



The art of really listening: how complaints can be good for business

Commonwealth Ombudsman

The Commonwealth Ombudsman is an independent, impartial external complaints body

We investigate complaints about federal government agencies, and we have two specialist functions taking complaints from students:

1. Overseas Students Ombudsman

- Over 1,100 private providers in jurisdiction
- Finalised over 5,000 complaints since April 2011

2. VET Student Loans Ombudsman

- Over 300 education providers in jurisdiction
- Received 9,238 complaints since July 2017

Why is good complaint handling so important?

- Build your brand
- Improve your products and services
- Increase customer satisfaction & loyalty
- Hear about your areas of weakness before others do
- Resolve systemic problems before they cost you (even more) money
- Get the edge on your competitors who don't value complaints/deal with them well



Costs of poor complaint handling

- Damage to your brand
- Loss of current and future students
- Wasted time & money
- Stress for your staff and students
- Issues may get unnecessarily escalated to external bodies or result in legal action
- Failure to identify and resolve issues could result in reports to the regulator triggering audits or other compliance action



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‘If you make customers unhappy in the physical world, they might each tell six friends.

If you make customers unhappy on the internet, they can each tell 6,000 friends’

”

Jeff Bezos, amazon.com

Some statistics

9-15^{*}

a dissatisfied
customer will tell
9-15 people about
their experience

4-6^{*}

happy customers
who get their issue
resolved will tell
4-6 people about
their experience

5-25^{**}

it costs 5-25 times
more to recruit a
new customer than
to retain an
existing one

*White House Office of Consumer Affairs

**Harvard Business Review *The Value of Keeping the Right Customers*, 29/10/2014, accessed 7 August 2018

Think of a time when ...

.. You had a really good customer service experience?
What made it so good?

What about a bad experience? Did you complain? Why or why not?

What did you expect from the complaint process? Were your expectations met?

What do complainants expect?

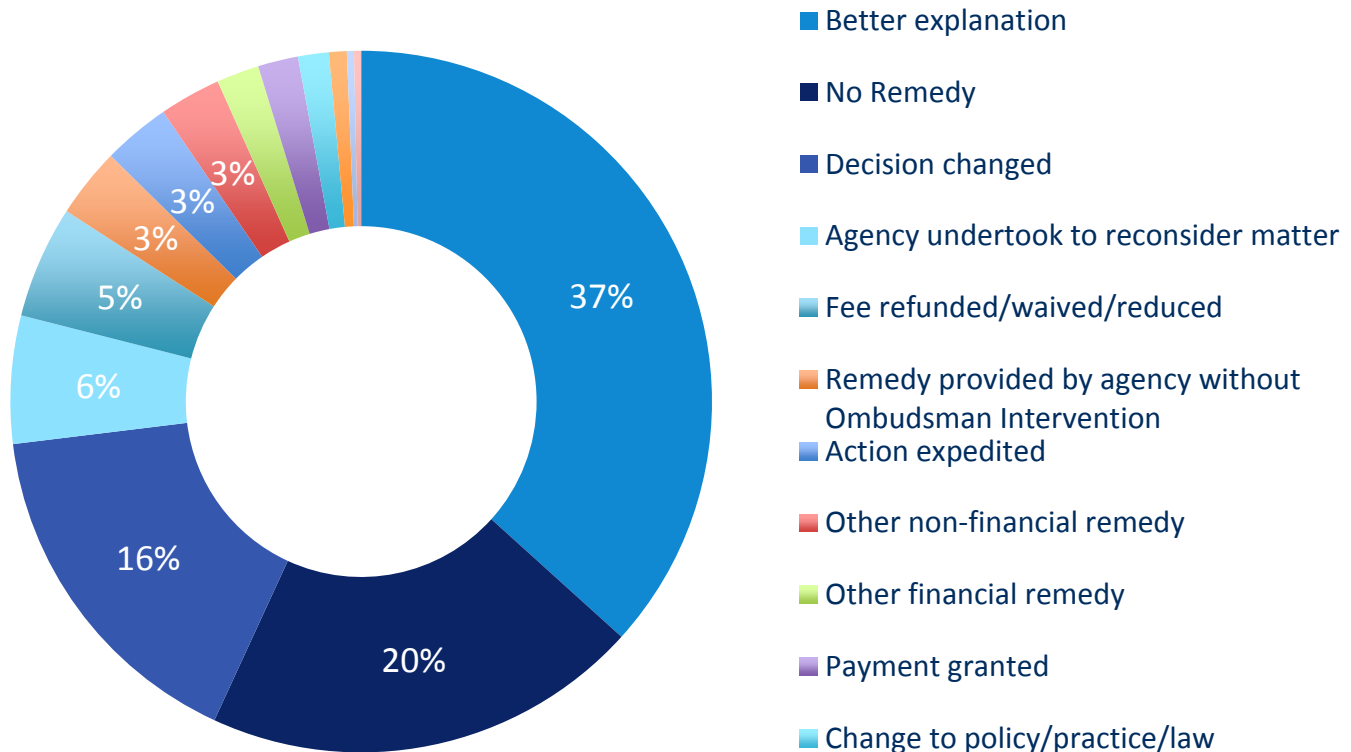
UK survey - customers focused less on compensation & more on:

