



The Consumer Council



# Delivering satisfaction: Complaint handling in the postal market

October 2014



## Contents

About us	1
Introduction	2
Section 1: Consumer perspectives on postal complaints	10
Section 2: Key complaint handling principles	16
Section 3: Complaint handling by regulated postal operators	26
Section 4: Alternative dispute resolution – POSTRS	35
Conclusions	42
Recommendations	46
Annex A	50

Produced by Citizens Advice, Citizens Advice Scotland and the Consumer Council for Northern Ireland

For more information contact:

Michelle Goddard: [michelle.goddard@citizensadvice.org.uk](mailto:michelle.goddard@citizensadvice.org.uk)

Michael Legg: [michael.legg@consumercouncil.org.uk](mailto:michael.legg@consumercouncil.org.uk)

**If you require this publication in an alternative format please contact us.**

## About us

On 1 April 2014, Consumer Futures (previously Consumer Focus) – the statutory representative for consumers of postal services across the United Kingdom, for energy consumers across Great Britain, and for water consumers in Scotland – became part of the Citizens Advice Service. Our responsibility for post in Northern Ireland transferred to the Consumer Council for Northern Ireland.

### Citizens Advice Service in England, Wales and Scotland

---

The Citizens Advice Service provides free, confidential, and impartial advice to help people resolve their problems. As the UK's largest advice provider, the Citizens Advice Service is equipped to deal with any issue, from anyone, spanning debt and employment, to housing and immigration, plus everything in between. We value diversity, promote equality, and challenge discrimination.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives
- To ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available; or through an inability to express their needs
- To exercise a responsible influence on the development of social policies and services, both locally and nationally.

Citizens Advice Bureaux deliver advice services from over 3,500 community locations in England and Wales, run by 382 independent registered charities. Citizens Advice itself is also a registered charity, as well as being the membership organisation for these 382 member bureaux. In Scotland, 61 Citizens Advice Bureaux help over 250,000 clients with over half a million new problems every year. More than 2,200 trained volunteers and 600 paid staff ensure that thousands of people in Scotland receive vital advice every day.

### General Consumer Council for Northern Ireland

---

The General Consumer Council for Northern Ireland (the Consumer Council) is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Our aim is to '*make the consumer voice heard and make it count*'.

We have a statutory remit to promote and safeguard the interests of consumers and have specific functions in relation to energy, water, transport, food and postal services. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers.

## Introduction

Postal services across the UK continue to play a key role in facilitating communications despite the challenges from increasing use of digital technology and the consequential reduction in letter volumes. The postal service is pivotal in the delivery of physical items, especially those purchased online, which has resulted in a significant increase in parcel volumes.

The wider postal market includes letters, packets and parcels services provided by a range of delivery and logistics providers and local and regional operators who collect, sort and deliver mail to the intended recipient. Royal Mail as the designated provider of the universal service (providing the service six days a week, at geographically uniform affordable prices) is the largest operator within the wider postal market. It handled approximately one billion parcels and 13 billion addressed letters<sup>1</sup> in 2013/14. However, alternative end-to-end postal operators are handling increasing volumes of addressed letter mail.<sup>2</sup> Whistl<sup>3</sup> has the largest percentage increase in these volumes. The operator began its end-to-end delivery services in London in April 2012, expanding to Manchester and subsequently Liverpool in April 2014, with planned expansion to other areas. Smaller end-to-end operators such as CFH Docmail Ltd and London Letterbox Marketing also increased their volumes in 2013.<sup>4</sup> Access operators who collect and sort mail which is then delivered by Royal Mail are an important component of the market but do not deliver letters directly to consumers so are of marginal relevance in this report.

In addition to the universal service provider and other regulated postal operators there are general postal operators providing largely unregulated services in the packets and parcel market. Parcel operators have minimal regulatory compliance and complaint-handling requirements. Parcels volumes growth in this segment of the market is driven by the growth in online retailing as the average consumer weekly spend on online shopping has increased by 20.5 per cent compared to retail spend which increased by 0.1 per cent between March 2012 and March 2013.

## Benefits of effective complaint handling

---

In this rapidly changing postal market effective complaint handling benefits both consumers and postal operators. It helps build better levels of customer trust and loyalty and limits negative publicity. Poor customer service can also adversely affect operators causing dissatisfied customers to look for alternative suppliers or services. This will be increasingly important in the more competitive sectors of the postal market where consumers can exercise choice of supplier. Complaints also provide a wealth of data on systemic problems and consumer views.

---

<sup>1</sup> <http://bit.ly/1A1jBPp>

<sup>2</sup> Ofcom Communication Market report 2014 <http://bit.ly/1oiQmpu>

<sup>3</sup> Formerly known as TNT Post UK, it changed its name with effect from 15 September 2014. For clarity, we refer to the company throughout this report as whistl.

<sup>4</sup> Ofcom Communication Market report 2014 <http://bit.ly/1oiQmpu>

Effective complaint handling by businesses increases consumer confidence in the market and empowers them to pursue poor service and product issues they have experienced and to seek a fair resolution to the matter.

The financial benefit of effective complaint handling has been assessed in other industries. A study on good complaint handling in legal services,<sup>5</sup> found that effective complaint handling could have net benefits of £80 million across the industry over a 10 year period. The Institute of Customer Service's UK Customer Satisfaction Index July 2011<sup>6</sup> also shows that timely resolution of complaints can reduce costs associated with the unnecessary escalation of complaints. It estimates that the cost of initially handling a single complaint is approximately between £2.50 and £5.00 which can increase to £15.00<sup>7</sup> the longer an organisation takes to resolve the matter. These financial benefits underline the importance of effective complaint handling.

## Legal framework for complaint handling and redress

---

Fundamental changes were made to the complaint-handling framework through the introduction of the Consumers, Estate Agents and Redress (CEAR) Act 2007. This placed greater emphasis on the importance of complaint handling and required licensed postal operators<sup>8</sup> to take greater responsibility for resolving customer complaints internally. The Act which received Royal Assent in July 2007 required Postcomm, the regulator at the time, to introduce complaint-handling regulations and allowed the Secretary of State to make an Order requiring certain postal operators to be members of an approved redress scheme. Provision was also made for independent advice and guidance to consumers on postal issues.

The formal complaint handling standards introduced by Postcomm in 2008 set out the minimum standards for licensed postal operators, including requirements for:<sup>9</sup>

- the establishment of a publically available complaints-handling procedure
- allocation and maintenance of adequate resources for complaint handling
- signposting to a redress scheme for consumer complaints that cannot be completed within the prescribed time frame
- appropriate recording of consumer complaints
- arrangements to assist vulnerable consumers to ensure they are dealt with appropriately and promptly
- publication of annual consumer complaints reports.

The Postal Redress Service (POSTRS) was also approved by Postcomm as the external redress scheme allowing consumers to pursue unresolved complaints.

---

<sup>5</sup> <http://bit.ly/1nrPgE8>

<sup>6</sup> <http://bit.ly/1qkSZb6>

<sup>7</sup> For complaints that takes over one month to resolve.

<sup>8</sup> Postal operators carrying mail which weighs less than 350g and costs less than £1 to post.

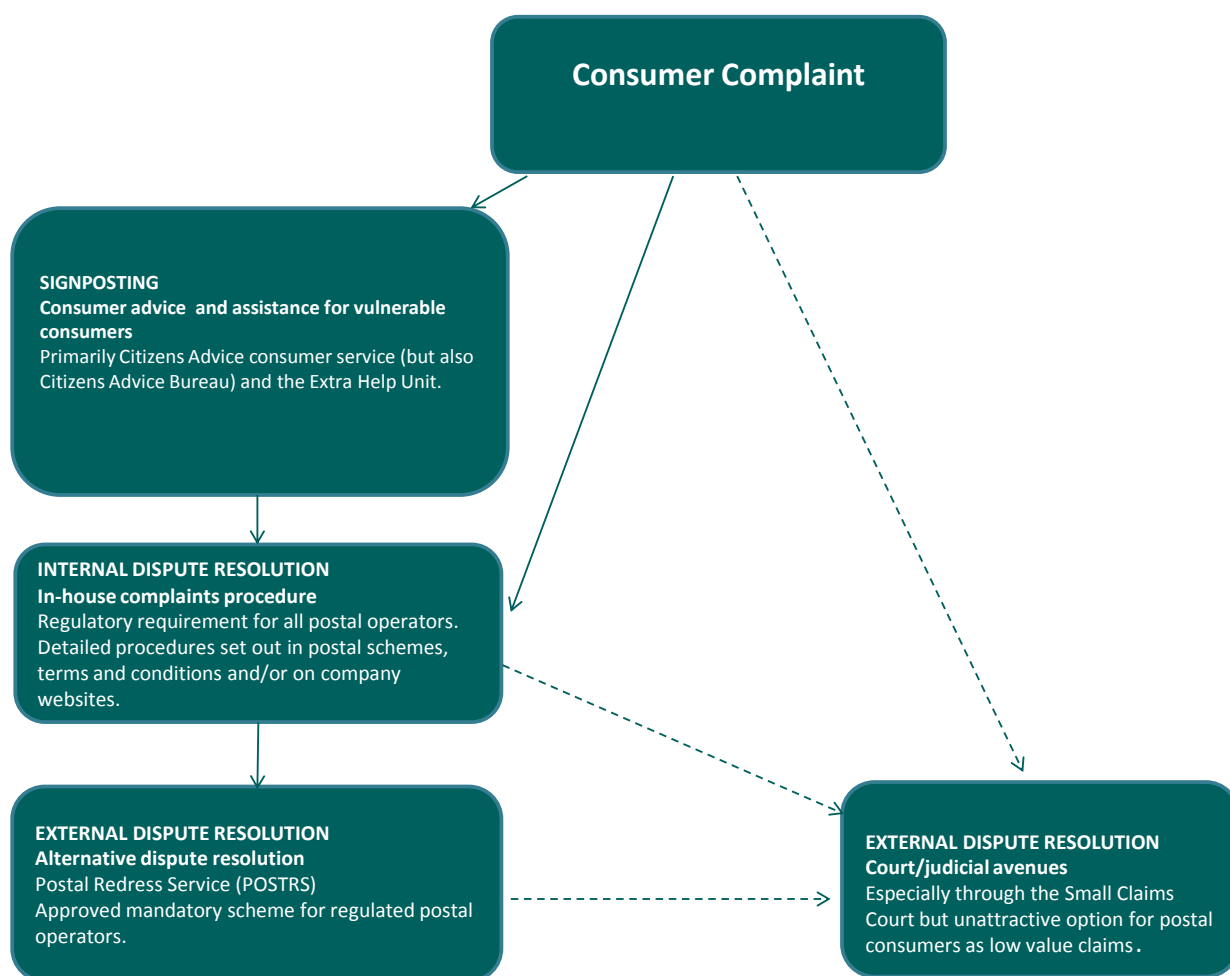
<sup>9</sup> Postal Services Consumer Complaint Handling Standards Regulations 2008. <http://bit.ly/1A1jTpH>

Responsibility for the regulation of postal services transferred from Postcomm to Ofcom in October 2011 with POSTRS re-approved as the consumer redress scheme and consumer protection conditions established that largely reflected the previous complaint handling standards. The conditions are also consistent with the general principles set out in the European Postal Services Directive around transparency, simplicity, effectiveness and encouraging the establishment of external dispute resolution mechanisms.

Consumer advice was initially provided by the Office of Fair Trading, through Consumer Direct, until this function transferred to Citizens Advice in 2012. Advice is currently provided by the Citizens Advice consumer service.

The CEAR Act also ensured that specific help could be effectively provided to vulnerable consumers through the establishment of the Extra Help Unit (EHU) in the new National Consumer Council, known as Consumer Focus. The EHU's role transferred to Citizens Advice in April 2014. Figure 1 provides an overview of the current complaint-handling framework.

**Figure 1. Internal and external complaint handling process**



## Consumer protection conditions

The Postal Services Act 2011 allows Ofcom to impose a consumer protection condition on different types of postal operators requiring them to do one or more of the following:

- assume liability in respect of specified loss of, or damage to, certain postal packets
- establish and maintain procedures, standards and policies with respect to consumer protection matters
- make payments relating to qualifying consumer expenses of Citizens Advice, Citizens Advice Scotland and the Consumer Council.

Ofcom has placed different obligations on postal operators, regulated postal operators and the universal service provider with basic requirements on general operators and more extensive requirements on regulated operators and the designated universal service provider.

Consumer protection condition 3 is key for complaint handling and redress. It places a general obligation on **postal operators** (those persons conveying or receiving, collecting, sorting and delivering postal packets) to set up, make available and comply with transparent, simple and inexpensive procedures to aid the fair and prompt settlement of disputes.<sup>10</sup> These basic principles are the primary complaint handling obligation placed on general operators such as parcel and packet companies dealing directly with consumers. The evolving legal framework for e-retail is also relevant to consumers as parcel delivery problems often occur as part of a consumer contract with a retailer.

More detailed complaint handling obligations are placed on **regulated postal operators** (those handling items which cost less than £1 and weigh less than 350g).<sup>11</sup> For instance a regulated postal operator must publish a complaints procedure, keep appropriate records, provide escalation procedures, conduct a review of procedures every three years and publish complaints data. The obligations placed on regulated postal operators cover complaints from both individual consumers and small and micro businesses (covering those who do not have a contract with the operator). Inter-operator mechanisms are also put in place through consumer protection condition 2 which incorporates the Postal Common Operational Procedures and provides for regulated postal operators to deal appropriately with complaints or enquiries that consumers should have directed to other operators and direct these complainants to the relevant operator. Consumers may be unclear about which operator was actually responsible for delivering the item and this obligation ensures that consumer complaints about misdirected letters or other issues can still be dealt with in an effective and timely manner.

Additionally, the universal service provider, currently Royal Mail, is also required to make provision for compensating consumers for delay, loss or damage to universal service postal packets and report annually on compensation claims.<sup>12</sup>

The regulatory conditions placed on different operators are generally set out and reflected in postal schemes and/or the terms and conditions of their contracts with customers.

