Complaints management systems — Guide to design and implementation

ICS 03.100.99

Committees responsible for this British Standard

The preparation of this British Standard was entrusted to Technical Committee SVS/8, Customer support, upon which the following bodies were represented:

Association of British Insurers
Association of British Travel Agents
Association of Manufacturers of Domestic Appliances
Automobile Association
British and Irish Ombudsman Association
British Retail Consortium
British Standards Institution
British Standards Society
British Telecommunications plc.
Cabinet Office
Chartered Institute of Arbitrators
Chartered Institute of Environmental Health
Confederation of Passenger Transport, UK
Construction Confederation
Consumer Policy Committee of BSI
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Federation of Small Businesses
Federation of the Electronics Industry
Harrow in Business
Helpdesk User Group
Institute of Consumer Affairs
Institute of Customer Care
Institute of Trading Standards Administration
Inter Company Consumer Affairs Association
National Association of Bank Customers
National Association of Estate Agents
National Consumer Council
Office for the Supervision of Solicitors
Office of Fair Trading
Royal Automobile Club — Motoring Services
Water Services Association of England and Wales

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Contents

Foreword

This British Standard has been prepared by Technical Committee SVS/8. It provides guidance on the design and operation of complaints management systems. This guide is based on best practice experience from a range of companies, organizations and service providers.

It gives guidance and recommendations only and should not be used as a specification for procedures or as a certification tool.

This standard is compatible with:

— BS 8800, *Guide to occupational health and safety management systems*;

— *How to deal with complaints*, published by the Service First Unit [1];

— *Recommendation on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes*, published by the European Commission [2].

Organizations with management systems conforming to either BS EN ISO 9001, BS EN ISO 14001 or BS 8800 should readily be able to introduce a complaints management system designed in accordance with this guide.

A British Standard does not purport to include all the necessary provisions of a contract. Users of British Standards are responsible for their correct application.

Compliance with a British Standard does not of itself confer immunity from legal obligations.

Summary of pages

This document comprises a front cover, an inside front cover, pages i and ii, pages 1 to 14, an inside back cover and a back cover.

Executive summary

Managing complaints well is a way to improve the products, services and public standing of an organization in the eyes of its customers. This standard gives guidance on setting up a complaints management system that will both satisfy external customers and help improve the overall performance of an organization.

Whatever the size of an organization, management of complaints is vital to creating and maintaining its effectiveness. If left unchecked, customer dissatisfaction may well have unwelcome knock-on effects. By actively encouraging complaints, an organization gains a second chance to capture customer loyalty and approval. This standard outlines the basic principles of effective complaints management. The main clauses of this standard give recommendations from which an organization can build its own complaints management system whether there are five employees or five hundred. The annexes provide background information and working examples to help design the right system.

From a customer's point of view, only three things matter if something goes wrong. They need to know where to complain, they need to know how to complain and they need to be made to feel confident that their complaint will be dealt with seriously. Regardless of the size and nature of an organization, some key factors count when putting this in place. Guidance is given on the following:

complaints policy: setting out a statement outlining the organization's commitment to dealing with customer complaints;

visibility: making sure customers know where to complain and have all the information to hand;

accessibility: letting the customer complain, with ease, at any point in the supply chain;

fairness: making the system fair to both customer and staff.

A complaints management system needn't be cumbersome or bureaucratic; the best solution for both customers and organization is often the simplest and quickest. This guide gives recommendations on the following operating elements of a complaints management system:

resources: assessing the needs of the system;

staff training: ensuring that those who face customers understand the system and are competent and understanding;

responsibility: empowering staff to deal quickly and efficiently with routine complaints;

escalation: ensuring that in the case of a serious complaint, things don't stand still, key staff are alerted and the problem is dealt with by whoever has the right expertise;

external review: selecting an independent route to complaints resolution when internal processes become deadlocked;

follow up action: learning from mistakes to improve products and services and the complaints system.

