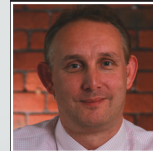


COMPLAINT HANDLING

the goodguys & the bad guys

British Gas has been fined £2.5m by the regulator Ofgem for the way in which it deals with customer complaints. Ofgem ruled that the company had failed to re-open complaints when customers said they had not been resolved. It also added that British Gas had not provided customers with key details about help they could get from the energy ombudsman. Ofgem also said the energy provider had failed to put in place proper complaint procedures for small businesses. Ofgem said it was also investigating Npower and EDF Energy for the way they handle customer complaints.



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Interestingly, British Gas said the breach was minor considering that it had 16 million accounts, although it did acknowledge that for small businesses “our service fell short of what they should expect from British Gas, for which we apologise”.

Is having 16 million accounts a valid excuse? You either have good complaints processes or you don't. Some of the organisations that perform exceptionally well on the UKCSI for complaint handling also have lots of customers. And it pays to get better at handling complaints. See pages 25 & 26 for details.

What the UKCSI results and many other research studies tell us is that the key drivers of delivering a good complaints experience are:

Welcoming complaints.

This isn't just making it easy for customers to complain (though this is extremely important) but not making them feel bad about. Harvard's Service-Profit Chain tells us that customers of the companies with the highest levels of satisfaction and loyalty “think like owners”. In other words,

they tell the company about any problems because they want to help the company to avoid giving other customers a bad experience and damaging its business as a consequence.

Resolving the issue quickly.

If you know how much it costs you to handle a complaint (and the best companies know exactly how much it costs), it is often cheaper to agree with customers and immediately provide the recompense they are seeking even if you think they are wrong. Many surveys conducted by The Leadership Factor prove that first time resolution has the strongest correlation with subsequent customer satisfaction and loyalty.

Keeping people informed.

If your staff are not empowered to resolve a complaint on the spot, it's essential to keep customers informed once the matter has been escalated. The thing that annoys customers the most is having to chase the matter, especially when salt is often rubbed into the wound when they have to explain everything again (and again and again) to a different person.

Following up.

As the Ofgem criticism of British Gas highlights, even when organisations think they have resolved a complaint, they often haven't. It is therefore essential to follow up all customers after the complaint has been ‘resolved’ to check if the customer thinks it has and is happy with the outcome. Evidence from Leadership Factor complaints surveys shows that such follow-up also correlates very strongly with subsequent customer satisfaction, re-purchasing and loyalty.

It is human nature to avoid unpleasant things. That's why many organisations don't follow-up complaints or monitor customer satisfaction with the complaints experience. But measuring something is the crucial first step to improving it. Without that you don't know if you have improved it and, crucially, people in the organisation focus on it less than indicators which are regularly measured and reported.

If you would like any more information about how to use complaints surveys to improve customer loyalty as well as satisfaction with the complaints experience please contact me. ☎