

# Management response to the Independent Assessor's annual report for 2019/20



## Richard Thompson, Principal ombudsman and quality director

*"I'd like to thank the Independent Assessor, Amerdeep Somal, for her report and for the valuable insight and feedback she's provided not only this year, but since she took on the role in 2013. Her term ended in September 2020, and we're grateful to have had somebody so dedicated to improving the experience of customers and the focus to help us improve the service we provide. We welcome the independent scrutiny provided by the IA and this year we've again accepted all recommendations made and learning points issued for the service.*

*I'd like to take this opportunity to wish Amerdeep well for the future and to thank her once again for all her work helping our service and our customers."*

This document is our response to the IA's 2019/20 annual report, and it highlights what we have been doing to act on her insight and feedback.

## Executive summary

During the financial year 2019/20, we received 271,468 new cases and resolved 295,596, resolving over 24,000 more cases than we received while maintaining a high level of quality and consistency in our work. But we didn't live up to our own high handling standards in all cases, and that's where our service complaint and IA arrangements come in.

While service complaints, and in turn IA referrals, are a small proportion of our overall caseload, they nevertheless provide a unique and important opportunity to learn from what customers tell us about the level of service we've provided.

The total number of service complaints we received in 2019/20, was 4,872 and, of these, 602 went on to the IA for review. This is an increase in the number of IA referrals, compared to 2018/19, though for the second year running, the referrals, as a percentage of overall service complaints, has fallen. This shows improvement in our own handling of service complaints – but we can, and will, always look to do more, of course – not least to try and reduce the number of service complaints in the first place.

## Complaints about our service in 2019/20

The table below provides a breakdown of the cases resolved by the service, along with the number of service complaints we have responded to over the last three financial years –at both the service stage and the IA stage.

As mentioned above, we saw an increase in service complaints in 2019/20, compared to the previous two years, both in volume and as a percentage of the number of cases we resolved. More than half of the complaints investigated by the IA concerned communication, and the remainder were split between complaints about timeliness, and fairness and impartiality.

We recognise we need to do more to reduce the overall service complaint figures, though pleased that the levels of service complaints still show that, on the whole, customers remain satisfied with our handling. It's reassuring too that where things do go wrong, we're increasingly able to put things right straight away. This is reflected in the percentage of

customers that have gone on to refer their complaint to the IA, which decreased for the second year in a row.

year	2017/18	2018/19	2019/20
total cases resolved by the ombudsman service	400,658	376,353	295,596
service complaints handled by the ombudsman service			
total	2,501	3,861	4,872
as a % of cases resolved	0.62%	1.03%	1.65%
service complaints handled by the independent assessor			
service complaints reviewed	405	552	602
as a % of total cases resolved by the ombudsman service	0.10%	0.15%	0.20%
as a % of service complaints handled by the ombudsman service	16%	14%	12%
designated satisfactory or adequate	219 (54%)	253 (46%)	202 (34%)
designated unsatisfactory	186 (46%)	299 (54%)	400 (66%)
of which designated unsatisfactory with recommendations and/or learning points	85 (21% of total)	131 (25% of total)	138 (23% of total)

Service complaints designated as *unsatisfactory with recommendations or learning points* (previously designated as *critical with recommendations*) are those where the IA found the service had not already done everything needed to correct service failures before they reached her.

### How we're learning from service complaints

We want to provide our customers with excellent customer service, however there may be occasions when customers tell us they're not happy with the way we've treated them and wish to complain. Learning from service complaints allows us to continually improve the service we provide, as we're able to address the concerns that are raised and put into place improvements based on what our customers are telling us.

We accepted all the IA's recommendations in 2019/20, and welcomed the learning points issued, ensuring these are shared across the service. As the IA acknowledges within her report, the service has been able to take on board the feedback by implementing improvements to our case handling systems and processes, as well as our internal guidance and training for staff.

## Top three themes

This table shows the top three themes the IA outlines in her report, reflecting the concerns people raised when they contacted her – and how they compare to 2018/19.

Top complaint themes	2018/19		2019/20	
	number of cases	percentage of the total reviewed	number of cases	percentage of the total reviewed
Communication	259	47%	345	57%
Timeliness	82	15%	128	21%
Fairness and impartiality	89	14%	71	12%

### Theme one – communication

The IA recorded a 10% increase this year in complaints about communication. In many of these cases the IA concluded we hadn't given clear and accurate enough information about how long it might take to resolve a customer's complaint, so there's a strong link with the key theme 'timeliness' below.

The IA has referred to the improved information we provided our staff on customer waiting times. We've continued to build on this, and the same information that is available to our case handlers is now available directly to our customers through our website, which we keep updated regularly.

We've also reviewed and updated the communications we send out to customers, so they are receiving information and updates that are more tailored to the nature of their complaint. In addition to this, we've updated our guidance to case handlers on what we expect in terms of keeping customers informed on the progress of their complaint, along with additional tools that give case handlers and managers improved visibility of how we're communicating with our customers.

