints received at manager level	1,932	2,032	3,236
service complaints received at senior manager level	893	469	625
total service complaints	2,825	2,501	3,861
service complaints as a % of cases resolved	0.84%	0.62%	1.03%

sectoral data

The table below illustrates that service complaints were broadly in line with new cases we received by sector. There isn't a particular area that stands out as an area of concern.

area	% of new cases	% of service complaints
banking	62%	62%
insurance	28%	26%
investments	5%	7%
pensions	5%	5%