Figure 1 shows a typical system in outline plan.

The guidance in this standard emphasizes the importance of the information gained in the process. Feedback from customers is vital for the improvement of products or services. Keeping track of complaints also means that the complaints management service can be monitored and improved. Monitoring and analysing responses do not require elaborate systems if an organization is small. This standard gives guidance that will help tailor the complaints management system to the organizational needs it serves.

NORMAL PROCEDURE   **ESCALATION PROCEDURE**   **EXTERNAL PROCEDURE**

Customer feedback received - referenced and recorded by recipient

Is there sufficient information to take action ?

No → Recipient seeks more information

Yes

Is there sufficient competence to take action ?

Yes

Fast response

Yes

Proposed action agreed by customer ?

No

Yes

Record passed to **escalation procedure:** - further steps available?

No →

Yes

In house review

Yes

Proposed action agreed by customer ?

No →

Yes

Customer advised of progress: - who is handling complaint - target time - reference number etc.

External review process available ?

No

Yes

External review

Advise customer of - legal rights - and remedies

RESOLUTION

Follow up action: -corrective and preventive action - audit and review - complaints policy
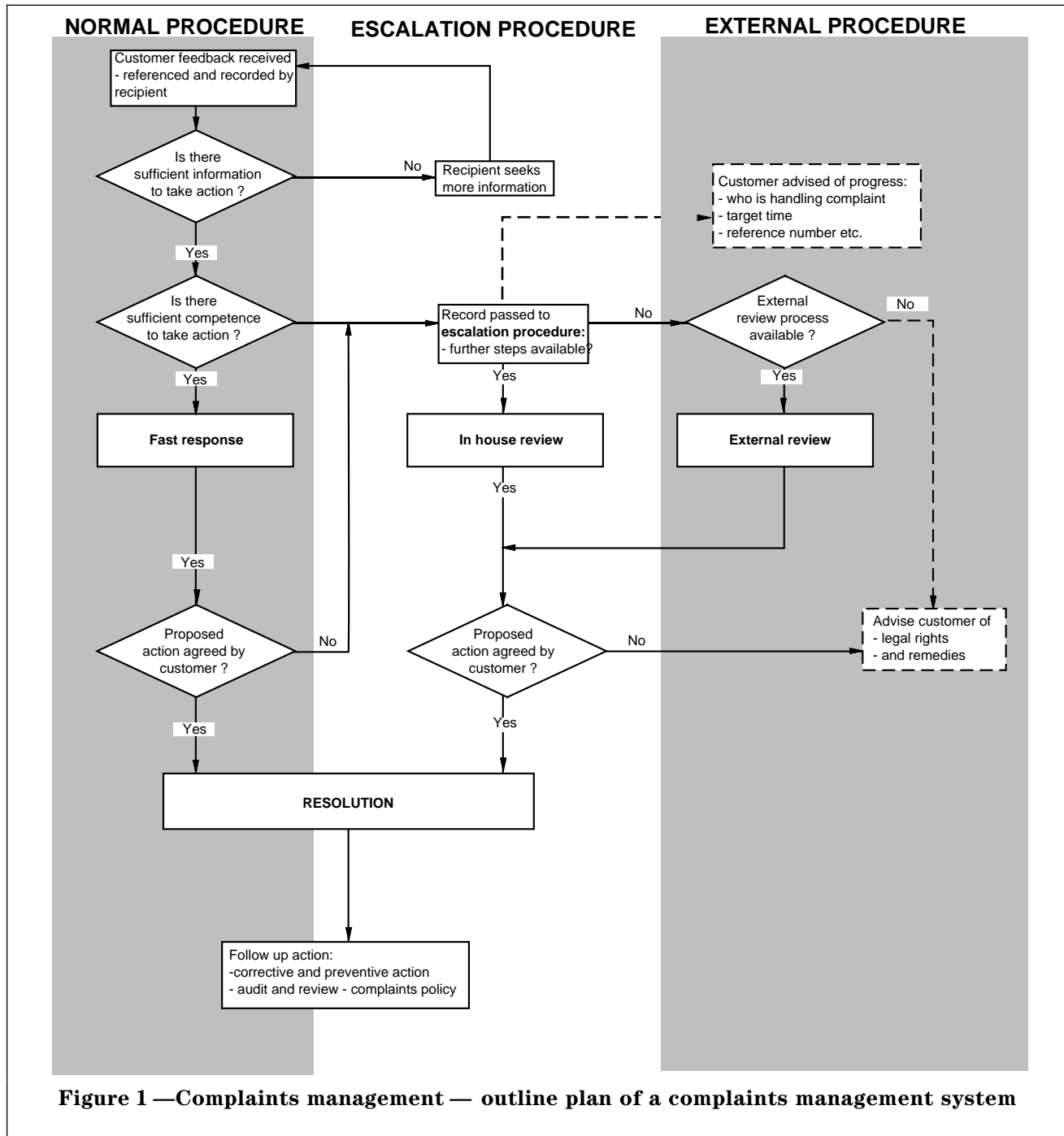
Figure 1 —Complaints management — outline plan of a complaints management system