We expect these initiatives will significantly improve the ability of our case handlers to keep customers informed.

### Theme two – timeliness

We aim to solve our customers' problems as quickly as possible and we're able to resolve many of our cases informally, within days. However, the increase in demand for our service – and the increasing complexity of some of the cases brought to us – has put pressure on the time some customers are waiting for an answer. This means we've not been able to look at cases as quickly as we'd like, which has led to longer customer waiting times. Understandably this can be frustrating for some of our customers.

We've continued to build our casework resource and capability through recruitment and training of our people, while taking on two new casework jurisdictions (complaints from small to medium enterprises (SMEs) and complaints against claims management companies (CMCs). We've introduced a new customer-centric case handling system and launched a more accessible website for our customers. All of these are helping us to answer the increasing number of complaints and enquiries we've received in a more-timely way.

In her previous report, the IA pointed out that we've not always managed customers' expectations as well as we can throughout their journey with us. We've taken on board this feedback and set up a network of staff who have helped review our end-to-end communication with customers and provide updated guidance to improve the overall customer journey.

We've also equipped case handlers with a new casework insight tool, so they can easily access up to date and meaningful information about all their cases in one place. The tool helps case handlers ensure cases are progressed as quickly as possible at all stages, and to avoid any unnecessary delay.

Our plans for 2020/21, have included further expanding our casework teams to address increasing demand for our service and to ensure as many customers as possible get an early, timely and fair answer to their complaint.

### **Theme three – fairness and impartiality**

It's vital we act fairly in everything we do – and that both the public and industry have confidence in our impartiality. The nature of our role means at least one party to a complaint will sometimes feel disappointed with the outcome – and understandably some will be left feeling they've been treated unfairly. We continually invest in case handlers' training to ensure they demonstrate fairness in their decision-making, and we welcome the IA's ongoing independent scrutiny. It's encouraging that the IA has seen a 20% reduction in complaints relating to this theme, and there was only one case where she felt we hadn't put things right before her involvement.

The IA pointed out that some customers have felt we've not always been fair when setting time limits for replying to our requests for information or responding to our recommendations for how a complaint should be resolved. It is important that we are fair to both sides when setting deadlines, while still maintaining progress and momentum in resolving the complaint. But we expect and encourage case handlers to be flexible with deadlines for both businesses and consumers, depending on the circumstances, so it is disappointing to see we've not always got this right. We'll continue to share this feedback with our case handlers to ensure we're treating both sides of a complaint fairly.

Some customers have also said we've not always been consistent in sharing the information we've relied upon in our investigations. As an alternative dispute resolution scheme, we do not routinely share all the information we have on file as might be the case in court proceedings – but it is important that both parties understand the reasons for our decision and the information and evidence we have relied upon in reaching it. We plan to deliver refreshed training for case handlers across the service to ensure we maintain our high standards in all cases.

### **Our service complaint responses**

2019/20 was the first full year where all service complaints were investigated through our amended '*one stage complaints process*' to give customers a more straightforward and quicker journey for resolving their concerns. Ensuring a thorough investigation is completed and that we're following our service complaint process, is an important way for the service to review customer concerns and ensure we're getting cases back on track where appropriate. It also allows us to continually improve as a service.

As mentioned above, there was an overall increase in the number of service complaints we received in 2019/20. In a small number of cases, the IA has provided feedback that we've

not always addressed the full range of issues when responding to the concerns that customers have raised.

We recognise that this is an area of improvement for us and have increased the support and training available to managers who respond to our service complaints. We've recruited more senior advisers who work closely with department leads and managers, providing hands-on feedback and support to ensure we're both following our internal guidance and providing good quality responses to our customers.

Throughout 2019/20, we shared examples of what good complaint handling and responses look like and reviewed and updated our internal guidance for managers, to support them with responding to service complaints. We've also had a focus on improving the quality of our responses as part of our internal quality assurance work. This continues to be an area of focus for the service going forward.

### **Vulnerable customers**

Vulnerability is something we take very seriously, and we fully support the industry-wide focus on the issues facing customers who, for a variety of underlying reasons, may have more difficulty raising a complaint and seeking redress when things go wrong. We're committed to taking a lead and showcasing best practice in this area, so it's particularly disappointing when we fall short of our own very high standards when dealing with issues of underlying vulnerability.

The IA saw an increased number of cases involving vulnerable consumers in 2019/20, broadly in line with her overall increase in volume of cases. However, while the total number of cases the IA has dealt with involving vulnerable customers has increased, the total number of individual vulnerable customers the IA assisted this year was lower than the previous year (41 customers, compared with 50 last year). This is due to some customers having multiple cases where they have raised more than one complaint against different financial businesses.

