

Commonwealth Ombudsman National Conference

Session A: Minding your own business—policy challenges for decision-makers and strategies for managing risks in the complaint-handling process

24 September 2009

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Today I'm going to start with a story...

*A woman's son was killed in a car accident. She contacted the provider to close his mobile account and cancel the contract. She was asked to send in a death certificate, which she did. However, the company failed to close the account and sent another bill to her late son's address. After receiving this bill, the woman called the Service Provider again and this time asked to speak to a Manager but this request was denied. In a later conversation the provider asked the woman if she was trying to close her dead **husband's** account. In frustration, the woman contacted the TIO and after we intervened the company apologised – but not for the distress, rather for any **inconvenience** it may have caused. Unfortunately, it also sent the formal apology letter to the late son's address.*

Everyone's got a story to tell about dealing with their telco. Its complaints like this one – and the fact that the number of these types of complaints has grown alarmingly – which led to the TIO's connect.resolve campaign.

There was nothing particularly complex about most of the complaints; in fact the themes were simple and constant - customers being given the run-around, transferred from one department to another, not being given the credit they were promised - These are the kinds of issues that now make up more than a third of the complaints we are receiving at the TIO.

The increasing number of complaints, and consumers' frustration with their providers, was being raised in the media and by consumer groups and the Minister had described the TIO's complaint statistics as evidence of poor industry behaviour.

TIO staff were frustrated too. When we asked them what message they wanted to send through the campaign, they said they wanted to see the industry "connect with their customers and resolve their concerns fairly and efficiently". The simplicity of the message was intentional, because most of the complaints could or should've easily been resolved by the providers themselves.

So **connect.resolve** was launched last November. The six-month campaign was aimed at getting TIO Members to improve their customer service and complaint handling processes so that we could see a sustainable reduction in TIO complaints.

It was also aimed at promoting a collaborative response from all stakeholders – the TIO's member organisations, industry groups, consumer groups as well as regulators.

We worked with the CEOs of our 10 biggest members, using this high-level engagement to get traction on the issue.

We highlighted the high risk of a regulatory response if they failed to take ownership of the problem and weren't willing to looking for solutions.

And we know that the telco industry has previously felt the pain of an imposed regulatory response to poor practices with the introduction of the Customer Service Guarantee some years ago. One potential policy response to connect.resolve, or if future complaint data shows no improvement by industry, could be a policy that mandates compliance with international customer service standards.

Throughout the campaign, we sent service providers monthly data about their customers' complaints, as well as examples of consumer 'voices' so they could have a better understanding of which areas of their service needed improvement.

Using our analysis of complaint data we were able to keep our message very basic – there are often simple administrative solutions to common problems.

We identified particular companies in the report because negative publicity can be a powerful catalyst and, by asking the CEOs to provide a response that we would publish, we made them more accountable.

We also engaged with the regulators, foreshadowing that if our data showed increasing problems that needed a regulatory response, we would look to them for help.

So how did the campaign go?

As you will have seen, the report shows the number of complaints to the TIO increased by 1.8 per cent during the six months of the campaign. This is compared with a 46 per cent rise in the year 2007-08. It was a good start but it was also clear that there is much work to be done.

For some companies, customer service was not a priority, customer facing staff were not always equipped or empowered to make decisions about complaints and the process for dealing with complaints was often complicated, time consuming and involved speaking to a number of different people.

Encouragingly, some companies acknowledged that they needed to make substantial changes to the way they approached customer service and some have already begun to do so.

We also learned from the process.

We learned that there are often a number of different issues affecting how providers manage their customers and complaints and so they need differing approaches from the TIO. For example, smaller businesses often respond well to training and information from the TIO about complaint handling.

Whereas, larger corporate members may already have robust complaint handling processes in place and training programs for staff, but this aspect of their business may not be a priority - so education may not necessarily be the answer for them.

So how can providers address the many and varied customer service issues facing them and potentially damaging their reputation?

The answers, again, are simple:

- Create a culture that shows a commitment to good customer service, by setting the example at all levels in the organization

- Ensure you have adequate resources so you can promptly attend to customer service queries and complaints
- Make sure your customer facing staff are well trained and empowered to make decisions
- Implement a procedure which explains how customers can make a complaint, how you will handle it and when you will respond
- Obtain feedback from your staff and your customers so you can look for ways to improve your customer service
- And most of all treat your customers with care and respect; listen to them and be flexible in your approach to resolving their concerns.

And we can help. Because of the sheer volume of complaint data we receive, the TIO is a valuable source of business intelligence - for providers, policy makers and regulators. And Providers must learn how to make better use of this information.

So where to from here? Well, the TIO will continue to work with its members in keeping the focus on their consumers and the experience they have when things go wrong. In the meantime, we will continue to report publicly on the industry's performance through our quarterly consumer newsletter, TIO Talks.

So the title of this session is "Minding your own business" which is really what connect.resolve was all about:

"You mind your own business by looking after your customer and by not putting them through the inconvenience and frustration of having to take their complaint to an external body like the TIO".

Thank you