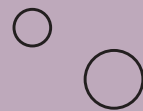


# The TIO's Guide to Complaint Handling



# INTRODUCTION



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Customer service was the second largest complaint issue recorded by the TIO in 2001/02. Almost 16% of callers reported frustration with long call waiting times, failure to escalate a complaint, failure to action a customer request or discourteous or unhelpful staff.

Most of these types of complaints were uncomplicated and almost all could and should have been resolved by the provider concerned quickly and easily without the need to involve the TIO.

Nine years of dealing with customer service complaints from a range of customers of various providers puts the TIO in a good position to talk about the most effective ways of dealing with customer complaints. The advice we provide in this booklet is drawn from the TIO's extensive experience in investigating and resolving disputes between customers and TIO members.

We have a number of suggestions for ways to improve your internal complaint handling procedures, so you can:

- 1 reduce the number of costly referrals to the TIO;
- 2 improve your relationship with your customers and increase customer satisfaction; and
- 3 ensure that your company complies with ACIF's Complaint Handling Code.

What follows are some useful pointers on ways to improve your complaint handling procedures. These are measures that can be implemented by all providers regardless of size.

You won't always be able to find a solution to a problem that's agreeable to both parties, of course, no matter how good your complaint handling procedures. But if you don't have the systems in place at all you won't stand a chance of reaching an outcome that's acceptable to everyone.



## ADOPT A BROAD DEFINITION OF 'COMPLAINT'

Some businesses take a very narrow view of what matters constitute a complaint, in the hope that having fewer actual or recorded complaints will make them look better.



Fewer complaints equals better customer service? Not necessarily. Believe it or not clinging to a narrow interpretation of what constitutes a complaint can actually be harmful to your business.

The ACIF Complaint Handling Code's definition of a complaint is very broad:

" **any expression of dissatisfaction or grievance** made to a supplier by a customer or member of the public with **any telecommunications activity** of that supplier..."

We recommend that providers adopt this or a similar interpretation of complaint for three very important reasons:

- 1 Even the simplest of complaints can be blown out of all proportion when there is a discrepancy between what the customer considers to be a complaint and what the provider is prepared to treat as a complaint.

Providers will often treat a matter differently - and usually afford it a higher priority - if they think it amounts to a complaint, and the customer is less likely to try other avenues of complaint, like the TIO, if they believe their complaint is being handled adequately by their provider.

- 2 Denying the existence of a complaint, or dismissing a claim out of hand as being without substance, can mean that you fail to address what could be a systemic problem. Additional, and often costly, complaints may be generated as a result.
- 3 Complaint data can be invaluable to the development of your business, allowing you to assess your performance, identify any complaint trends and better align your services to suit customer expectation. Adopting a narrow interpretation of what constitutes a complaint will mean you are not able to assess accurately the real needs of your customers or the true level of dissatisfaction amongst your customer base.

There's no doubt expanding your definition of complaint will result in an increase in the number of complaints recorded against your business. But there should also be an increase in the number of complaints resolved, and this is something you can definitely use to your advantage.



## SHOW YOUR COMMITMENT TO CUSTOMER SERVICE



Many complainants contact the TIO simply because they are dissatisfied with the attitude of their service provider. Either they feel their complaint is not being taken seriously, or they think the customer service staff are rude or indifferent.

There is undoubtedly a strong link between the quality of customer service being provided and the number of complaints made by customers to the TIO. Generally speaking the providers with low TIO complaints numbers are the ones who have made a visible commitment to providing exceptional customer service.

It is important to develop within your organisation, a customer focussed, complaint-friendly culture. We've made some suggestions, below, of ways to go about achieving this.

### **WRITE A MISSION STATEMENT**

A mission statement is written proof of an organisation's commitment to customer satisfaction. It should be communicated regularly to all staff through appropriate mediums, and included in staff induction training.

### **LEAD BY EXAMPLE**

Create a customer-focussed complaint friendly culture in your workplace through leadership and consistency. Managers and supervisors should try to stay in touch with the customers. This may mean taking on management of the escalated

complaints personally or occasionally spending some time on the phones. Managers should also try to provide as much support to staff as possible. Show them that you value their skills and hard work.

### **TRAIN TRAIN TRAIN**

Start at the top and work your way down until everyone in your organisation has received training in every aspect of your business, including how to provide the level of exceptional customer service that you and your customers expect.

New staff should receive orientation training, and refresher training should be available at regular intervals. Make allowances for staff to request training in areas of interest to themselves.

Give your customer service staff specialised training in complaint handling and dispute resolution. Staff should be trained, for example, to avoid terminating a call if they are aware that the customer is dissatisfied, but rather escalate the complaint to someone more senior who may be able to satisfy the customer.