1 Scope

This British Standard gives guidance on designing and implementing systems for the management of complaints, from initial reporting to final resolution. It does not lay down performance criteria for the management of complaints but offers a comprehensive overview of the points to consider.

This guide is designed for use by organizations of all sizes, in the private, public and voluntary sectors, regardless of the nature of their activities and regardless of the nature of the complaint. The guidance is intended to help organizations build an overall strategy for complaints management appropriate to their specific needs.

It covers the following aspects of complaints management:

— management involvement and commitment through adequate staff resourcing and training;

— recognizing and protecting the rights of customers and staff;

— providing customers with an open, effective and easy to use complaints system;

— utilizing external sources of redress, e.g. ombudsman schemes, external review schemes, etc.;

— monitoring complaints in order to improve the quality of services or goods;

— auditing the effectiveness of the system installed.

The guidance in this standard is subject to any existing regulatory or statutory requirements that apply.

2 General

This standard provides guidance on setting up a complaints management system. For ease of use the numbering system used in this standard is compatible with that used in other management systems standards (see Bibliography). Extra guidance material and background reading can be found in the publications listed in the Bibliography and Further reading on page 14.

3 Terms and definitions

For the purposes of this British Standard the following terms and definitions apply.

3.1

complaint

any expression of dissatisfaction by a customer, whether justified or not

3.2

recipient

initial receiver of the complaint

NOTE   Front line staff (i.e. those who deal with the public) will act as the recipients for the majority of complaints handled.

4 Essential elements of a complaints management system

4.1 General recommendations — organizational commitment

Gaining the commitment of all staff to satisfy customers' needs is vital. Emphasis at all levels of the organization on *taking responsibility* for a complaint can set a basis for the following:

— prompt response;

— efficient and fair resolution;

— courteous provision of advice and handling of enquiries and complaints.

Senior management should lead by example and promote a positive approach to "getting things right".

4.2 Complaints management policy

An explicit complaints policy with endorsement from senior management should be written and made available to all staff. The policy document should be supported by written procedures and objectives for each function/staff role within the system.

When writing the policy and establishing the objectives of the system, consideration of the following should be made:

a) any relevant legal requirements;

b) quality and service delivery objectives already agreed;

c) financial, operational and organizational requirements;

d) the views of customers, staff and other interested parties.

4.3 Planning

4.3.1 *Systems openness*

4.3.1.1 *General*

Commitment to making the complaints handling procedures visible and accessible to customers is vital. All procedures should be clear and easy to follow for both customers and staff.

4.3.1.2 *Accessing a complaints management system*

The system should allow the customer access to the supply chain at any point and via any medium they choose, e.g. phone, letter, fax, e-mail or face to face. The system should be designed so that a complaint can be handled, wherever practicable, at the point at which the customer accessed the system if several supply partners are involved.