Over the course of 2019/20, we established a new team focused on helping our most vulnerable customers – to help ensure we remain up to date with best practice and that we're adapting as necessary to a changing environment. The team places a focus on how we can best identify those who may be vulnerable, and those who need their cases handled as a priority. We've continued this focus into the current year, keeping in mind the potential challenges that Covid-19 raises for our service and our customers, and are increasing the size of our team to ensure we can best meet the needs of all our vulnerable customers.

We've also continued to promote awareness of the needs of vulnerable customers across the service. As the IA noted in her report, we created a tailored training session for staff based on a vulnerable customer's experience of bringing a complaint to our service. We've also continued to share regular case studies with staff based on cases the IA has reviewed.

We continue to work with external organisations to help our case handlers better understand the experience and challenges faced by customers with different vulnerabilities. For example, we recently worked with a charity partner that specialises in helping people with thoughts of suicide or families who have suffered bereavement due to suicide, to develop bespoke training and guidance for our case handlers. It's vital that our staff are equipped with the skills to respond sensitively and confidently, whatever the sets of issues that may be facing our customers.

Our case handlers continued to seek additional support from our internal accessibility team in relation to vulnerable consumers. They contacted the team 1,604 times in 2019/20

(compared to 1,454 times in 2018/19) 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 on dealing with highly sensitive issues.

### **Stepping in early**

The IA decided to step in early on 50 cases in 2019/20, involving 17 individual customers (23 cases belonged to one individual customer). The IA steps in early when she feels there are exceptional circumstances and that it may be necessary to help ensure that things get back on track quickly.

The IA felt that in most cases where she stepped in early, there were communication issues that merited her stepping in to help put things back on track. The IA made recommendations in 39 complaints, which were brought by 9 individual customers.

In last year's report, the IA 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've recently launched a new and improved set of communication standards across the service to improve our communication overall. We shared these with the IA as we were developing them to ensure we could embed the learning from her previous feedback.

We've also focused on supporting our staff with improved case management tools and up-to-date information on waiting times. We're confident that by embedding these standards, supporting case-handlers to give proactive and tailored updates, and continuing to emphasise the importance of good communication, we'll see ongoing improvement in this area.

### **Challenging behaviour**

The IA reported that a small number of customers sometimes display challenging and inappropriate behaviours that our staff should not be expected to tolerate. Positively she notes the work we've continued to do to support our staff, to create clear expectations of what we expect from customers and the robust but fair approach we take when customers continue to display unacceptable behaviours.

We do understand that tensions can run high in financial disputes, but there's no reason why staff should feel distressed or threatened while doing their job – and it's vital they have a safe environment within which they can confidently reach impartial outcomes.

The IA previously said there was more we could do to address unreasonable behaviours, so we're pleased to see her positive comments on the progress we've made, including the workshop we delivered to all staff in 2018/19. The workshop was designed help staff address these behaviours 'in the moment', and it provided follow up steps that managers should consider, helping to prevent further instances. The workshop is now delivered to all new customer-facing staff, and the key messages are promoted on our internal guidance for staff and by our managers.

We've recently also updated our policy relating to dealing with unreasonable behaviour, which is now available on our [website](#). It carries more detail on the types of behaviours we consider to be unreasonable, and the steps we might take to address them. We hope this improved clarity will continue to help both customers and staff.

### Annex A – Number of cases

These tables show a breakdown of Independent Assessor cases from the annual report.

**Cases reviewed by the Independent Assessor about *communication* were as follows:**

	<b>2018/19</b>	<b>2019/20</b>
Total cases reviewed where this concern was raised	259	345
Cases designated unsatisfactory	191 (74%)	273 (79%)
Cases with recommendations/ learning points	85	104

**Cases reviewed by the Independent Assessor about *timeliness* were as follows:**

	<b>2018/19</b>	<b>2019/20</b>
Total cases reviewed where this concern was raised	82	128
Cases designated unsatisfactory	43 (53%)	84 (66%)
Cases with recommendations/ learning points	19	24

**Cases reviewed by the Independent Assessor about *fairness and impartiality* were as follows:**

	<b>2018/19</b>	<b>2019/20</b>
Total cases reviewed where this concern was raised	89	71
Cases designated unsatisfactory	13 (15%)	11 (15%)
Cases with recommendations/ learning points	3	1

**Cases reviewed by the Independent Assessor involving vulnerable consumers:**

	<b>2018/19</b>	<b>2019/20</b>
Total cases reviewed	63	80
Cases designated unsatisfactory	38 (60%)	60 (75%)
Cases with recommendations/ learning points	21	22

**Cases where the Independent Assessor stepped in early:**

	<b>2018/19</b>	<b>2019/20</b>
<b>Total cases reviewed</b>	24	50
Cases designated unsatisfactory	9 (38%)	50 (100%)
Cases with recommendations	5	39



## Annex B – further information

### Sectoral data

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

Area	% of new cases	% of service complaints
Banking	62%	62%
Insurance	28%	28%
Investments	5%	5%
Pensions	5%	5%