## EMPLOY GOOD STAFF & MAKE THEM YOUR PRIORITY

Select your customer service staff very carefully. You're looking for someone with:

- a positive attitude;
- enthusiasm;
- initiative;
- flexibility;
- patience;
- thoroughness;
- assertiveness;
- and
- good listening skills.



Staff satisfaction should be a high priority. After all, the quality of service your customers will receive is dependent almost entirely on the attitude of your staff.

### **GIVE YOUR STAFF AN INCENTIVE TO PROVIDE QUALITY CUSTOMER SERVICE...**

...by recognising and rewarding them for the quality of their service, not just the volume. You can do this by building a strong quality component into key performance indicators.

### **GIVE YOUR STAFF QUALITY TRAINING...**

...in every aspect of your business and specialist training in dispute resolution and negotiation and in handling difficult customer complaints.

### **SEEK STAFF INPUT ON POLICY AND PROCEDURE**

Your staff are often in the best position to recognise where the business might need to improve – or how it might provide a better service to its customers. Use them! Provide regular opportunities for staff to give you feedback. Staff satisfaction surveys are a good way of doing this, as are debrief sessions, either one-on-one or as a group. It may also help if you give your staff access to research and/or data showing how the organisation is progressing.

### **CREATE A POSITIVE WORKING ENVIRONMENT**

It may sound trite but it really does help if your staff actually believe in the values you expect them to espouse. Show them how committed you are to providing exceptional customer service by following through with advertised promises and guarantees. Show them how committed you are to them by offering rewards and recognition for their hard work whenever appropriate.



## DEVELOP A COMPLAINT HANDLING PROCEDURE

Nothing is more certain to exacerbate a complaint and infuriate a complainant than weeks or months of inaction by a provider.



Having a complaint handling procedure, incorporating timelines for resolution, that is readily accessible to both customers and staff, is essential. It can make customers feel their complaint is being taken seriously and drastically reduce complaints escalated to the TIO.

### **WHAT SHOULD IT LOOK LIKE?**

The ACIF Complaint Handling Code can be used as a guide but you will need to tailor your own procedures to suit the size of your business and the services you offer. At a minimum your complaint handling procedure should require the following of your staff:

#### **An acknowledgement of receipt of the complaint**

The ACIF complaint handling code requires that you acknowledge the receipt of all complaints, verbal or written. At this stage it is a good idea to allocate a complaint reference number and provide the complainant with a contact point for further correspondence.

#### **An accurate record of complaint information**

Be sure that your version of the complaint matches exactly that of the complainant.

#### **Adherence to timeframes for resolution**

The ACIF complaint handling code says that once you have acknowledged receipt of a complaint, you should have it resolved within 30 days.

### **Customers must be advised of any delays in resolving a complaint**

As soon as you realise you are unable to resolve a complaint in the timeframes given, contact the customer, advising him or her of the delay and setting a new timeline.

### **REINFORCE ADHERENCE AMONGST YOUR STAFF**

The complaint handling procedures should be a standard component of your employee induction training and should also be included in ongoing training as required.

### **INFORM CUSTOMERS OF COMPLAINT HANDLING PROCEDURES**

A brochure or fact sheet is a great way to make customers aware of your complaint handling procedures. You should outline the main components of your procedure and send it to customers with your next bill and when they lodge a verbal or written complaint with you. If a brochure is too expensive or not practical, place some information on your website, or consider sending your customers an email outlining your policies and procedures. Just make sure that you make it accessible and easy to read and understand.



**RECORD AND TRACK ALL COMPLAINTS**



## SET UP YOUR OWN COMPLAINTS MANAGEMENT SYSTEM

A key component of dispute resolution is the ability to record, track and review complaints. In this regard it pays to have a dedicated complaint management system. The cost of installing a new database with all of the necessary functions may be prohibitive, particularly for smaller providers, but you can always improvise by manipulating an existing database. The benefits will make it worth your while.

Your complaint management system should be able to record the following information:

- the complaint issues;
- the time taken to resolve an issue;
- whether or not the complainant is satisfied with the outcome;
- the location of the complainant; and
- the area of responsibility within your organisation.

The system must have time-frame alerts to remind staff that the complaint is still open, that a response is due, or that the complainant needs to be provided with additional information.

With even the most basic of databases you should be able to:

- show general trends, so you can track complaints about a particular product or issue;
- track the preferences of a particular customer or group of customers; and
- conduct internal market research, helping in the development of new products, services and advertising campaigns.

## MAKE IT READILY ACCESSIBLE

There is little point in restricting access to your complaints system to team leaders or the designated complaints team, especially if doing so means complaints reported to customer service staff are not captured.