---

<sup>10</sup> Consumer protection condition 3.2. <http://bit.ly/Y7OPZM>

<sup>11</sup> Consumer protection condition 3.3. Ibid

<sup>12</sup> Consumer protection condition 3.4. Ibid

## Regulatory criteria for approved postal redress schemes

Regulated postal operators are required to be members of an approved redress scheme.<sup>13</sup> In deciding whether to approve a scheme, Schedule 5 of the Act specifies various matters to which Ofcom must have regard, including:

- the manner in which the scheme will be operated
- the interests of users of postal services
- principles which, in the opinion of Ofcom, constitute generally accepted best practice in relation to redress schemes, and which it is reasonable to regard as applicable to the scheme.

Ofcom must not approve a redress scheme unless:

- membership of the scheme is open to all postal operators
- the redress scheme is able to require a postal operator to provide complainants with at least an apology, explanation, compensation payment, or any other action that an independent adjudicator (as defined in section 52(2) of the Act) may specify to be in the interests of the complainant
- the scheme makes satisfactory provision for matters about which complaints may be made; the duties and powers of the adjudicator in relation to the investigation and determination of complaints including the power not to investigate or make a decision on a complaint; scheme enforcement; transfers from redress schemes which have had their approval withdrawn; and the provision of information to Ofcom, other relevant redress schemes, Citizens Advice and the Consumer Council.

Ofcom satisfied itself that POSTRS met these criteria and re-approved it as the redress scheme for regulated postal operators in 2011.

## ADR landscape

The wider landscape for alternative dispute resolution (ADR) is evolving with the establishment of principles to be applied to ADR providers within the EU. The EU Directive on ADR is due to be implemented by the UK Government by July 2015 and competent authorities appointed by each Member State will be required to assess whether certified ADR providers follow specific operational rules and agreed quality principles. The main ones are:

- Ensuring necessary expertise, independence and impartiality of adjudicators
- Making available specific information about the organisation, methods and cases and annual activity reports
- Offering a choice of complaint channels for submission of complaint and supporting documentation online or offline and setting out timeframes for conclusion of disputes within 90 days of receiving the complete complaint file with time extensions for highly complex disputes
- Providing services free of charge or at a nominal fee for consumers
- Giving notification to parties within three weeks of receiving a complaint file if refusing to deal with a case.

---

<sup>13</sup> Section 53 of the Postal Services Act 2011.



The operational rules in the Directive appear to be either generally met by ADR operators in regulated sectors or capable of being easily met.<sup>14</sup> To ensure full compliance POSTRS will need to amend the scheme rules to extend the time period for making a complaint from the current nine months to twelve months. The scheme rules will also need to be tweaked to inform consumers that they have the right to withdraw at any stage.

## Purpose of report

---

Since the introduction of the consumer complaints standards in 2008 there has been no detailed formal review of complaint handling by the regulator. With changes in the structure of the postal market, evolving consumer needs and the evolving ADR landscape it is an opportune time for Ofcom to carry out a review to consider whether the current system is proportionate and works effectively in the consumer interest. We consider it important that a review is conducted and are pleased that Ofcom will soon start its review with the aim of publishing a decision document in 2015.

The overarching purpose of this report is to identify relevant issues for further exploration and development in any regulatory review of the complaint-handling framework. In this context the specific aims of this report are to:

1. find out about postal consumers' experiences of complaints by reviewing complaint data and previous research
2. establish the key principles which should underpin good complaint handling
3. consider how the regulatory complaint handling conditions in the postal market reflect these key principles to determine the strengths of the current complaint handling regulatory framework and to identify any areas for improvement
4. explore how regulated postal operators' complaint handling procedures work in the context of the existing regulatory framework
5. review operation of current postal redress mechanisms and identify areas for further assessment.

## Structure of report

---

The report is divided into several parts which are outlined below.

**Section 1:** Deals with the first objective, ***to find out about postal consumers' experiences of complaints by reviewing complaint data and previous research.*** It shows what consumers complain about and highlights the key findings from previous research to provide a snap shot over time of consumers' experience of complaint handling since the new framework was implemented in 2008. As previous research focuses on the universal service provider, Royal Mail, we also outline the developments it has made over recent years to improve the consumer experience.

---

<sup>14</sup> BIS – Consultation. *Alternative Dispute Resolution for Consumers – Implementing the Alternative Dispute Resolution Directive and Online Dispute Resolution Regulation* (March 2014).

**Section 2:** Has two key parts. The first considers the second objective to **establish the key principles which should underpin good complaint handling**. We discuss the key principles of effective complaint handling as described by two standards from the British Standards Institution (BSI). These are the *Quality management. Customer satisfaction. Guidelines for complaint handling in organizations*<sup>15</sup> standard and the postal specific standard entitled *Postal services. Quality of service. Complaint handling principles*.<sup>16</sup>

The second part looks at the next objective, **to consider how the regulatory complaint handling conditions in the postal market reflect these key principles helping to determine the strengths of the complaint handling regulatory framework and to identify any areas for improvement**.

**Section 3:** Considers the fourth objective to **explore how regulated postal operators' complaint handling procedures work in the context of existing regulatory framework**. We analyse responses to formal and informal information requests about their existing complaint procedures. Consideration is also given to web-based information on operators' complaint procedures for those that did not respond to the information requests.

**Section 4:** Looks at the final objective, to **review operation of current postal redress mechanisms and identify areas for further assessment**. We highlight the key aspects of best practice principles for effective external redress schemes focusing on the criteria from the BSI standard for external dispute resolution and the British and Irish Ombudsman (BIOA) before looking at the role of Postal Redress Service (POSTRS) discussing its usage over recent years and information contained in its annual reports in order to offer some insight into consumer awareness of this service.

We conclude by outlining recommendations for regulated postal operators and POSTRS. Taking account of the overarching purpose of the report to identify relevant issues for further exploration and development in a regulatory review of the complaint-handling framework we also make several recommendations for Ofcom to consider.

Although this report focuses on regulated postal operators it should be noted that the growth of online shopping and increasing competition in the parcels market means that the complaint-handling mechanisms of operators in the wider parcel market, such as couriers and express operators are of increasing importance to consumers. The report recognises this by including recommendations for further work across the wider sector.

---

<sup>15</sup> BS ISO 10002:2004.

<sup>16</sup> BS EN 14012:2008.

## Research methodology

---

Research for this report involved the following elements and was carried out between July 2013 and March 2014:

1. Background desk research reviewing previous research and reports on complaint handling in the postal sector to provide insights into the consumer experience and identify key issues.
2. Analysis of BSI complaint handling standards specifically the *Quality management. Customer satisfaction. Guidelines for complaint handling in organizations* and the *Postal Services. Quality of service. Complaint handling principles*.
3. Review and analysis of web-based consumer information on regulated postal operator websites and the information provided in responses to the informal and statutory information requests issued by our predecessor, Consumer Futures.
4. Meetings with Royal Mail (the universal service provider) Whistl (the largest alternative end-to-end operator)<sup>17</sup> and the Mail Competition Forum (MCF) forum representing some of the leading mail operators in the UK, to better understand the wider operating environment and the story behind their complaint statistics, including who makes the bulk of the complaints, channels for receiving complaints, how they are dealt with internally, how long they take to resolve, the records kept and any actions taken to address key consumer problems.
5. Meetings with representatives of the Postal Redress Service (POSTRS) to understand the scope and clarify usage and awareness of their respective roles as part of the complaint-handling framework.
6. Examination of the annual reports and publicly available case notes of POSTRS to identify key consumer issues.

The methodology used to inform the assessment in this report was consistent with our aim of identifying relevant issues for further exploration and development in a regulatory review of the complaint-handling framework. A copy of the draft report was shared with those operators who responded to our information request and POSTRS prior to publication.

---

<sup>17</sup> Operators that provide a full postal service by collecting mail from the sender, sorting it and delivering to the intended recipient.

## Section 1: Consumer perspectives on postal complaints

This section provides some background by highlighting the importance of the universal postal service to consumers. An important starting point is to establish postal consumers' experiences of complaints. We review complaint data and previous research to find out what consumers complain about and how they view complaint handling. We also outline the action the universal service provider, Royal Mail, took over recent years to improve its complaint handling and identify some of the areas it has focused on in 2013/14.

### Universal postal service

---

The universal postal service ensures the availability of a postal service at geographically uniform and affordable prices across the UK. Overall the postal service faces challenges associated with declining letter volumes primarily caused by the migration towards electronic and more instant forms of communication.<sup>18</sup> However, the designated universal service provider, Royal Mail, still provides a valuable service to consumers across the UK particularly playing a key role for residential consumers and small and micro businesses by ensuring the delivery of letters (six days a week), packets and parcels (five days a week) in the UK.<sup>19</sup>

### When do consumers complain?

---

Consumers are generally satisfied with the postal service as illustrated by the significant majority (87 per cent) expressing satisfaction in Ofcom's Communications Market Report 2013.<sup>20</sup> However, this report also showed that consumers across the UK experience a number of mail delivery issues including mis-deliveries, delays and items going astray.

Wider cross-sector research conducted by Ombudsman Services demonstrates that consumers are complaining more about issues with businesses; there were 32 per cent more complaints in 2013 than in 2012.<sup>21</sup> There is no evidence to indicate whether this growing tendency to complain is also applicable in the postal sector but Ofcom's Consumer Experience Report 2013 noted that although about 1 in 10 (9 per cent) of postal consumers felt they had reason to complain, only 6 per cent of consumers actually decided to do so.<sup>22</sup>

---

<sup>18</sup> Ofcom Communications Report 2014 highlights that addressed mail volumes fell by 5 per cent in 2013 with an overall decline of 28.1 per cent since 2008. <http://bit.ly/1oiQmpu>

<sup>19</sup> Ofcom report: *The Consumer Experience of 2013* states approximately two-thirds (64 per cent) of postal users claim to be reliant on the postal service.

<sup>20</sup> <http://bit.ly/1rhXAbY>

<sup>21</sup> Ombudsman Services, Consumer Action Monitor January 2014

<sup>22</sup> Ofcom Consumer Experience Report 2013

Postal consumers' decision to complain or not is likely to be influenced by the fact that they are primarily recipients of mail items rather than purchasers of the service. Even when they are purchasing postal services, the level of financial loss is often low. This leads to relatively smaller claims for direct and consequential financial losses. Difficulties in providing sufficient evidence of proof of posting and value, and the comparatively lower consequences of postal complaints are also likely to be contributing factors to consumers' decision on whether to complain. In deciding whether to complain consumers will weigh the level of financial detriment against the high non-financial impacts and perceived limited benefits of taking action to get redress.<sup>23</sup>

Previous research in other sectors has highlighted emotional and practical implications for complainants, such as the time spent dealing with the complaint, general inconvenience, and varying degrees of stress, anxiety, frustration and anger.<sup>24</sup> As demonstrated in research carried out by Consumer Focus Scotland, the resources expended in pursuit of a complaint correlates to the value of the item or service that is the subject of the complaint.<sup>25</sup> At a certain point the effort and time spent trying to have the original complaint addressed is actually costing the consumer more than the perceived value of a successful resolution, and so the complaint is abandoned.

It is vital that there is better understanding of the propensity for consumers to complain on postal issues in comparison to other sectors in order to understand whether the key contributing factor is the individual evaluation of the likely cost/benefits of seeking redress or whether there are other barriers preventing consumers from complaining effectively and accessing redress. Research to understand this can usefully be incorporated into a review by Ofcom.

## Why do consumers complain and what do they want in response?

---

Consumer complaints start with the consumer experiencing some form of dissatisfaction for a multitude of reasons depending on their individual circumstances. A critical trigger point is sufficient motivation to pursue the matter. The case study below from the Extra Help Unit shows how different factors interplay.

---

<sup>23</sup> See more generally Consumer engagement and detriment survey 2014 (BIS)

<sup>24</sup> Futuresight, *Consumer Complaints Review: Qualitative and quantitative research findings – An independent report written by Futuresight for Ofcom*, 10 July 2008, p.25. <http://bit.ly/TxABxX>

<sup>25</sup> Consumer Focus Scotland, *Cause for Complaint*, June 2010, p.9. <http://bit.ly/1qnKkEJ>

## Case study

**Root cause:** Lost mail

**Impact:** Financial loss

**Handling of complaint:** Failure to respond, lack of understanding of individual circumstances and no investigation by postal operator.

The consumer followed the postal operator's procedures by submitting a claim form as an item did not reach its destination. After no response was received from the operator the complainant pursued the matter and was told that the item had been delivered. After the recipient confirmed that it had not been received the consumer had further discussions with the postal operator and was told that the time had elapsed to make a claim. This was despite the original claim being made within the required timescale. The complainant applied for the case to be reviewed by POSTRS and was told the case was too old for review.

In this instance the motivating factors to complain were the loss of an item and the associated financial loss the consumer suffered. The situation was exacerbated by the postal operator's handling of the matter, failing to respond initially and then demonstrating a lack of understanding of the issues.

Consumers will typically want some form of positive action in response to their complaint. Independent cross-sector complaints research<sup>26</sup> commissioned by Consumer Focus helps to demonstrate this point. It shows that 43 per cent of consumers seek some form of redress in terms of a refund and compensation;<sup>27</sup> 27 per cent want a change in how the service is provided and 19 per cent require an apology.

### What do consumers complain about?

---

Publicly available annual complaint reports produced by Royal Mail, give the best insight into what consumers complain about. It records the number and type of complaints received from customers across the UK which illustrate the main causes of dissatisfaction. Table 1 shows the number of complaints it has received over the past three years. The total number of complaints over this period has fallen sharply. Royal Mail's most recent annual consumer complaints<sup>28</sup> report also helps to add context to the complaint volumes by explaining it handled 14.3 billion items for 2013/14 meaning that it receives one complaint for approximately every 16,300 items delivered.

---

<sup>26</sup> <http://bit.ly/1rlwd3d>

<sup>27</sup> Breakdown of 43 per cent – 22 per cent compensation and 21 per cent refund.

<sup>28</sup> <http://bit.ly/1q63cIM>

Consumers experience a range of issues with the universal postal service including lost mail, mis-delivery, delayed items<sup>29</sup> and issues relating to ‘We’ve got something for you’ cards for items that are too large for their letterbox or require a signature<sup>30</sup> (see table 1).

The most common problem for 2013/14 was with lost mail and this is similar to previous years, although the number of consumers complaining about this issue has decreased significantly since 2011/12. In contrast, complaints relating to problems with receiving items too large for the letterbox or requiring a signature have increased significantly; demonstrating the importance of the successful delivery of parcels. This is the second most common issue.

