

ADDRESS TO COMMONWEALTH OMBUDSMAN SEMINAR

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WHAT'S NEW IN COMPLAINT HANDLING?

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24 September 2009

Thank you to Professor McMillan for the invitation to participate in this panel. Coming together at this conference allows us all to pause and take stock of our own challenges, and to learn from each other as we try to improve complaint handling and influence our members and stakeholders to do a better job.

I would like to share with you the TIO's approach to ensuring we are fulfilling our mission to provide 'free, just, informal, speedy' resolution of complaints.

This approach is the frame of reference we use to guide and assess our interactions with the people who contact us, as well as with our members (telecommunications and internet service providers), regulators, government, peak industry and consumer bodies and other key stakeholders.

We call it our '4Rs' approach.

It was developed by staff and our governing bodies during a strategic planning process at the start of 2008. It is our way of capturing our strategic goals, and can be summarised as follows:

1. **Resolution** – which is our goal to provide an efficient and effective complaint handling service
2. **Reaching Out** – which is our goal to assist stakeholders
3. **Relevant** – where by being relevant we wish to understand the strategic telecommunications environment, listen to and learn from the industry, and provide complaint data
4. **Remarkable** – which is our internal goal about being a successful organisation.

So how has the TIO applied the four Rs?

In respect of our core business, which is providing an efficient and effective complaint handling service, we have taken several steps. One highlight is the recent review of our end-to-end process to see whether we were meeting the benchmarks of efficiency, effectiveness, accessibility, accountability, fairness and independence, which are fundamental to our scheme and to that of industry ombudsmen broadly.

The recommendations arising from this review and our own thinking have led us to identify more ways we can use technology better to help complainants and members. This can be seen in our website development project and improving how we interface with the public; the forthcoming replacement of our complaint management system (which as everyone knows is an extremely important strategic project and needs enormous management); through to trialling SMS and asking ourselves questions about the sort of presence we should have to make it as easy as possible for all types of complainants to contact us and for us to respond.

We are also reviewing our approach to systemic investigations. Handling the number of complaints that comes in every week, and doing so efficiently and effectively, presents a major challenge. About 80 per cent of our business is by phone, and another 17% - and growing – is via email. How we identify and respond to patterns of complaints is something we are presently reviewing.

One new approach the TIO took in the past year is the subject of a separate presentation by Kate Eadie, who will talk about our 'connect.resolve' campaign. This goes to the heart of an ombudsman's role, in many ways, and is part of how we try to be proactive. When a pattern of complaint is evident, several tools are available to us. Under the TIO Constitution there is a formal process for handling systemic investigations. However flexibility is key if, in the face of increasing demand, we are still able to be responsive and timely.

We are also watching with interest the practice of paid representatives advocating on behalf of consumers. This is part of a conversation amongst the ombudsman association ANZOA's members, so that information and experiences about good practice can be shared. For our part, we are making prominent on our third party authorisation forms that the TIO is a *free* service.

Our second R – 'Relevant' – can be applied to this topic in the following way. Our industry, with its complex product and service offerings, sees itself as dynamic and fast-paced, with significant rewards for first mover advantage (and not significant commercial incentives for compliant behaviour, or behaviour that we would see as in the interests of all consumers, such as good complaint handling processes or clear simple information to make a buying decision). Against that background, we find ourselves wrestling with market behaviour or product designs which challenge how the TIO provides resolution. One example is the bundling of services where one part of the bundle falls within our jurisdiction but another falls outside. Obtaining redress for a disadvantaged consumer in these circumstances is a challenge and not always achievable.

Specialisation in technology – such as the particular issues which arise in the complex supply chain (wholesale, retail, third party content providers and so on) – means we must constantly ensure that we understand what the consumer will experience when faced with this plethora of services, promises, and advertising materials. The ACCC has recently shown significant leadership in this important area with its focus on clarity of advertising, and on those much abused words in the telecommunications industry: 'free', 'unlimited' and 'cap'.

Interestingly for us, there is another dimension to the challenges that new complaint types can raise, and that is where there might be certain types of complaint that require clarity from a government policy perspective about how they should be resolved. The area of fees and charges applies to the financial services sector as well as the telecommunications sector, and there are very real issues around how bills are paid and the types of fees that can arise in that context. The energy industry has similar practices. A common approach guided by sound policy and an assessment of whether there is market failure or whether certain activities should simply be constrained would benefit all of us as consumers of these 'essential services'.

'Relevant' is a goal that encompasses our aim to understand the market our members are operating in and the pressures that confront them as businesses. Where the TIO's members range from Telstra to a one-person operation in regional Australia, the issues that arise when they deal with the TIO vary enormously. It is incumbent on us to always be mindful of these.

‘Relevant’ equally applies to understanding the consumer experience and to hearing about the patterns of complaint that become evident to special advocacy groups, such as financial counsellors. This group has drawn to the attention of the TIO industry credit management practices (especially under the present global economic circumstances), and specific issues confronting vulnerable consumers or Indigenous consumers. This in turn has allowed us to respond more proactively. It has meant we are more aware of potential issues, and has allowed us to highlight to our members that we will focus on their handling of complaints raising financial hardship and credit management issues.

Our third R – ‘Reaching Out’ – is manifest in our commitment to providing targeted complaint handling training for our members. It is also evident in outreach activities commensurate with our national reach and which have special regard to those regions where awareness of the TIO is low or to groups that we have specifically targeted, such as vulnerable and disadvantaged consumers. This focus on accessibility leads us to constantly review and assess whether ‘all our doors are open’ to complainants.

The whole issue of the TIO’s data as business intelligence falls under this heading. We want to reach out to our member companies with data that can help them improve specific practices; to our industry regulators to assist their monitoring, compliance and enforcement actions; and to policy makers to help them identify potential market failures that might result in consumer detriment and hence require a policy response.

‘Remarkable’ is our final R. It is the one we use to evaluate how we operate as a business; how we manage and develop our people; how we measure our performance; and how we comply with all relevant laws and standards. These are all foundation activities for any organisation.

What’s new in this area that helps us better respond to the challenges of complaint handling? Among other things, we have had a strong and consistent focus on how we develop our staff; how we ensure our processes meet this objective in the face of growth and the pressure of constant change; and how we capture our knowledge, which again becomes very important with so many new people.

The Commonwealth Ombudsman has mentioned complaint handling being connected to integrity.

For me as Ombudsman, the results of our ‘connect.resolve’ campaign and other issues arising from the volume and nature of TIO complaints are more and more about *respect*. I believe consumers have the right to be fairly treated by their service provider. I fear that confidence in our sector is at risk of being undermined by poor treatment of customers. Ultimately the central issue is one of respect for every single person as a unique human being. That is how I have translated the ‘integrity’ theme into my world. Thank you again for the opportunity to speak today.