- complaint acknowledged
- business owned the problem
- taken seriously
- apology offered, and
- responded when promised



Remedies for investigated complaints

In **over a third** of complaints investigated by the OSO, the remedy was a **better explanation**



Not getting complaints?

Barriers to complaints

- No information on how to complain
- Too difficult to complain, complex process
- Believe they won't be taken seriously
- Doubt anything would change
- Retribution concerns
- Concern about being seen as a 'trouble maker'
- No option for human interaction, only written or online forms available
- Concern a member of staff would be blamed for the mistake



Best practice complaint handling

1. **Recognise** that there is a complaint
2. **Acknowledge** the complaint quickly
3. **Assess** the complaint complexity
4. **Resolve** the complaint if possible
5. **Plan** the investigation
6. **Investigate** the complaint
7. **Respond** to the complaint
8. **Provide** access to an external complaints/appeals process
9. **Improve** systemic issues

Tips for managing complaints

- Ensure your complaints and appeals policy is accessible
- Direct students to your complaints/internal appeals process
- Acknowledge promptly, and keep students advised of the process
- Investigate complaints and consider appeals with an open mind

- Give students an opportunity to comment or show cause before making a decision not in their favour
- Provide a written explanation of your decision with reasons
- Advise students of their right to complain or appeal to an external complaint-handler

Tips for managing complaints

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*the keys to success in
this field are things like
remaining calm,
showing respect,
understanding
boundaries, truly
listening and critical
analysis*

”

Linda Watson, Complaints Resolution Manager
at Western Sydney University
Querelis Quarterly, Issue 3, 2018

Good outcomes

Complaints that have been good for business

- IT attendance calculations error affecting ALL students fixed after Ombudsman investigation of ONE complaint
- Non-compliant policies identified & corrected before providers faced regulator audits
- Ombudsman identification of contract errors has saved providers thousands of dollars going forward
- Deliberately non-compliant providers reported to the regulator for compliance action - protects the industry's reputation & businesses doing the right thing

Resources



Australian/New Zealand Standard
[AS/NZS 10002:2014](#) Guidelines for
complaint management in
organizations

www.ombudsman.gov.au:

- Better Practice Complaint-Handling for education providers
- Guidelines for complaint-handling at Universities

Approved VET Student Loan providers interested in a 2-hour on site complaint-handling workshop in early 2019 can email VET.Studentloans@ombudsman.gov.au

encourage Principles written service system
organisational consideration Culture problems
staff future issues effective management
provider performance human provider
recognising response Power accountability response decision
Make prevent available easy public providing
administration aware operate resolved people
accessible delivery early long potential
handling implement restore addressing
information activity complaints
improving review objective conduct fair
include outlined source managing praise making feedback
negative help element comments students
recording enhance adverse value includes internal concerns
process quickly re-engage improve retribution procedures
fear investigation promoting drill possible
Ensure guidelines experiences reporting Resolve
good Concern imbalance identified continuous
barriers students

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