**Table 1. Complaints received by Royal Mail 2011/12 to 2013/14**

Category of complaint	2011/12	2012/13	2013/14	Change (2011/12 to 2013/14)
Loss	788,184	376,039	273,530	-65%
Delay	102,735	79,031	67,708	-34%
Redirection	85,162	94,671	84,022	-1%
Mis-Delivery	69,679	74,120	65,634	-6%
Delivery Procedure Errors	67,070	56,437	53,782	-20%
P739 Failure	60,865	86,540	91,662	51%
Redelivery Failure	37,943	41,580	39,573	4%
Proof of Delivery Failure	23,030	24,515	21,111	-8%
Damage	22,369	38,150	29,950	34%
General complaint	21,542	-	-	-
Part-loss		17,540	19,006	-
Other	149,663	149,035	131,744	-12%
<b>Total</b>	<b>1,428,242</b>	<b>1,037,658</b>	<b>877,722</b>	<b>-39%</b>

Redirection complaints, which are in the top three complaint categories, were examined by Consumer Futures in 2013. The persistent high level of complaints suggested the need for greater monitoring of compliance with operational processes at localised levels. This should be carried out alongside root cause analysis of complaints to identify and resolve the underlying reasons for recurring complaints on redirection failures.

We suggested that greater clarity by Royal Mail in handling, recording and escalating redirection complaints within its systems would assist in reducing complaints levels, such as implementing an expedited escalation procedure for dealing with multiple or repeat consumer complaints submitted within a short time frame.<sup>31</sup>

<sup>29</sup> <http://bit.ly/1xa2gHZ>

<sup>30</sup> Classified as P739 Failure.

<sup>31</sup> <http://bit.ly/1pHCKpE>

## Consumer satisfaction levels with complaint handling

It is important to ascertain consumer attitudes towards complaint handling and how they have changed since the new complaint-handling framework came into effect in 2008.

The majority of previous research in this area has focused on the universal service provider as alternative direct delivery to consumers has traditionally formed only a small part of the market.

Below we highlight findings from this research and Royal Mail's revision of its complaints procedures in recent years in order to provide the contextual background for our review of the complaint-handling framework.

### Previous research

Consumer satisfaction with complaint handling, as measured through different research reports, improved between 2009 and 2012. Postcomm's Customer Survey 2009 measured residential consumers' and SMEs' satisfaction levels with different aspects of Royal Mail's complaint handling. This survey, conducted shortly after the complaint-handling regulations were introduced in 2008, showed a low level of satisfaction among both consumer groups. It indicates issues with:

- **the time taken to acknowledge** – 61 per cent of SMEs were dissatisfied; 59 per cent of residential consumers were dissatisfied
- **the time taken to resolve** – 73 per cent of SMEs were dissatisfied; 79 per cent of residential consumers dissatisfied
- **responses to complaints** – 74 per cent of SMEs were dissatisfied; 81 per cent of residential consumers were dissatisfied
- **customer service** – 70 per cent of SMEs were dissatisfied; 73 per cent of residential consumers were dissatisfied.

In contrast, the Consumer Futures 2012 cross-sector study<sup>32</sup> into consumers' experiences when making complaints illustrates more positive attitudes towards Royal Mail's complaint handling. In terms of overall satisfaction levels with how the complaint was handled, Royal Mail scored better than three other sectors; financial services, telecommunications and the energy sector.

However, the findings also show (figure 2) that more consumers were dissatisfied than satisfied with Royal Mail's handling of their complaint in three areas; quality of the information (44 per cent), speed of response (47 per cent) and understanding of the issues (43 per cent).

Although not directly comparable, the 2012 study indicates some improvement in the operator's complaint-handling process. However, further evidence on the consumer experience would enhance understanding of consumer views in this area especially in light of the changes made by Royal Mail outlined below.

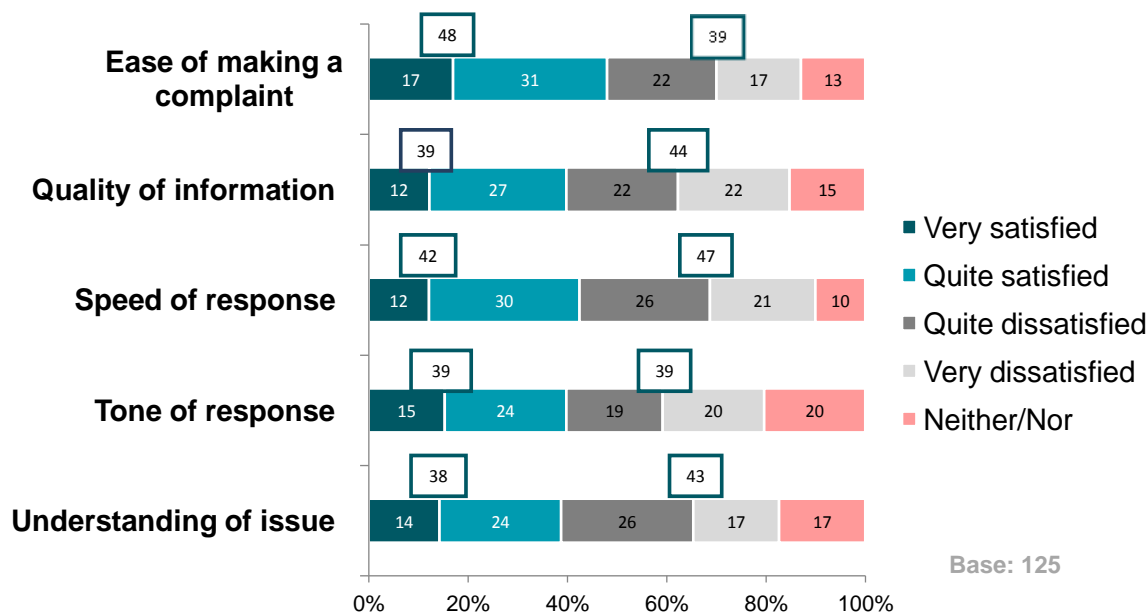
---

<sup>32</sup> <http://bit.ly/1rlwd3d>



Ofcom should include this as part of a formal review by investigating the consumer complaint experience of regulated postal operators and assessing consumer perceptions as well by using objective measures such as mystery shopping.

**Figure 2. Consumer attitudes towards different aspects of Royal Mail’s complaint handling**



### Improvements to Royal Mail complaint handling

Royal Mail has made several improvements to its complaint handling over recent years. Over 2010/2011, Consumer Focus persistently engaged at senior levels with Royal Mail to secure changes to their approach and service level for handling consumer complaints. We discussed the consistent pattern of complaint dissatisfaction with Royal Mail and highlighted the difficulties facing consumers when complaining to Royal Mail Customer Services either online or by telephone encouraging it to make improvements in these areas. Consumer Focus also raised concerns about inadequate signposting of the complaint escalation process should consumers be dissatisfied with the outcome of the complaint. Royal Mail introduced operational measures and processes to improve customer service and complaint handling over 2011/2012. This included

- reducing the number of options and customer journey times on the customer service automated telephone system
- modernising its website to make it easier for customers to navigate, find relevant information and online complaint forms
- reducing the internal complaint handling stages from four to three so that the second stage of contact with an adviser was removed and if a customer indicates they have previously contacted Royal Mail their complaint will be sent straight to the escalation team

- centralising consumer complaints in the Customer Experience Team to ensure provision of consistent and accurate advice
- introducing customer 'after call' surveys, although some issues remain with the efficacy of this, as it is not a 'blind' after call as advisers are aware when handling complaints that the customer has agreed to complete a survey.

Most recently Royal Mail provided comprehensive information to Consumer Futures on its key action plans and initiatives for 2013/14 to improve both complaint handling and to tackle root cause issues. In terms of complaint handling Royal Mail explained the activity it has undertaken to improve visibility and accessibility; the timeliness and speed of resolution; quality and scope of data collection; measuring consumer satisfaction; monitoring and addressing recurring problems. While it is clear that Royal Mail has made improvements in the way it handles complaints through its comprehensive programme consumer complaints remain an area for continuous improvement.

### **Key points:**

Research between 2009 and 2012 (although not directly comparable) showed improving consumer satisfaction levels with key aspects of complaint handling but also identified room for improvement.

Additional research into the consumer experience of complaint handling would usefully inform a formal review by Ofcom allowing the regulator to measure and review the impact of actions taken by the universal service provider to improve complaint handling over recent years. Ofcom should include this as part of a review by investigating the consumer complaint experience of regulated postal operators.

## Section 2: Key complaint handling principles

This section establishes the key principles generally accepted as important in guiding the development and implementation of an effective complaint-handling system and considers how the conditions reflect these principles.

It is important to acknowledge that these standards play a different role and have a different purpose to regulatory requirements. They focus on driving improvements from within an organisation and in some cases set out detailed methodology to help achieve an effective internal complaint-handling framework.

### Current best practice standards

---

There are a range of good practice standards<sup>33</sup> and studies<sup>34</sup> which address complaint handling across different sectors. Many of these to some extent highlight a number of key drivers that are widely accepted as important for effective complaint handling. These include:

- a strong commitment from senior management to effectively deal with complaints
- adequate planning to design complaint-handling processes that are successful
- setting key objectives and evaluating performance
- obtaining feedback from customers to seek improvements.

Complaint-handling principles are also highlighted in good practice standards, for instance, making sure complaint-handling systems are visible, accessible and responsive to consumers. These provide a benchmark for complaint handling.

For the purpose of this report we examine two voluntary British Standards. The first is BS 10002 *Quality management. Customer satisfaction. Guidelines for complaint handling in organizations* which sets out good practice, guidelines and principles for organisations across all sectors. The second is the standard created specifically for postal operators, *Postal services. Quality of service. Complaint handling principles*. It offers guidance on how postal operators can develop their complaint-handling function in a manner that continually improves the consumer experience. This voluntary standard applies to domestic and international universal service and non-universal service products and services.

Both standards discuss a number of themes. They highlight the important role of the culture within an organisation which embraces complaint handling in a positive manner and empowers staff, as this helps lead to an overall improvement in services, products and processes.

---

<sup>33</sup> BS 8477:2007 *Code of practice for customer service*. BS ISO 10001:2007 *Quality management. Customer satisfaction. Guidelines for codes of conduct for organizations*.

<sup>34</sup> <http://bit.ly/Y7Pz1b>

They also cover the management of complaints along with the key role of accurate and meaningful data collection and analysis so that there is a continuous cycle of ongoing improvement to the quality of service. Underpinning this is what the standards refer to as the 'guiding principles' and it is these that we identify and consider below.

## Guiding principles

---

There is agreement in the two standards on a number of principles that underpin the effective and efficient handling of complaints within an organisation. The majority of these are shown in table 2.

The general BSI standard also recognises that consumers should be able to complain free of charge as a principle and the postal specific standard reflects this in its description of the accessibility principle.

The postal specific standard discusses other principles that offer guidance to postal operators highlighting the importance of:

- conforming to national and international frameworks so that complaint-handling processes are consistent with any existing national law.
- resolving problems at a local level, highlighting the need for the relevant authority at the source of the problem to take ownership of the issue. It also explains that verbal complaints received locally, for instance at a sorting office should be dealt with immediately without the need to be recorded. However, we consider that the downside of not recording these complaints at a central level is that this could result in a loss of valuable intelligence on the issues consumers are experiencing which are important for identifying reoccurring issues. Identifying these issues helps improve the operator's ability to tackle root cause issues.
- ensuring consumers can complain to any of the postal operators involved when it refers to an issue involving postal items handled by multiple operators (including cross border or multi-handled domestic mail).
- making available compensation so consumers can pursue financial redress.

**Table 2. Guiding principles of complaint handling**

Principle	Quality management. Customer satisfaction. Guidelines for complaint handling in organisation	Postal services. Quality of service. Complaint handling principles
	Description	Description
<b>Visibility</b>	Well published information about how to complain.	Well published information about how to complain.
	Well published information on where to complain.	Well published information on where to complain.
<b>Accessibility</b>	A complaints-handling process should be easily accessible to all complainants.	Easily accessible to all complainants and through a variety of complaint access channels, so that no complainant is disadvantaged.
	Information should be made available on the details of making and resolving complaints.	Information should be made available on the details of making and resolving complaints.
	The complaints-handling process and supporting information should be easy to understand and use. The information should be in clear language. Information and assistance in making a complaint should be made available in alternative format.	The complaint handling process and supporting information should be easy to understand, use and where relevant available in alternative formats.
		Wherever possible, accessibility to the complaint handling process should be free of specific charge. There shall be at least one free of specific charge access channel available to users who wish to contact an organisation to make a complaint.

<b>Responsiveness</b>	Receipt of each complaint should be acknowledged to the complainant immediately.	Where the complaint cannot be dealt with immediately, receipt of each complaint should be acknowledged to the complainant.
	The complainants should be treated courteously and be kept informed of the progress of their complaint through the complaints-handling process.	Complainants should be kept informed of the progress through the complaint handling process, including when to expect the next step or the final response to their complaint.
	Complaints should be addressed promptly in accordance with their urgency. For example, significant health and safety issues should be processed immediately.	
<b>Fairness and Objectiveness</b>	Each complaint should be addressed in an equitable, objective and unbiased manner through the complaint handling process.	Each complaint should be dealt with in an equitable, objective and unbiased manner through the complaint handling process and according to the standard complaint handling procedures in place.
<b>Confidentiality</b>	Personally identifiable information concerning the complainant should be available where needed, but only for the purposes of addressing the complaint within the organisation and should be actively protected from disclosure, unless the customer or complainant expressly consents to its disclosure.	Personally identifiable information concerning the complainant should be available where needed, but only for the purposes of addressing the complaint within the organisation, and should be actively protected from disclosure to any other source (either internally or externally) unless the complainant expressly consents or requests for specific details to be disclosed.
<b>User focused approach</b>	The organisation should adopt a customer-focused approach, should be open to feedback including complaints and should show commitment to resolving complaints by its actions.	The first goal of complaint handling is the complainant satisfaction and the recovering of confidence in the postal service to engender long-term loyalty to the postal organisation involved.