FLEXIBILITY, THOUGHTFULNESS & EFFICIENCY



no problem  
i can sort  
that out now



thanks Jim

## Encourage flexibility & thoughtfulness as well as efficiency

### **PROVIDE COMPLAINANTS WITH A SINGLE POINT OF CONTACT**

There can be nothing more frustrating for a complainant than having to explain a complaint over and over, to two or three or more people, before the matter can be resolved.

For this reason, and for sheer efficiency's sake, you should provide all complainants with a single point of contact - one staff member identifiable by name - that they can return to whenever necessary. Better still, empower your staff members to resolve complaints speedily, on the first call if possible. Obviously staff can't have unfettered authority in all cases, but if a case is straightforward staff should be allowed to take action to satisfy the customer on the spot.

### **ENCOURAGE FLEXIBILITY**

Empower your staff to be as flexible as possible. Recitation of company policy and contract terms is unlikely to be effective in bringing about a solution to a complaint and equally unlikely to endear you to your customers. Staff should be encouraged to use common sense to provide the customer with options. You can set limits in the form of guidelines for staff, stating for example the maximum monetary value that can be awarded without authority from a more senior staff member.

### **FOCUS ON QUALITY**

Give your staff the time to provide quality service. Allowing staff extra time to resolve complaints properly in the first instance will no doubt save you time later and reduce the number of TIO referrals.



## ESCALATE DIFFICULT COMPLAINTS

Occasionally, despite the best efforts of your customer service staff, a customer will remain dissatisfied or their complaint will remain unresolved after a number of days or weeks. At this point a customer is entitled under the ACIF Complaint Handling Code to ask that you escalate their complaint.



Escalation involves a complete reassessment of the merits of a complaint by a more senior officer, such as a supervisor, team leader or manager. Complaint escalation allows for a fresh perspective and perhaps a greater flexibility to be brought to a case, thus giving renewed hope of resolution. Escalating a case will also demonstrate to the customer that you are committed to resolving his or her complaint.

Below are some tips on dealing with escalated complaints.

### **CREATE A TEAM DEDICATED TO HANDLING DIFFICULT COMPLAINTS**

How you manage escalated complaints will depend entirely upon the size of your business. In a larger organisation it should be a team, managed by a senior staff member. For smaller organisations, it could be just one person. For very small companies, with just one or two staff, the Member Services Team at the TIO may be able to assist or provide advice.

Having an escalated complaints team will ensure not only that complaints are thoroughly investigated but also that outcomes are consistent and systemic issues identified and remedied in good time. The complaint team must be given all the details of the complaint so the customer doesn't have to explain the complaint from the beginning. This will help minimise frustration - for you and the complainant.

### **APPLY THE 'FAIR AND REASONABLE' TEST TO EVERY CASE**

Staff dealing with an escalated complaint should not adopt the policy of simply supporting the original assessment and decision. Instead, they should assess the content of the complaint on its merits and make their own judgement on the outcome of the complaint.

Staff reviewing difficult complaints should think of themselves as "mediators" rather than "defenders" of the company's position. The objective in every case should be to achieve a "fair and reasonable" outcome to the dispute. It might help if staff attempt to anticipate how a neutral party like the TIO would view the complaint.

Ensure that you explain the rationale for your decision in full to the customer. Sometimes it helps to do this in writing, particularly if you think the customer may approach the TIO.

### **LET THE COMPLAINANT KNOW ABOUT THE TIO IF THEY ARE STILL DISSATISFIED**

If you have made every attempt to resolve the complaint, and the customer remains dissatisfied, you should tell him or her about the TIO.



DEALING WITH COMPLAINT DATA



## ANALYSE COMPLAINT DATA REGULARLY

Complaint data is extremely useful for identifying complaint trends and better aligning services and products to meet ever-changing customer expectations. You can learn a lot from the data – and use it to improve your business.

Regular analysis of complaint data can assist with:

- early detection of systemic problems;
- development of marketing strategies or with business restructuring.  
Information about what customers perceive as deficiencies and/or problems with your business can be very useful in determining what customers need and want from your business; and
- development of staff training initiatives.

## MAKE COMPLAINT DATA AVAILABLE TO ALL STAFF

Complaint data should be made available to all staff within your organisation, not just customer service staff and management. If service provision is your primary business then all of your staff, regardless of their role, will benefit from an understanding of customer service issues.

Knowledge of complaint trends will help management and staff to anticipate and prepare to deal with problems and make everyone aware of potential areas for improvement.

Circulation of the data will also serve to remind customer service staff of the focus you place on customer relations.





This booklet has been prepared by TIO staff based on our own extensive experience in dealing with customer complaints.

We did undertake some additional research, however, and we are grateful to a number of TIO Members and other organisations for their assistance in this regard.

Special thanks OzEmail Pty Ltd, the Commonwealth Bank and St George Bank, for their time, advice and information.

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