		Should take account of users' needs and expectations when designing and deploying complaint handling processes.
		Complaint handling systems should be open to user feedback, and should show commitment to helping the postal organisation to resolve the root causes of complaints and to avoid them re-occurring.
<b>Accountability and/or Auditability</b>	Accountability: The organisation should ensure that accountability for and reporting on the actions and decisions of the organisation with respect to complaint handling is clearly established.	Auditability: Postal organisations should have documented procedures regarding complaint handling. These procedures should be auditable, as and when required.
<b>Continual improvement</b>	The continual improvement of the complaints-handling process and the quality of products should be a permanent objective of the organisation.	The continual improvement of the overall quality of service is an objective of the complaint handling system, and using the information from the complaint handling process to improve the overall quality of service should be a permanent objective of any postal organisation.
		Complaint handling processes should allow analysis of complaint causes.

The principles listed in table 2 can be divided into three interrelated stages, each making a distinctive contribution to the overall internal process. This has been usefully illustrated by an ombudsman guide to principles of effective complaint handling as set out in Figure 3.<sup>35</sup>

Stage 1 consists of the visibility and accessibility principle as these are crucial for consumers to be able to make a complaint.

Stage 2 brings together the responsiveness, fairness and confidentiality principles as they concentrate on how complaints are handled once they are registered.

<sup>35</sup> <http://bit.ly/Y7PBpE>

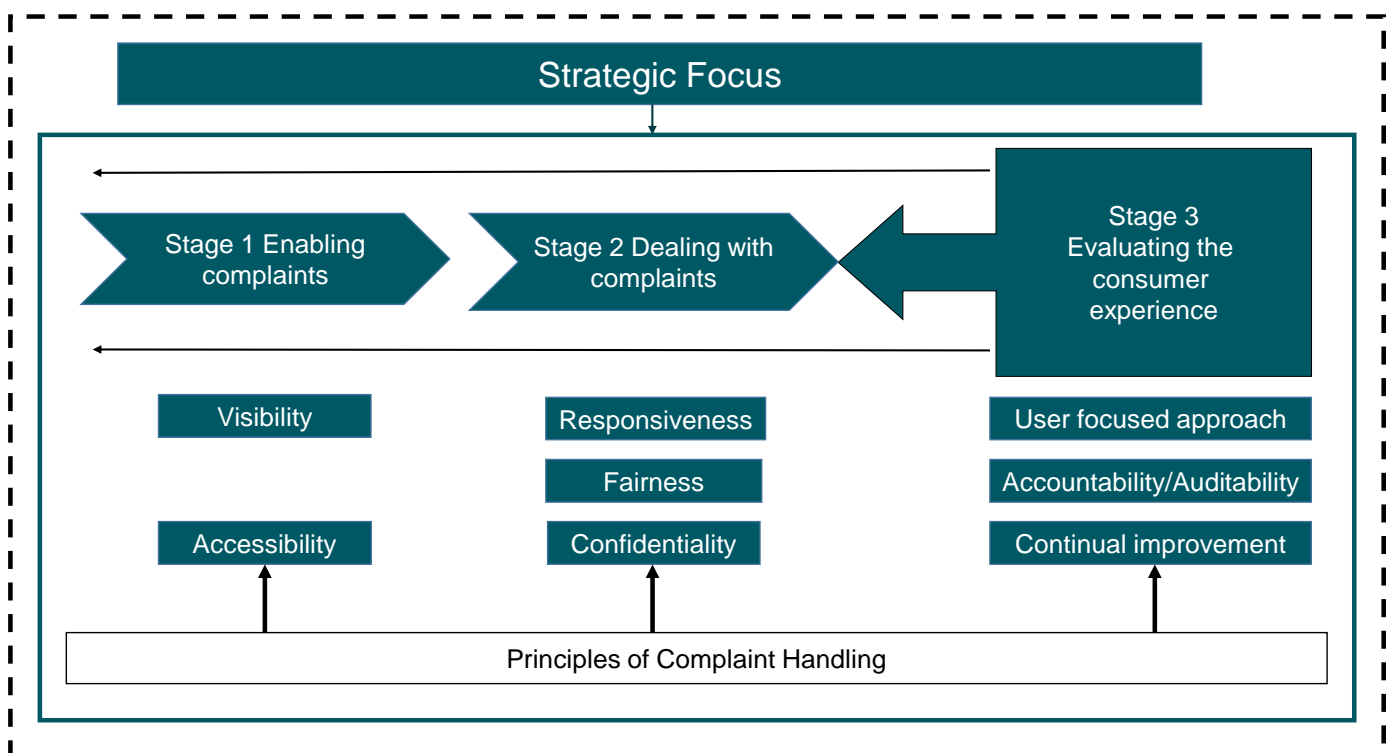
Stage 3 is based on the user/customer focused approach, accountability/auditability and continual improvement principles. The purpose of these is to facilitate the evaluation process which improves complaint procedures and in a wider context by progressing the overall quality of service by taking account of the root cause of complaints.

### Strategic focus

In addition to the guiding principles, both the standards provide direction on other areas that make up an effective and efficient complaint-handling function such as the complaint framework, planning and design, and operational delivery. While this section of the report centres on the 'guiding principles' which underpin the framework it is important to highlight one feature within the complaint-handling framework: *The need for a 'complaint handling commitment' from the organisation's 'top level management'*. This provides the momentum which will help develop an effective complaint handling function.

The need for strategic focus (Figure 3) is important ensuring that the organisation develops an oversight culture where it is evident that it values complaints and provides sufficient resources to successfully deliver an effective complaint-handling system. This can take the form of a visible presence within the organisation's strategic plan aligned to its vision and mission statement.

**Figure 3. Key features of successful complaint handling.**





## Key principles and consumer protection conditions

The complaint handling obligations placed on regulated postal operators through the consumer protection conditions to some extent overlap with the key principles of good complaint handling. We illustrate this in Table 3.

**Table 3. Consumer protection conditions that overlap with the key principles for good complaint handling.**

Key Principle	Consumer Protection Condition
Visibility and Accessibility	<b>Condition: 3.3.11 (b) &amp; (c):</b> States the complaint procedure should appear at a prominent location on the website and the details of how to make a consumer complaint are made available at all accessible business premises including those of its agents.
Visibility and Accessibility	<b>Condition: 3.3.12 (b):</b> Details the need to make available a copy of the complaint handling procedures free of charge.
Visibility – External features	<b>Condition: 3.3.2 (i) &amp; (j):</b> Advises that complaint procedures must describe complainant’s rights to refer the complaint to the redress scheme when the complaint reaches deadlock or at expiry of specified time period and to set out contact details for the Citizens Advice consumer service.
Accessibility	<b>Condition: 3.3.2 (a) &amp; (b):</b> Focuses on communicating complaints procedures in plain English and accepting complaints whether they are oral or written expressions of dissatisfaction. <b>Condition: 3.3.12:</b> Identifies the requirement for the complainant to be directed to the complaints handling procedure as soon as reasonably possible when complaint has been recorded and to be offered a copy of the complaints handling procedure free of charge.
Responsiveness	<b>Condition: 3.3.2 (h):</b> Identifies that procedures must provide an internal review stage for complainants if they are unhappy.
User-focused	<b>Condition: 3.3.3:</b> Details the need to review at least once every three years complaints-handling procedure and seek feedback from consumers to ensure it meets their needs.
Accountability/ Auditability	<b>Condition: 3.3.4 and 3.3.5:</b> Identifies the requirement to record details relating to a complaint including date of receipt, whether made orally or in writing, identity and record contact details of complainant and a summary of the complaint.

Therefore it can be argued that the current regulatory conditions for complaint handling provide a solid foundation laying down the minimum requirements broadly consistent with the guiding principles. However, the principles of continual improvement, a user focused approach and confidentiality could be better reflected within the regulatory framework. Although regulatory conditions require the regulated postal operators to collate, categorise and publish data on the complaints received for specified time periods there is no requirement, for example, to identify common service or operation issues and then subsequently demonstrate that these have been considered and possibly addressed as is stated within the continual improvement principle.

The development of measures for a user-focused approach by the regulated postal operator could be further developed. There is only regulatory guidance given for a review of the complaints handling procedure and for feedback from a reasonable number of complainants on complaints handling procedures to occur not less than once every three calendar years. In light of this minimum obligation, there is no requirement for complaint handling systems to include more fluid feedback systems to ensure that user need and expectation can be used in complaint handling process design or to help resolve root causes of complaints on an ongoing basis.

There is no clear indication within the regulatory conditions that personally identifiable information concerning the complainant is made available only for the purposes of addressing the complaint within the organisation, in order to be actively protected from disclosure to any other source unless expressly consented or requested by the complainant as set out in the guiding principles.

## **Key points:**

The postal specific and more general BSI standards identify and agree on the key principles which should underpin effective complaint handling. These include visibility, accessibility, responsiveness, fairness and objectiveness, confidentiality, user-focused approach, accountability and/or 'auditability' and continual improvement.

Regulatory consumer protection conditions are largely consistent with the key principles. However, they can be strengthened to better reflect the principles of continual improvement and a user-focused approach.

In 'operationalising' these principles, operators also need to balance the utility of localised solutions with ensuring maximum benefits of effectiveness and continuous learning and improvement that results from centralised complaints processes.

## Section 3: Complaint handling by regulated postal operators

This section explores regulated postal operators complaint-handling procedures by reviewing complaints volumes, definitions of complaints used, action operators take in terms of reviewing the complaint-handling procedures and to which extent they seek feedback from consumers. It also looks at how operators' complaint procedures reflect some key features of the regulatory consumer protection conditions,<sup>36</sup> namely that they:

- Allow for complaints to be received orally or in writing
- Provide contact details for making complaints
- Describe the complaint process and timescales involved
- Include an escalation stage so complainants can seek an internal review
- Provide the contact details for Citizens Advice consumer service
- Explain that there is the right to refer the complaint to POSTRS if the complainant is unhappy with the handling or outcome of the complaint or if the complaint is not dealt with within the specified time
- Are available on websites and any premises open to the public.

### Scope of information requests

---

Our predecessor organisation, Consumer Futures, issued formal and informal information requests (annex A) to a range of postal operators and met with some regulated postal operators to better understand their internal procedures.

Information requests were sent to regulated postal operators who are members of POSTRS.<sup>37</sup> Under the general authorisation scheme for postal services, regulated postal operators are not required to obtain a licence so we considered this membership base as the most appropriate proxy for a list of regulated postal operators. This included the universal service provider, Royal Mail.

We also sent a pilot information request to a postal operator where the requirements from Ofcom are less extensive; requiring only that the operators establish, make available and comply with transparent, simple and inexpensive complaint procedures. The results of this have not been reported in this section.

### Responses to information requests and website review

The POSTRS website<sup>38</sup> lists 11 members of the redress scheme (table 4). We issued a total of nine information requests and received six responses. We did not use our formal information gathering powers for non-respondents<sup>39</sup> but reviewed the operators' websites, along with those operators who were not sent information requests, to establish if they had any complaint procedures published online which could offer some insight into their processes.

Copies of the information requests can be found in annex A.

---

<sup>36</sup> Largely related to consumer protection conditions 3.3.2 and 3.3.11.

<sup>37</sup> <http://bit.ly/1nrTCeu>

<sup>38</sup> Ibid

<sup>39</sup> Section 24 of CEAR Act 2007.

**Table 4. Information base for regulated postal operators reviewed in study**

Regulated postal operator	Information request response	Website review
DX Network Services Limited	✓	
Royal Mail	✓	
Whistl	✓	
Intercity Communications Limited		✓
Citipost AMP limited		✓*
The Mailing House Group t/a Northern Mail		✓
Royale Research Limited t/a CMS		✓
Cycle 4 U	✓	
Yellow Jersey Delivery Limited	✓	
Product Development Corporation UK		✓
London Postal Service	✓	

\*No complaint handling procedures located on operator's website

## Key findings

Information request responses were used to analyse:

- the volume of complaints received by operators
- complaint definitions used
- action operators take in terms of reviewing the complaint-handling procedures
- the extent operators seek feedback from consumers.

Responses to the information requests and website reviews were used to look at how operators' complaint procedures reflect some key features of the relevant regulatory consumer protection conditions.

It should be noted that the quality of the responses to the information requests varied. Some operators provided detailed responses and others supplied high-level responses and this influenced the approach analysis set out in this section.

### Volume of complaints

The size, structure, scope and customer base of the regulated postal operators differs considerably ranging from operators working within a local area to those with UK-wide operations. They also have a different focus in terms of their customer base, covering large bulk mailers, small business mailers and residential consumers.

Operators may also provide different combinations of business-to-business and business-to-consumer delivery services, as well as consumer-to-business and consumer-to-consumer delivery services. All of these factors influence the volume of consumer complaints received.

The volume of complaints varies greatly between the operators as a result of the significant differences in the volume of mail carried, making direct comparisons unhelpful. Publicly available information in consumer complaints reports shows that the universal service provider, Royal Mail, had the highest volume of complaints dealing with 1,037,658 complaints in 2012/13 against the vast volume of mail it handled annually estimated at over 15 billion items. This year Royal Mail received 877,722 complaints against the 14.3 billion items it handled for 2013/14.<sup>40</sup>

Whistl reported that it received 662 complaints during 2012/13 and 1,627 during 2013/14.<sup>41</sup> As end-to-end deliveries started in April 2012 these are the only published complaints reports for the company and similarly this number of complaints should be viewed in the context that although it is increasing, end-to-end competition accounts for 0.4 per cent of total addressed mail.<sup>42</sup>

Other respondents to the information requests highlighted that the volume of complaints were very low. For instance, two operators advised that they had not received any complaints in the past three years.

It was emphasised by all respondents that any complaint volumes should be viewed in the context of the overall number of mail items being carried. One respondent also suggested that in light of this there should be a more proportionate approach to complaint-handling regulations, for instance, implementing a mail volume or revenue threshold to take account of smaller operators' needs. In addition it was suggested that consideration should be given to the limited level of smaller operators' relationship and interaction with consumers; very few offer services or products directly to them as senders of mail.

### **Complaint definition**

Under Ofcom's conditions<sup>43</sup> a complaint '*means any expression of dissatisfaction made to a postal operator, related to one or more of its products or services or the manner in which the postal operator has dealt with any such expression of dissatisfaction, where a response is explicitly or implicitly required or expected to be provided.*' Four out of six respondents confirmed the definition applied in their business. While none specifically use the Ofcom definition they all adequately capture the requirement that this involves an expression of dissatisfaction by a complainant ensuring that procedures should be applied to the appropriate type of contacts.

---

<sup>40</sup> <http://bit.ly/1q63clM>

<sup>41</sup> <http://bit.ly/1q63MpL>

<sup>42</sup> Ofcom's Communication Market report 2014

<sup>43</sup> Consumer protection condition 3.1.2 (e).

## **Measuring consumer satisfaction and evaluating complaint handling**

Regulated postal operators are required to review their complaints-handling procedure, not less than once every three calendar years, and seek feedback from a reasonable number of complainants to ensure the complaints-handling procedure meets the needs of relevant consumers.<sup>44</sup> Four operators confirmed they review their complaint procedures in some form although not through seeking feedback from complainants. It was highlighted by each that they did not seek complainant's feedback due to the low volumes of complaints. The universal service provider confirmed it did review complaint handling and described its approach in obtaining feedback from complainants.

We also asked if any of the respondents subscribed to any third party accredited complaint-handling standards. None of the six respondents subscribe to any such standards although one operator identified an ISO standard which has resulted in regular audits of its complaints process.

## **Complaint-handling procedures**

A regulated postal operator must establish, make available and comply with a complaints-handling procedure which contains a number of specific features.<sup>45</sup> Most regulated postal operators appear to have a procedure in place. Five of the six respondents to the information requests confirmed that they had an established and documented complaint-handling procedure in place. We also located complaint procedures (where we checked the organisations' websites) for four out of five of the other operators.

Table 5 shows the key findings from the responses to the information requests and website reviews in relation to regulated postal operators' complaint procedures. It is important to highlight that in some cases there was insufficient information available to ascertain if the features were present in the relevant operator's procedures.

---

<sup>44</sup> Consumer protection condition 3.3.3.

<sup>45</sup> Consumer protection condition 3.3.1

**Table 5. Some features of regulated postal operators' complaint procedures**

Complaint procedures	Information request response (Base: 6)	Website review (Base: 5)
Allow for complaints to be received orally or in writing	5	4
Setting out the contact details for making complaints	5	4
Detailing the complaint process and timescales involved	5	4
Allowing complainants to seek an internal review	5	2
Providing the contact details for Citizens Advice consumer service	5	0*
The right to refer the complaint to POSTRS	6	3
Complaint procedures available on websites and any premises open to the public	5	4

\*All refer to Consumer Direct.

Allowing for complaints to be received orally or in writing:

Provisions<sup>46</sup> for regulated postal operators underline the need to accept oral or written expressions of dissatisfaction. The majority of respondents to the information request advised that they accept complaints by various means including telephone, email, letter and fax. For those operators where we checked their website, four of the five accepted complaints either verbally or in writing.

Although not currently part of the consumer handling regulatory conditions we also assessed accessibility by reviewing the websites of the respondents to the information requests to identify whether consumers could access complaints helpline without using premium rate helpline numbers. Of these operators who provided details on their website, three provided mobile contact numbers, one provided a Freephone number, one used a contact number with an area dialling code and the remaining two provide access through an 084/087 number, demonstrating uneven access to basic rate phone lines for customers of postal operators.<sup>47</sup>

<sup>46</sup> Consumer protection condition 3.3.2 (b)

<sup>47</sup> Consumer Contracts (Information, Cancellation and Additional Charges) Regulations that came into force on 13 June 2014 provide that businesses must use a basic rate phone line for post-contract consumer contacts which excludes 084 and 087 numbers.



### Setting out the contact details for making complaints:

A complaint-handling procedure must set out the relevant contact details for consumers to make a complaint.<sup>48</sup> Five out of six respondents' complaint procedures explained that they provide the relevant contact details for consumers to use should they wish to make a complaint. For those operators where we checked their website, four out of five set out these details.

### Detailing the complaint process and timescales involved:

Describing the complaint process including the likely timescales is another feature within the conditions.<sup>49</sup> Five out of six respondents which provided documentation on or links to their complaint-handling policies or procedures shows the existence of written guidelines that outline the different complaint stages, the responsible department or persons and how they will handle the complaint in an attempt to resolve the matter. Respondents identified the timescales involved which varied from 1 week to 30 days. Where we reviewed the operators' website 4 out of 5 provided the likely timescales involved. Again the timescales varied between 1 week to 30 days and were outlined as part of their complaint process.

### Allowing complainants to seek an internal review:

The consumer protection conditions<sup>50</sup> highlight the importance of providing an internal review mechanism when a consumer is dissatisfied with the handling of their complaint. Nearly all respondents (five out of six) to the requests for information explained what happens if the complainant is unhappy with the outcome and demonstrated that there is the option to escalate the matter internally if they are unhappy. Where we checked the operators' websites, two detailed an option to escalate the matter if the consumer is unhappy. For the remaining three operators it was unclear whether there was an escalation process.

### Providing the contact details for Citizens Advice consumer service:

A regulated postal operator must set out contact details for the Citizens Advice consumer service.<sup>51</sup> Five respondents confirmed that they set out these contact details so consumers can consider seeking independent advice and guidance. Three correctly identified Citizens Advice consumer service and two incorrectly referred to Consumer Direct with one respondent confirming it will need to update its information to reflect this. In addition, four operators (via reviewed websites) incorrectly referred to Consumer Direct.

### The right to refer the complaint to POSTRS:

Another feature of the conditions<sup>52</sup> is the need to describe the complainant's right to refer a consumer complaint to POSTRS when a regulated postal operator is unable to resolve the matter to the consumer's satisfaction or when it fails to do so within specified timescale. All six respondents identify POSTRS on their website.

---

<sup>48</sup> Consumer protection condition 3.3.2(c)

<sup>49</sup> Consumer protection condition 3.3.2(g)

<sup>50</sup> Consumer protection condition 3.3.2(h)

<sup>51</sup> Consumer protection condition 3.3.2(i)

<sup>52</sup> Consumer protection condition 3.3.2(j)

POSTRS is also detailed in each operator's complaint procedures advising those consumers who are unhappy with the complaint outcome that they can approach the redress scheme. Where we checked the operators' websites, three identify POSTR as an option if the complainant is not satisfied. We were unable to locate information from the remaining operators' websites about the right to refer the complaint to POSTRS if the consumer is unhappy, one suggested that consumers complain to Consumer Direct.

We were also interested in how many cases had reached deadlock and were then referred to POSTRS. In response to the information requests four respondents advised that no cases have been deadlocked or referred to POSTRS over the past three years. Two respondents confirmed that some of their complaints had reached the deadlock stage and they provided the details for POSTRS to allow the consumer the option of pursuing the matter through the redress service.

#### Visibility of procedures – websites and any premises open to the public:

The consumer protection conditions<sup>53</sup> identify the importance of regulated postal operators publishing their complaint-handling procedure; for instance stating that it appears at a clear and prominent location on their relevant website and that it is made accessible in their premises that are open to the public. Five respondents confirmed their respective complaint procedure is published on the website. Some respondents highlighted that they do not have public-facing offices therefore this is not relevant to them. The universal service provider, confirmed that it provides the relevant contact details or forms in public-facing areas. It does not display details about how to make a complaint at post offices although claims forms are provided and post office staff can provide the relevant telephone number. Where we reviewed the operators' websites, the majority (four out of five) had their complaints procedure available there.

## Case studies

---

### **Royal Mail**

As Royal Mail is the dominant postal operator in the UK postal market it is important to provide an outline of how its complaint-handling process and procedures operate.

Royal Mail publishes complaint procedures incorporating how and where to complain on its website and produces consumer-friendly leaflets with this information. However, it does not display this level of information at post offices or delivery offices. This is important as the majority of consumers access postal products in these outlets and therefore this reduces the visibility of the complaints information.

Complaints can be made verbally or in writing by telephone, email, web forms, P58 claim form or letter with the availability of a freepost address. Royal Mail also provides a dedicated eBay channel for complaints. Royal Mail also processes complaints received through Twitter. Complaints are pulled out of Twitter and sent through to the relevant complaint channel for resolution.

---

<sup>53</sup> Consumer protection condition 3.3.11

Telephone contact is provided through a basic rate consumer helpline. Information is published in alternative formats, including Welsh language, about where and how to make a complaint.

Written guidelines in Plain English outline the different complaint stages, associated timescales and the responsible department. There is also an internal review panel which assesses complaints outside of Royal Mail's customer service. External redress is available through POSTRS and this avenue is highlighted to consumers at the final internal escalation stage if a customer remains unhappy with how the matter has been dealt with or the outcome of complaint.

Royal Mail's procedures explain it will aim to fully respond to a complaint within 30 calendar days but also highlights that in more complex cases it may take up to 90 calendar days to fully complete investigations.

Royal Mail trains its advisers to identify consumers in vulnerable situations at the initial point of contact and has processes in place to provide them with additional support when appropriate.

Customer surveys are undertaken with both enquirers and complainants to measure their overall satisfaction levels and to also seek feedback on the complaint process. Royal Mail also uses consumer complaint data on an ongoing basis to develop action plans and initiatives to improve its services.

In terms of its action plans and initiatives to monitor and address recurring complaints Royal Mail undertakes a number of activities aimed at tackling root cause issues. This has helped achieve an overall reduction in complaints over the past three years (Table 1).

One approach Royal Mail takes is identifying geographical areas where complaints volumes are higher in key complaint categories and then takes remedial action. For example, in 2013/14 it focused on, but was not confined to, mis-delivery and redirection complaints as well as improving the handling of undeliverable items to reduce complaints compared to the previous year.

## **Whistl**

With Whistl's recent expansion of its end-to-end delivery service its approach to complaint handling also provides a useful insight. Whistl's dedicated consumer complaint system is developing in line with its expansion in defined geographic areas in the end-to-end mail market. Whistl's smaller mail volumes, and the fact that the procedure only deals with consumers as recipients of its items rather than senders, means that the operator can take a tailored response to consumer complaints.

Whistl's complaint procedure is published on its website detailing how and where to complain. Complaints are accepted verbally and in writing by telephone, email, Twitter and letter. However, although the company uses social media techniques in its complaint handling process the Twitter complaint avenue is not currently highlighted on the website complaint page.

Guidance is provided on the timescales which Whistl seeks to adhere to when dealing with complaints. It aims to resolve consumer complaints within 28 days, however, efforts are made to deal with them within 10 days. Additionally, Whistl prides itself on engaging quickly with complainants at a local level to seek solutions.

Escalation procedures exist so that those who remain unhappy can pursue the matter, which can result in the Head of Customer Service reviewing the complaint.

Whistl is not required to pay compensation under regulatory conditions and does not currently have a postal scheme but may, in specific cases, make payments on a goodwill basis. External redress is available through POSTRS and this information is highlighted to consumers after they reach the deadlock stage.

No arrangements are currently in place to ensure the complaint process is accessible to consumers in a vulnerable position or to those with special needs or requirements.

Whistl analyses information from its complaint data in order to tackle root cause issues and also has regular independent audits carried out on its complaint processes.

It is a member of the Institute of Customer Service (ICS) which it joined in 2013 with a view to 'professionalising' its team members further through accredited training and personal membership to the institution. As ICS carries out benchmarking it should promote consistency within the profession and facilitate access to a wide range of customer service research and publications.

## Key points:

Broadly speaking regulated postal operators are adhering to the consumer protection conditions discussed above.

One area that is problematic for a number of operators is reviewing the complaint-handling procedure by seeking feedback from a reasonable number of complainants. The main reason for this is the low volumes which make it difficult for operators to fulfil this obligation.

Some operators felt that the current complaint handling standards fail to take the low volume of complaints into account which has resulted in an unbalanced approach. It was suggested that a different regime should be considered for smaller operators.

A number of smaller operators incorrectly reference Consumer Direct as the agency where consumers can seek independent advice and guidance. This is one area that requires remedial action in order to provide accurate information on where consumers can seek independent advice.

There is scope to improve the visibility of complaint procedures at offices which are open to members of the public. This is relevant to the universal service provider where post offices are an access point to postal products and services.

## Section 4: Alternative dispute resolution – POSTRS

Access to appropriate and effective redress is an important part of the complaint handling model. This part of the report discusses best practice principles applied to external redress. It provides a preliminary review of areas that should be considered in understanding the efficacy of external redress before analysing the role and operations of the dispute resolution mechanism, the Postal Redress Service. It is based on information from meetings and publically available data on the website including Annual Reports from 2009 to 2013.<sup>54</sup> Although the scheme appears to largely meet general best practice principles on redress schemes, we consider that there are areas of concern that cut across these principles that should be examined further by Ofcom particularly to encourage greater visibility and use by consumers.

### Best practice principles and redress schemes

---

The suggested criteria for effective external redress schemes found in different published standards and codes of practice including the BSI standard for external dispute resolution and the British and Irish Ombudsman (BIOA) criteria for membership largely agree on the core criteria and principles that these schemes should meet.<sup>55</sup> Ten key principles that have been previously identified and cover BIOA and BSI principles are:<sup>56</sup>

1. **Information:** clear information about a consumer's entitlement to a good or service, as well as clear information about complaint processes
2. **Accessibility:** complaint-handling systems should be free of charge and fully accessible to all consumers, including people in vulnerable situations
3. **Consumer support and empowerment:** the ability to call on third party help when making a complaint
4. **Fairness:** processes and decisions need to be fair and based on publicly available rules and criteria
5. **Effectiveness and performance:** dealing with complaints in a timely fashion, ensuring positive improvements in service delivery and performance monitoring and auditing
6. **Resolution and redress:** the ability to resolve the problem, a range of remedies, including financial compensation and the ability to tackle systemic issues
7. **Independence:** independent of those complained against and ensuring appropriate governance procedures are in place so that member companies do not unduly influence decision making
8. **Accountability:** publicly available information on how the service works and how it is governed
9. **Resources:** adequate resources and flexibility to deal with present and future demands
10. **Consumer involvement:** complaint-handling systems need to be informed by consumer views and experiences.

---

<sup>54</sup> POSTRS changed its report period from financial year to calendar year in Annual Report 2012.

<sup>55</sup> BSI standard for external dispute resolution - BSI ISO 10003:2007; BIOA British and Irish Ombudsman Association (BIOA).

<sup>56</sup> Consumer Focus. *Effective complaint handling – a discussion document* 2012. Cosmo Graham.

Ofcom has also set out those principles which it considers represent best practice for redress schemes in the communications sector.<sup>57</sup> These mostly reflect the ten key principles (covering accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability and non-discriminatory) although there are different points of emphasis and specificity, such as Ofcom's clear articulation of the need to review Key Performance Indicators (KPIs) to ensure they are appropriately targeted and appropriate staff training and internal guidance. Principles of consumer support and empowerment and consumer involvement were not specifically covered in the Ofcom communications criteria although the consumer involvement principle is reflected in the postal consumer protection conditions. The communications principles have not been specifically applied in the context of postal services regulation and may also need to be reviewed in light of the implementation of the EU Directive on ADR.

## Assessment of POSTRS scheme

---

ADR which takes different forms from mediation through to adjudication and ombudsman schemes is an important tool in empowering and reassuring consumers in their dealings with operators through creation of an independent, fair, low cost, simple and fast channel for considering complaints. It also provides incentives for operators to improve their complaint-handling systems. As part of a 2011 Consumer Focus study<sup>58</sup> into complaint handling across different sectors, consumers identified the need for an 'Ombudsman style' service as a valuable component of the overall complaint-handling framework.

### Structure and governance

POSTRS is a consumer adjudicator scheme that rules on individual postal disputes. It does not have wider discretionary powers often associated with ombudsman schemes and does not provide mediation services. Decisions made by scheme adjudicators in cases are binding on the operators but not the consumer. It is structurally independent from the operators complained against and currently has 11 members.

Governance of the scheme is through a Council which consists of two independent members including the Chair, together with representatives of IDRS Ltd<sup>59</sup> and three industry representatives providing regulated postal services. Currently there are two Royal Mail representatives and one from the Mail Competition Forum. The Council monitors the operation of the scheme and reviews operating data. Systemic issues identified are raised and discussed within the Council although details of these are not in published reports. Information is provided on its website on how it works and its governance mechanisms. Publications that seek to promote scheme accountability include the annual report and periodic case notes about the type of cases it handles, although there is no clear schedule for publication of these documents.

---

<sup>57</sup> Ofcom Review of Alternative Dispute Resolution Schemes Statement 22 August 2012.

<sup>58</sup> <http://bit.ly/1tsUMxj>

<sup>59</sup> IDRS Ltd. currently provide the service and appointment has been extended until 31 March 2015. Industry is currently out to tender for the redress scheme.

Scheme resources are from a combination of subscription and case fees paid by its eleven member companies which include the Royal Mail Group, Whistl and several smaller regulated postal operators.<sup>60</sup> Membership fees are low, currently set at £100 per member and £65 per referred case with more significant case fees paid for use of the service, although there is a slightly different charging regime for the universal service provider. Discussions with POSTRS did not indicate any evidenced concern on the adequacy of scheme resources although they remain under review subject to commercial considerations.

### **Public information and accessibility to consumers**

Information on the scheme is set out on its website and information packs which include terms of reference, processes and a complaints form can be downloaded or sent out on request. POSTRS is relatively accessible and can be accessed free of charge by the consumer:

- if the regulated postal operator and the consumer reach deadlock or
- the consumer feels that the operator did not follow its complaints procedure, including dealing with the matter within the specified time.

Costs are only incurred for expenses such as photocopying and phone calls.

Consumer support and empowerment through the Citizens Advice consumer service and the ability of consumers to call on third party support for advice and assistance in pursuing their complaints, which also acts as a gateway to the EHU, is technically available but POSTRS has indicated that it is not greatly used by consumers.

The scheme's terms of reference set out the type of disputes it investigates, generally covering complaints from non-contract customers (recipients or senders of post) who have complaints against operators that are scheme members. The terms of reference, although subject to statutory criteria, are largely set by the member companies and the criteria and that established by the regulator are not very prescriptive. Complaints about Royal Mail, as the universal service provider, form the bulk of the scheme's workload. However, POSTRS does not identify the names of the postal operators. Publication could improve transparency of the scheme and promote consumer confidence.

### **Resolution and redress**

The effectiveness of the current arrangements for resolution and redress of complaints is mixed with POSTRS noting that concerns have been expressed by consumers on the perceived limited ability of the scheme to address certain complaints.

The cost associated with sending mail is relatively low compared to other regulated products, such as energy and water costs, which is reflected in the compensation levels, although consequential loss can be high across sectors.<sup>61</sup>

---

<sup>60</sup> DX Network Services Limited, Intercity Communications Limited, Citipost AMP Limited, The Mailing House Group t/a Northern Mail, Royale Research Limited t/a CMS, Cycle 4 U, Yellow Jersey Delivery Limited, Product Development Corporation UK, London Postal Service.

<sup>61</sup> Ofcom (2013) *Affordability of Universal Postal Services* at para. 3.16

The adjudicators can require members to provide an apology or explanation; product or service or other practical action and compensation up to the amount claimed on the application form, subject to the limit in each individual operator's terms and conditions. There is no discretion to offer greater goodwill payments. Additionally, although it can award compensation for inconvenience up to £50, it can only do so up to the amount claimed on the application form. An approach which asked consumers to indicate the amount claimed but was not binding on them is likely to be more consumer friendly and should be investigated as an option.

Consumer expectations about ability of POSTRS to deal with their case may not be met for several interrelated reasons including premature contact and restrictions on the terms of reference. These reasons account for a large number of cases excluded from consideration. In 2013 POSTRS dealt with 461 cases but 239 applications were rejected for a variety of reasons covering

- 120 premature applications
- 61 relating to out of scope products
- 32 for expiry of the nine-month time limit for claims
- 26 relating to non-regulated postal operators.

The terms of reference have been recently clarified to exclude claims that seek compensation for non-regulated products. In practice this means that all Royal Mail complaints that go to the Postal Review Panel cannot automatically be dealt with by POSTRS unless the service complained of is on the list of services covered. However, Royal Mail appropriately references POSTRS in both its notification and deadlock letters so that consumers are always provided with the relevant contact information.

A recurring theme in the annual reports is of consumer frustration on the perceived powerlessness of POSTRS relative to postal operators. This is probably linked to findings from previous Consumer Focus research that shows consumers often do not choose the most appropriate products to fulfil particular posting needs and are often unaware of the features that these products offer. Consumers' suboptimal product choices result from their low awareness of the features of these products.<sup>62</sup> Customers cannot always rely on advice and complaints on mis-sold products can fall through the cracks and regulated postal operators need to do more to address this fundamental problem.

### **Effectiveness and performance**

The effectiveness and performance of the scheme is monitored by the KPIs which were set up on establishment of the scheme. These are monitored by Ofcom but have not been changed since inception and only measure timeliness and cost.

The data in the Annual Reports between 2009 and 2013 consistently shows high level of performance against these targets, as would be expected in a scheme with a low caseload and against these limited performance measurements. Low caseload and relatively small sums of money should contribute to speed and timeliness in complaint handling.

---

<sup>62</sup> *Getting the most from post* (November 2012).



**Table 6. 2013 Annual Report KPIs performance for 2012 and 2013**

Description	Year 2013	Year 2012	Targets	
KPI 1	Percentage of calls answered within 2 minutes	100%	100%	95%
KPI 2	Percentage of written correspondence receiving a response within 5 working days	99.5%	99%	100%
KPI 3	Percentage of adjudicators' final decisions issued within 6 weeks of receipt of the application	98.5%	97%	90%
KPI 4	Percentage of adjudicators' final decisions issued more than 8 weeks after receipt of the application and the reasons why	1%	0%	<3%

Unit cost as an indication of improved efficiency – that is the total costs to members divided by the number of valid applications – is also a KPI reported on by POSTRS and is a useful indicator for assessing efficiency of the redress scheme. POSTRS did not report on this KPI in its 2013 published report, and while details are available on request we consider this to be an important part of overall scheme transparency which should be included.

The KPIs for redress schemes in different sectors cover other performance indicators. The performance indicators for the Legal Ombudsman measure quality reputation and impact through assessment of:

- customer satisfaction with service
- percentage of stakeholders satisfied with overall levels of engagement
- percentage of stakeholders with confidence in delivery against mission
- percentage of users of legal services in the last two years that have heard of the Legal Ombudsman.

POSTRS has sought a level of consumer involvement in assessing its systems with an annual Customer Service Satisfaction survey. This was initially conducted in 2009 by independent organisation but in 2012 and 2013 it has been conducted by POSTRS.

### Usage and awareness

Low contact numbers and usage by consumers has been a consistent theme from inception of the postal scheme as evidenced by the volume of queries and cases.

In 2008/09 POSTRS received 547 enquiries/contacts and it received even fewer in 2011/12 (493).<sup>63</sup> The total number of cases is also relatively low, moving from 497 cases in 2011 to 553 cases in 2012 dropping to 461 cases in 2013.

<sup>63</sup> Reporting year changed. Reporting year for 2008/09 is 1 October to 30 September. Reporting year for 2011/12 is 1 October to 31 December 2012.

Case numbers are low compared to the number of complaints handled by the universal service provider and to the number of cases that proceed to internal company deadlock. In reporting on cases POSTRS does not publicly identify the names of the postal operators but naturally the case load is primarily driven by complaints from customers of the universal service provider. Significantly more deadlock letters were issued by Royal Mail than the number of cases initiated through the scheme by a deadlock letter and it would be useful to understand the reasons why a significant proportion of operator deadlocked consumers did not pursue their matter further with POSTRS.

Low case numbers may be a result of better internal complaint handling by operators such as Royal Mail, the relatively low spend by consumers on postal products and the fact that in most cases the consumer is the recipient rather than the sender of mail. However, demonstrably low usage levels may also be linked to low awareness of the scheme. Previous Consumer Futures research<sup>64</sup> found that nearly two thirds (59 per cent<sup>65</sup>) of consumers who had pursued a complaint with the postal operator were not told about the service which pointed to a need for greater signposting by operators.

The role of the operator is fundamental to making the scheme visible to consumers. The majority of consumers (83 per cent of enquiries and 77 per cent of those using the service) contacting POSTRS are made aware of its existence by a regulated postal operator.<sup>66</sup> Annual reports demonstrate that others also play an important supporting role including Ofcom, Trading Standards and Citizens Advice and all bodies involved need to ensure that consumers are signposted appropriately.

Independent consumer research is vital to understand and establish the likely multiple and interwoven underlying reasons for low usage and awareness of the postal redress scheme. It should examine if there are any barriers to increased visibility or access to the redress service by taking an approach similar to that used by Ofcom in reviewing the ADR schemes in the communication market. This study also identified low awareness and usage among consumers in the communications market.<sup>67</sup> The Communication Consumer Panel's publication *Going round in circles*<sup>68</sup> also highlights the issue of consumers not being aware of the option to seek recourse through an ADR scheme and the importance of ensuring consumers are aware of their rights to seek resolution this way.

Consumers need clear information identifying the presence of, and right to access, the external redress scheme. If it is difficult to find details it is likely to compromise its purpose. However, its visibility will need to be balanced with ensuring that consumers are informed about their right to take the complaint to an external body at an appropriate time so that complaints/enquiries are not sent prematurely. Regulated postal operators have a critical role to play in ensuring consumers are provided with the relevant information at the appropriate time.

---

<sup>64</sup> <http://bit.ly/1tsUMxj>

<sup>65</sup> Caution low base.

<sup>66</sup> POSTRS Customer Service Satisfaction Survey 2012.

<sup>67</sup> <http://bit.ly/1vMvScW>

<sup>68</sup> <http://bit.ly/1vHvSLj>

## Key points:

Best practice principles for external redress could usefully be re-considered by the postal regulator in the specific context of best practice in postal redress.

Scheme is structurally independent from operators with independent lay chair on governing council.

Terms of reference set by member companies and some perceptions by consumers on imbalance between operators and consumers.

Publication of names of postal operators would improve transparency.

KPIs for redress scheme should address more than timeliness and cost and cover other performance measures.

Usage of POSTR is low and additional independent research on several areas of the redress scheme will allow for a more complete evaluation on its operation and effectiveness. These areas can include consumer awareness, performance and consumer satisfaction.

## Conclusions

Previous research, which focused on Royal Mail, offers some insight to the postal consumer experience of complaints since the introduction of the new complaint-handling framework in 2008. In 2009, research by Postcomm highlighted low satisfaction levels with the time taken to acknowledge and resolve complaints and with responses to complaints and customers service.

While not directly comparable, a Consumer Focus study in 2012 indicated an improvement as satisfaction levels were higher. However, there was a greater proportion of consumers dissatisfied than satisfied in three areas: the quality of information; speed of response and understanding of the issues.

Since the last piece of research Royal Mail has made improvements to its complaint handling therefore further work in this area would provide an up to date picture of the consumer experience. Ofcom should include this as part of a formal review by investigating the consumer complaint experience of regulated postal operators.

The *Postal services. Quality of service. Complaint handling principles*<sup>69</sup> and *Quality management. Customer satisfaction. Guidelines for complaint handling in organizations*<sup>70</sup> standards provide valuable guidance and are important benchmarks for complaint handling. These standards establish the key principles which should underpin good complaint handling. An effective internal complaint handling process should be built upon the following principles:

- Visibility
- Accessibility
- Responsiveness
- Fairness
- Confidentially
- User-focused approach
- Accountability/Auditability
- Continual improvement.

A vital first step is ensuring consumers know where and how to complain (**Visibility**). Leading on from this is making available sufficient access options such as telephone numbers, email addresses and postal addresses and where necessary taking account of those with particular needs by providing alternative options (**Accessibility**). This allows consumers to enter a complaint system.

---

<sup>69</sup> BS EN 14012:2008.

<sup>70</sup> BS ISO 10002:2004.

The second step (**Responsiveness**) concentrates on how complaints are dealt with. Important attributes are:

- Understanding the complaint and responding appropriately
- Handling the issue in a timely manner
- Continually communicating with the consumer
- Clearly explaining how the final decision was reached
- If necessary, following up after the final response has been issued.

Another key aspect is treating the customer fairly throughout the process and adequately considering the complainants circumstances. This will help deliver a final outcome which is viewed as appropriate and fair (**Fairness/ Objectiveness**).

Additionally protecting the complainant's personal information where appropriate is important (**Confidentially**).

The third step ensures organisations measure the effectiveness of their complaint handling through auditing internal performance indicators and by obtaining customer feedback so that the complaint handling process meets their needs and expectations (**Auditability/ Accountability and User-focused approach**). This is an important aspect of the complaint-handling framework and is identified by Ofcom consumer protection orders.<sup>71</sup> Additionally, an overarching objective is resolving root cause issues to improve the overall quality of service consumers receive (**Continual improvement**).

The overarching design of any complaint-handling system must ensure these key areas are sufficiently reflected in any postal operator's complaint-handling policy, procedures and operational delivery. The postal market is also evolving with the decline in letter volumes and growth in parcel volumes and the implications for the complaints regime is that it needs to work well across all the different market sectors.

The complaint-handling conditions stipulated by Ofcom provide the foundation for postal operators to build upon. These represent the minimum requirements and to some extent these overlap with many of the principles of good complaint handling. Therefore they help to strengthen complaint handling. However, the continual improvement principle could be better reflected in the regulatory framework. Although regulatory conditions require the regulated postal operators to collate, categorise and publish data on the complaints received for specified time periods there is no requirement, for example, to identify common service or operation issues and then subsequently demonstrate that these have been considered and possibly addressed. Taking action in this area can further improve the regulatory complaint-handling standards.

---

<sup>71</sup> User focused approach - CP 3.3.3; auditability/ accountability – in part facilitated through CP 3.3.5

Each regulated postal operator's complaint-handling function must align itself to its size, structure and customer base making sure their needs are met and that its function responds accordingly. Explorative discussions with Royal Mail, Whistl, the Mail Competition Forum and the responses to information requests from other operators show a commitment to handle complaints effectively. For many operators the volume of complaints is extremely low. The universal service provider receives the most complaints; which is not surprising considering the volume of mail it carries.

Broadly speaking regulated postal operators are adhering to those requirements set out in Ofcom's complaint handling consumer protection conditions discussed in section 3. The possibly disproportionate burden of the obligations on smaller operators was highlighted in response to our information requests and may be an area for further examination as the smaller operators are the only operators not fully compliant with the regulatory conditions.

However, it is important that obligations are still met, for example, several smaller regulated postal operators need to update consumer information on their websites which incorrectly refer to Consumer Direct for complainants who wish to seek independent advice. However, the feasibility of other obligations on regulated postal operators with low complaint volumes such as the requirement to seek feedback from consumers may need to be re-considered or acknowledged in the framework. There is scope to improve the visibility of complaint procedures at offices which are open to members of the public. This is relevant to the universal service provider where post offices are an access point to postal products and services.

Consumers need clear information identifying the presence of, and right to access, the external redress scheme. Our preliminary review of POSTRS suggests the need for additional independent research on several areas in order to fully evaluate the operation and effectiveness of this scheme. The service has a low caseload and there is limited consumer awareness. In light of recent reviews in other sectors it may be useful to do a benchmarking study comparing POSTRS to other ombudsman schemes to identify areas for improvement focusing on consumer awareness, effectiveness and performance and consumer satisfaction.

Implementation of the EU ADR directive, due by July 2015, is likely to bring about changes in the redress framework and operation of ADR schemes with competent authorities required to publish regular reports on the functioning of these schemes.<sup>72</sup> This provides an ideal opportunity for wider reflections on the scope and operation of the postal redress scheme and its application to operators providing regulated services. The growth in the parcels market and level of complaints with delivery in online cross-border transactions suggests that there may be a consumer need for redress systems for parcels operators.<sup>73</sup> Consideration should be given to how this can be explored in a non-prescriptive and proportionate way. One mechanism could be the development of a voluntary jurisdiction for these operators that runs alongside the compulsory membership of regulated postal operators. We recognise this would be dependent on acceptance by the current membership of the scheme and is not within scope of the tender.

---

<sup>72</sup> Alternative Dispute Resolution for Consumers: Implementing the Alternative Dispute Resolution Directive and Online Dispute Resolution Regulation (BIS: April 2014). <http://bit.ly/1eonNhl>

<sup>73</sup> European Consumer Centres Network 2013 report highlighted that 15 per cent of problems in 2013 concerned the non-delivery of purchased products or services. <http://bit.ly/1eQAWPF>

In light of our preliminary evaluation and assessment of the complaint-handling framework we consider it important that Ofcom evaluates the effectiveness of the current arrangements and continues to do so periodically.<sup>74</sup> While operators should review their own complaint handling procedures and seek, where appropriate, feedback from complainants, Ofcom needs to play a significant role in monitoring and establishing the consumer experience of complaint handling. This will provide an effective review mechanism ensuring the complaint-handling standards in the broader sense take account of changing consumer needs and changes in the postal market.

---

<sup>74</sup> In 2008, Ofcom commissioned research to assess the consumer experience of the complaint processes in the communications market; Ofgem has commissioned three rounds of independent research, in 2009, 2010 and 2012, into consumer satisfaction with the way in which complaints are handled by energy suppliers.

## Recommendations

Establishing an effective complaints system which meets consumer needs is important to promote consumer confidence in markets. The current system appears to capture the fundamental attributes of good complaint handling but there are key actions that can be taken by regulated postal operators, the redress scheme and the regulator to strengthen complaint handling.

### Regulated postal operators

---

Regulated postal operators should:

- **Consider formal adoption of the independent, third party or accredited complaint-handling standards:** Explicit and transparent commitment to these standards indicates that the organisation takes customer service and the effective handling of complaints seriously. Importantly, it allows operators to assess how they are performing against the complaint-handling standards and identifies areas for improvement. The cost of subscribing will require adequate consideration. However, this can help deliver benefits especially for larger operators that receive higher volumes of complaints by providing an independent assessment of its complaint handling function.
- **Where relevant, update complaint procedures to make sure they provide accurate information on where consumers can go to seek independent advice and guidance:** This is largely applicable to smaller operators whose complaint procedures need to correctly reference Citizens Advice consumer service and provide its contact details.
- **Improve the visibility of consumer information on the complaints process, available redress and independent advice:** Specific action to improve this includes:
  - Making copies of complaint procedures available and visible at business premises and its agents open to members of the public. This is most relevant to the universal service provider where post offices provide consumers with access to its postal products and services.
  - Providing a complaint procedure factsheet detailing the internal procedure, any compensation schemes and the availability of independent advice when issuing the first written response to a consumer.
- **Improve consumer awareness of the key features of mail products** to facilitate appropriate consumer choices along with monitoring and improvement of the level of advice provided by retail agents to ensure consumers can rely on retailers for accurate information



## The postal redress service

---

**POSTRS** has an important role to play as part of the overall complaint-handling framework and can help deliver improvements. To do this it needs to:

- **Review the terms of reference:** Ensuring the terms of reference are fairly balanced between consumers and operators; that the scheme provides sufficient scope to recommend discretionary goodwill payments outside the strict interpretation of compensation schemes for poor service in complaint handling and allow awards of amounts in excess of those claimed by consumers (but within the scope of the scheme); and that transparency is improved in an increasingly competitive market by publication in case notes of names of postal operators.
- **Identify systemic issues and draw to operators' and other stakeholders attention:** Analysing and helping address systemic issues identified through its case handling are important tools to delivering improvements and trends should be highlighted with a range of stakeholders not just members of the scheme but including consumer advocacy bodies and the regulator.
- **Raise consumer awareness and work with regulated postal operators and consumer advocacy bodies:** to raise the levels of consumer awareness of the scheme ensuring that consumers who are dissatisfied with the results of the internal complaints-handling process are sufficiently signposted to, and able to easily access, the external redress mechanism. Consideration of commissioned research to help assessment of any barriers to redress.

## The regulator

---

**Ofcom** needs to conduct formal and informal periodic reviews focusing on both the internal and external components that make up the complaint-handling framework in the postal market. Although some changes can be implemented through influence and dialogue with operators, a formal review should be conducted in 2015 to examine the level of compliance by regulated postal operators with the consumer protection conditions and assess the suitability of the current complaint-handling framework for all operators. As part of a review it should:

- **Investigate the consumer complaint experience of regulated postal operators:** This will provide an up to date picture and help to determine if the complaint handling is meeting consumer expectations. The key areas of focus should include:
  - understanding why postal consumers do not complain, exploring the costs and benefits for consumers seeking redress to ensure there are no barriers such as issues with visibility and accessibility.
  - measuring satisfaction levels with the different aspects of complaint handling such as understanding of the issue; timeliness of response; quality of response; and the final outcome and with the different complaint routes or channels.
  - establishing if consumers abandon complaints before they are resolved and if so the reasons for this.

- **Ensure design of regulatory tools in this environment takes account of digital consumer trends, tools and services** more fully as social media and other new digital platforms, such as third party complaint sites that are becoming more important for consumers to interact with businesses, will impact on regulatory design of complaints framework. Postal operators have started to incorporate social media especially Twitter in complaints approaches and Ofcom needs to ensure that it continues to look to likely future needs and trends in complaint handling by recognising the diversity of platforms that consumers now use for contacting and feeding back to consumers. In doing so it will need to satisfy itself that there is consistency in categorisation of these contacts and that they are appropriately captured.
- **Evaluate the appropriateness of the current consumer protection conditions on regulated postal operators:** Need to particularly take into account any burden on smaller regulated postal operators ensuring proportionate regulation that delivers consumer benefits. Some specific avenues that should be explored are:
  - Requirement on all regulated postal operators to offer a consumer help line charged at a basic rate. This would incorporate requirements that reflect consumer rights granted under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2014 for post-contract consumer contact businesses must use basic rate phone lines (not charging more than a geographic or mobile rate). This provision is legally binding only where there is a contractual relationship. It may not be strictly applicable in all contacts between regulated postal operators and consumers, as they may receive complaints from both contractual sender customers and non-contractual recipients. However, consumer help lines should ideally be provided at basic rates so that accessibility is also improved for consumers receiving goods.
  - Mandatory requirement for regulated postal operators to provide key measurable actions for future service improvement to be made as a result of the complaints data with explanations for any failure to achieve targeted improvements in the annual complaint reports.
- **Establish clear criteria for assessment of postal redress schemes:** These need to take into account the statutory criteria and best principles and evaluate the performance of POSTRS against this, focusing especially on
  - evaluating whether terms of reference are sufficiently wide especially in allowing the scheme to identify systemic issues and raise these with operators, regulators and consumer advocacy bodies
  - assessing consumer awareness levels together with the redress scheme to help understand the barriers to its visibility and accessibility.
  - benchmarking the performance and quality indicators with similar redress schemes in the communications sector considering the inclusion of additional measures that address the quality and reputation of the scheme such as some measurement of consumer satisfaction feedback.

## In the wider context

---

Ofcom should also work within its regulatory framework in conjunction with policy makers and other stakeholders to **assess whether there is any consumer detriment in complaint handling in the wider postal market**. The European Commission's ongoing work on e-commerce includes a parcel delivery roadmap with a key objective being enhanced complaint handling and redress mechanisms for consumers covering online retailers as well as delivery operators.

It would be appropriate for Ofcom to re-consider the current framework for postal operators within its limited regulatory remit in this area. As these operators are not otherwise regulated, the consumer benefit afforded by imposing the general consumer protection condition is important but this benefit may be offset if there is limited awareness by these operators of their obligations. Operator awareness and compliance should be investigated and assessed. Additional creative mechanisms could also be considered to improve consumer complaint-handling mechanisms across postal market covering parcel operators who have to comply with the general complaint-handling principles but do not need to belong to a redress scheme.

Commercial incentives are likely to drive any take-up of redress solutions by postal operators. Policy options can cover a range of regulatory and market-led solutions taking into account the EU directive on ADR across all consumer sectors while recognising that the primary avenue for consumers with delivery problems from online shopping will often be e-retailers with whom they have a contractual relationship rather than parcel operators. Development of any regulatory regime will need to take into account the complexity of multiple operators and brokers involved, in a market segment where the greater use of sub-contractors, contracts made with supplier and not the shipper, brokerage of multiple suppliers and the lack of clear parcel markers to identify the carrier will impact on the ease of designing and implementing effective solutions. Against this possible options for exploration include:

- mechanisms developed as part of code-accredited providers
- creation of voluntary jurisdiction as part of the approved postal redress scheme compulsory jurisdiction for those operators not required to be members under statute. Possible barriers include negotiated terms of reference currently decided by members but usage of redress mechanisms by parcel operators could have beneficial customer impact
- establishment of residual ADR scheme or similar mechanism established in response to implementation of the EU ADR directive.

We recognise that there is an important role for consumer advocates such as Citizens Advice, Citizens Advice Scotland and the Consumer Council for Northern Ireland in working with Ofcom on the review of complaint handling in the postal market and look forward to supporting the review with insights from consumer contact data on the consumer experience.

## Annex A

### FORMAL INFORMATION REQUEST – PRO FORMA SENT TO UNIVERSAL SERVICE PROVIDER

Information sought by Consumer Futures:

#### 1. Complaint Handling Procedure

Consumer Futures has a copy of the Royal Mail complaint handling process guide for consumers accessed at [www.royalmail.com/sites/default/files/CHP\\_Flowchart\\_020412\\_e\\_0.pdf](http://www.royalmail.com/sites/default/files/CHP_Flowchart_020412_e_0.pdf) on 1 August 2013.

Please provide a copy of any additional policy documents setting out Royal Mail's complaint handling procedures that meet and/or are in accordance with the requirements of Consumer Protection Condition 3 on complaint handling procedures.

Please outline:

- Principles and procedures for handling complaints from consumers in a vulnerable position, including those complaints referred by the Consumer Futures' Extra Help Unit. For instance, are there any special arrangements in place to prioritise and advance complaints about matters requiring urgent attention (for example, complaints about inability to arrange redelivery of medical equipment).

#### 2. Capturing complaints and expressions of dissatisfaction

Please detail Royal Mail's policy and the guidance given to staff outside the Customer Services Team who may receive expressions of dissatisfaction from customers. In particular explain the guidance given to Delivery Office Managers for handling complaints received from customers at a local level and Redirection Centre staff handling complaints on failures of the redirection service. Please indicate whether these contacts made to delivery offices and the redirection centre are recorded and categorised under the reported consumer complaints data.

Please outline the mechanism for ensuring that a complaint channelled to a fully automated telephone response is captured in the complaints data.

#### 3. Visibility and accessibility of procedures (including information and forms)

##### Visibility

Please describe:

- the manner in which Royal Mail's complaints-handling procedure is publicised and made available across the different access points and customer interfaces including post offices, delivery offices and mail centres.
- the point in the complaints process where consumers are informed about/signposted to (a) independent advice from the Citizens Advice consumer service and redress scheme process through the Postal Redress Service (POSTRS).

Please provide:

- a copy of the standard template ‘deadlock letter’ sent to consumers under CP3.3.7 and 3.3.8 when it is not possible to complete a complaint or when the specified time period has expired.
- a sample of written communication (letter and email) signposting customers to the Citizens Advice consumer service.

**Accessibility**

Please describe the arrangements that are in place to ensure the complaint process is accessible to (a) consumers in a vulnerable position and those with special needs or requirements including availability of the relevant procedures and forms in alternative formats such as large print, Braille or audio tape) and (b) to Welsh language customers.

**4. Timeliness and speed of resolution**

Royal Mail’s procedures explain it will normally take no more than 30 calendar days to respond fully to a complaint, however, more complex cases may take up to 90 calendar days to fully complete investigations. To gain a better understanding about the proportion of complaints completed across these timescales, through the different methods of contact, please populate the table below breaking down the complaints received for 2012/13. This will also allow us to establish what proportion of customers are engaging with the complaint process through the contact different methods.

Contact method	Number completed within 30 calendar days	Number completed between 31 and 90 calendar days (inclusive)	Number completed after 90 calendar days	Total number complaints
Telephone				
Email				
Letter				
Royal Mail website form				
Other (please detail)				
<b>Total number of complaints</b>				

## 5. Complaint completion levels and escalation stages

Please describe the methods and timing used for:

- Informing complainants about their ability to contact the Citizens Advice consumer service should they wish to seek independent advice about their complaint issues indicating how this is done at the different complaint stages and across the different contact methods (telephone, email, letter, website, at delivery offices and posts offices), the stage of the complaint process that this happens, whether information is included in the initial contact.
- Informing complainants about their right to escalate their complaint to the independent ombudsman scheme the Postal Redress Service (POSTRS). Please indicate whether this information is included in the initial contact across the different methods (telephone, email, letter, website, at delivery offices and posts offices).

Please populate the table below with details on the volume of complaints completed at the different internal complaint stages for the reporting year 2012/13.

Stage 1 – Customer Services Advisors	Stage 2 – Escalated Customer Resolution Team	Stage 3 – Postal Review Panel	Stage 3 continued-Number of deadlock letters issues	Total Complaints 2012/13

## 6. Complaint outcomes and measuring satisfaction levels

### Repeat complaints

Consumer Futures is keen to understand the definition(s) and level of repeat complaints across the top 10 complaint categories for 2012/13.

Please confirm if the definition provided in response to our supplementary information request on the redirection service dated 28 February 2013, ‘When a customer makes the same complaint twice or more within a six-month period it automatically gets flagged as a repeat complaint by the Siebel system’ is the definition used across all complaints received from customers. If not, please inform us of any alternative definitions for the different complaint categories.

In addition to the total number of complaints captured in the annual consumer complaints and compensation and quarterly quality of service reports, produced in accordance with regulatory conditions (CP 3.3.14; 3.3.15;3.3.16, 4.3.1), please provide statistical data on the number of repeat complaints for 2012/13 for each of the top 10 categories in the following format:

Category of Complaint	Total number of complaints 2012/13	Number of repeat complaints
Loss		
Redirection		

<b>P739</b>		
<b>Delay</b>		
<b>Mis-delivery</b>		
<b>Delivery procedures</b>		
<b>Redelivery failure</b>		
<b>Damage</b>		
<b>Proof of delivery failure</b>		
<b>Part loss</b>		
<b>Other</b>		
<b>Total</b>		

### Compensation claims

Please describe and provide additional data on complaints involving a claim for compensation payments (including goodwill payments), in particular please indicate whether:

- information is recorded and collated on the number of customer complaints involving specific claims for compensation.
- it is possible to report on the number of claims upheld, partly upheld or rejected. If yes, please inform us of the numbers falling into each area at the different complaint stages for the reporting year 2012/13 using the table below. Also please indicate number of claims in which goodwill payment is made where the claimant was not entitled to compensation payments under the postal scheme terms.
- data is recorded on the number of claims forms issued across the different access points (for example, Royal Mail customer service and through post offices). If yes, please detail how many forms were issued during 2012/13. This may help indicate the volume of complaints involving compensations claims that are abandoned for whatever reason.

<b>Complaint with request for compensation and/or goodwill payment</b>	<b>Upheld</b>	<b>Partly upheld</b>	<b>Rejected</b>
<b>Stage 1</b> Customer Service Advisers			
<b>Stage 2</b> Escalated Customer Resolution Team			
<b>Stage 3</b> Postal Review Panel			
<b>Total</b>			

## **Consumer feedback/satisfaction**

Please describe the actions (and outcomes) taken by Royal Mail since 2008 for the regular review of the complaints-handling procedure as required by CP 3.3.3. Include dates of review and method used for obtaining feedback from complainants, for example, telephone survey, number of complaints feedback sought from and criteria used to determine whether the procedure meets the relevant needs of consumers.

Consumer Futures understands that Royal Mail carries out a number of customer surveys including monthly consumer satisfaction and brand survey and continuous customer experience transactional customer satisfaction survey (Interactive Voice Response and email survey). Please describe the scope of the surveys and in particular detailing:

- whether the surveys target all customer contacts (enquiries and complaints)
- the proportion of surveys undertaken with complainants
- whether the customer satisfaction survey can be analysed by type of complaint and complaint stage
- follow-up activity undertaken with dissatisfied consumers
- follow-up surveys carried out with consumers after a complaint has closed, to establish if the complaint has been resolved to their satisfaction and to explore how can they improve.

In addition to answering the above questions please provide a copy of the survey questions for (a) monthly satisfaction survey and (b) continuous customer satisfaction transaction survey. Please note that we are only interested in those questions measuring satisfaction levels and consumer views on the overall resolution of the issue.

For both surveys provide the results for satisfaction level in a suitable tabular format which allows the results for each question to be analysed by the different options allowing us to review the volume and proportion of consumers that fall into the different options for each of the relevant questions measuring satisfaction and resolution for the complaint reporting year 2012/13. Please note that we are not interested in specific customer or staff details (names, postcodes, service centres etc).

## **7. Post Office (capturing complaints and process for inaccurate information and/or advice)**

Please describe

- Royal Mail procedures for dealing with and categorising complaints that involve an expression of dissatisfaction about post offices advice and/or the sale of mail products and services.
- Royal Mail recording and reporting of complaints involving inaccurate information and/or advice (or a similar classification) provided at post offices. Is it possible to identify highest areas of concern on advice e.g. wrong service suggested, incorrect postage/surcharges?
- Procedures for recording and handling complaints received by Post Office Ltd, at post offices and through Post Office customer service, about Royal Mail products, services and mail delivery issues.



## **8. Scope of data collection to support the analysis process**

Consumer Futures is interested in establishing the scope of the data recorded alongside the IT reporting capacity to analyse the information as part of the complaint handling process. Please indicate whether and if so manner in which:

- complaint data is captured to allow for analysis and reporting by mail products and services
- enquiries are recorded and reported on and number of enquiries received for 2012/13.

## **9. Monitoring and addressing recurring complaints**

### **Root Cause Analysis 2011/2012 – Action Plans and Initiatives**

According to the annual complaint figures (published in accordance with CP4.3.1) for 2011/12 and 2012/13, overall complaint volumes decreased by 27 per cent. Consumer Futures is keen to understand what complaints categories were targeted for action and what strategies were deployed to tackle these issues. Please provide an account of the initiatives that played a role in reducing the complaint volumes, for example, the initiatives which led to the significant reduction in complaints about lost mail.

### **Current Action Plans and Initiatives**

Please detail the key priorities/categories identified for 2013/14 following root cause analysis of complaint trends and provide an overview of the key measures and initiatives deployed and/or proposed to deliver improvements.

We are also keen to learn of the activity, with accompanying commentary, proposed to seek improvements to the organisational complaint standards and principles to better manage and respond to complaints. These include initiatives aimed at:

- **Ensuring complaints and expressions of dissatisfaction are effectively captured** – for example, activity (changes to procedures and systems) to better identify, capture and respond appropriately to an expression of dissatisfaction.
- **Improving visibility and accessibility** – for example, activity to improve signposting to CACS and POSTR, review of IVR automated system resulting in more streamlined call routing.
- **Improving timeliness and the speed of resolution** – for example, activity aimed at increasing the number of complaints completed within the 30 calendar day period and reducing the need for the escalation of complaints before they are resolved.
- **Measuring and improving customer satisfaction with the customer journey and the outcome of the complaint** – for example, customer surveys across a representative sample of complainants following a final decision.
- **Improving the quality and scope of data collection** to support the analysis process so to identify and evaluate root cause issues – for example, enhanced reporting functions through improved data management.
- **Monitoring and addressing recurring complaints** – for example, those complaint categories where there is a significant upward trend – P739 failure, mis-delivery, redelivery failures.

## **INFORMAL INFORMATION REQUEST PRO FORMA**

### **Information sought by Consumer Futures:**

#### **1. Complaint Handling Policy and Procedures**

Please provide details and a copy of any relevant documents setting out your complaint handling policy and procedures. We are particularly interested in your approach to handling complaints from consumers who are covered under the Ofcom consumer protection complaint handling standards i.e. those who do not have a contract or account with you and who complain about regulated postal services i.e. include a definition.

#### **2. Expressions of dissatisfaction and capturing complaints**

Please provide the definition of a complaint and categories used by your organisation to record complaints. Could you provide a breakdown of different groups of complainants, and whether they complain as senders or receivers of mail? They should be from those consumers who do not have a contract / account with the business.

Please outline the different channels (telephone, email, web forms etc) you offer to consumers so they can register complaints.

Please provide a copy of your annual consumer complaints reports for the past three years broken down by ten main causes of complaints and indicate whether these have been published.

#### **3. Visibility and accessibility of procedures (including information and forms)**

##### **Visibility**

Please describe:

- the manner in which your complaint handling procedure is publicised and made available across the different access points including websites and offices
- the point in the complaints process where consumers are informed about/signposted to (a) independent advice from the Citizens Advice consumer service and (b) the Postal Redress Service (POSTRS) and whether this information is provided at the initial contact

##### **Accessibility**

Please describe the arrangements that are in place to ensure the complaint process is accessible to (a) consumers in a vulnerable position and those with special needs or requirements including availability of the relevant procedures and forms in alternative formats such as large print, Braille or audio tape) and (b) to Welsh language customers.

#### **4. Responsiveness: Service standards, timeliness and speed of resolution**

Please outline the arrangements you have in place to manage complaints, for instance is there a dedicated complaint handling team in place.

Please provide details on the service standards for complaint handling including the agreed timescales if you have any, how complainants are kept informed of progress and next steps.

Please outline the proportion of complaints dealt with within agreed timescales.

#### **5. Fairness: Internal and external escalation stages**

Please detail the different internal escalation stages available to complainants and how they are informed about their right to escalate their complaint internally.

Have any of your cases been deadlocked and / or referred to POSTRS over the last three years, if so, please detail how many.

#### **6. User focused approach: Complaint outcomes and measuring satisfaction levels**

##### **Consumer feedback/satisfaction on complaint handling**

Please advise if you

- have reviewed your consumer complaint handling procedure seeking feedback from consumers over the last five years and the results of that review.
- measure and review consumer satisfaction levels for complaint handling and detail the frequency (monthly, quarterly, annual) of any reviews and the methods used for obtaining feedback from complainants,.

##### **Measuring satisfaction with the outcome**

Please describe any activity that you carry out to measure consumer satisfaction with the outcome of the complaint, for example, any post case closure follow up activity

#### **7. Evaluation: Measuring the effectiveness of the complaint procedures in place.**

Please advise if you test the effectiveness of the complaint procedures and detail how this is carried out, for example, analysing complaint data and trends, measuring performance against complaint handling service standards and internal quality audits.

Please describe the strategic approach to complaint handling and detail at what level within the organisation complaint handling procedures are monitored and reviewed (e.g. non-executive involvement and/or executive involvement at senior level) and detail how this is carried out. This may include complaint review panels with executive and non-executive involvement

Please advise if your organisation subscribes to any accredited complaint handling standards such as BSI standards and detail if any external reviews taken place

#### **8. Continual Improvement: Monitoring and addressing recurring complaints**

Consumer Futures is keen to understand what practices take place to identify recurring complaints, analyse trends and to tackle root cause issues.

Please provide an account of any activities aimed at addressing root causes of complaints. This may include using a tailored IT system designed for complaint management including registering complaints and reporting on aggregated data to develop complaint reduction action plans.

## **9. Proposals to improve complaint handling**

We are also keen to learn of any recent or forthcoming activity, with accompanying commentary, proposed to seek improvements to the organisational complaint standards and principles to better manage and respond to complaints.

**The statutory watchdog for postal services is Citizens Advice and Citizens Advice Scotland in Great Britain, and the Consumer Council in Northern Ireland.**

**Citizens Advice**

3rd Floor North  
200 Aldersgate  
London  
EC1A 4HD

Telephone: 03000 231 231

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)  
[www.adviceguide.org.uk](http://www.adviceguide.org.uk)

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.

BIS/14/973

---

**Citizens Advice Scotland**

Spectrum House  
2 Powderhall Road  
Edinburgh  
EH7 4GB

Telephone: 0131 550 1000

[www.cas.org.uk](http://www.cas.org.uk)

Scottish Association of Citizens Advice Bureaux - Citizens Advice Scotland (Scottish charity SC016637) is a company limited by guarantee no. 89892.

---

**Consumer Council for Northern Ireland**

Elizabeth House  
116 Holywood Road  
Belfast  
BT4 1NY

Telephone: 028 90672488

[www.consumercouncil.org.uk](http://www.consumercouncil.org.uk)  
[info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk)

The Consumer Council was established under The General Consumer Council (Northern Ireland) Order 1984.