Where a complaint affects several participants in a supply chain, plans for co-ordinating a collaborative response should be made. The system should enable any information arising from a complaint to be fed back to those whose goods or services are affected so that improvements can be made.

4.3.1.3 *Confidentiality*

Procedures should be designed to protect the identity of the customer. This is particularly important to avoid deterring possible complaints from people who may be afraid that giving details could lead to discrimination or additional hardship.

4.3.1.4 *Responsible management of complaints affecting a number of customers*

Swift organizational action is essential when investigation of a complaint shows that the problem affects a number of customers. Particularly when safety is affected, organizations should act immediately and in accordance with public interest. This may take the form of contacting all customers who have purchased similar goods or services, issuing publicity material via suitable media or instituting a full recall.

4.3.2 *Resources*

4.3.2.1 *General*

An accurate assessment of the resources needed to introduce a complaints management system is necessary to ensure efficiency and effectiveness. Extra information on resourcing is given in annex A.

NOTE   Resources comprise staff (including those with any specialized skills), appropriate training, technology and finance.

4.3.2.2 *Roles, responsibilities and competencies*

As a complaint could be made to any member of an organization, the system should be designed so that all members of staff know what to do on receipt of a complaint. For staff in contact with customers, this comprises training or guidance on how to handle complaints.

However, it is also vital that those who do not normally have contact with customers are given clear guidance on where to pass a complaint for handling and clear guidance on the information that should be passed on to the customer.

Overall responsibility and authority for the day to day running of the system should be assigned. Typical tasks include:

   a) ensuring that the complaints management system is implemented and maintained in accordance with the organization's policies;

   b) briefing the chief executive or delegate where complaints may have wide-reaching implications;

   c) reporting on the performance of the complaints management system to senior management during reviews as a basis for making overall business improvements.

4.3.2.3 *Escalation*

Staff handling complaints should be given clear guidelines on when and how to refer complaints through the *escalation* procedure for action by line management or specialist staff, such as when:

   — the complaints are outside their scope of authorization;

   — there are wide-ranging organizational implications;

   — a customer does not accept a proposed resolution.

Responsibility for handling escalated complaints should be allocated. There should be clear guidelines on which senior staff need to be kept informed in case of serious complaints.

4.3.3 *Documentation*

Complaints management procedures should be documented to act as a working tool to help staff carry out their duties. Staff involved in the process at all levels should be consulted in the development of, and updating of documents.

Working documents should be based on best practice, be as concise as possible and give practical examples wherever possible for ease of use. They should also have the potential for use as a complaints analysis tool (see **4.3.4**).

It is important that responsibility is assigned for keeping documents up to date, applicable for their intended purpose and accessible to all relevant staff.

4.3.4 *Logging complaints*

The organization should log all complaints received:

   a) to help keep customers informed on the progress of their complaint;

   b) to allow effective monitoring (see **4.4.4**).

NOTE   Complaints logging systems need not be complicated or bureaucratic, but tailored to the size and nature of the organization.

4.3.5 *External review and resolution*

NOTE   Organizations in industry and public sectors that are subject to a statutory or regulatory mechanism or to a mandatory or voluntary dispute resolution scheme should use the relevant mechanism or scheme.

Whilst internal resolution is the best solution, even the most effective complaints management system cannot be expected to produce a mutually satisfactory resolution to every single complaint. If deadlock is reached, an organization should consider contingency plans for external review of, and resolution on, unresolved complaints. In many sectors the mechanism may already exist, either as part of a trade association Code of Practice, or via an industry-wide ombudsman or similar scheme. Alternatively, an organization may wish to consider setting up its own external review procedure.

Annex B gives a guide to the decisions to consider before deciding whether to join/set up an external review procedure.

An external review process offered by an organization should be clearly identified in literature informing customers about its complaints procedures.

If an organization subscribes to an external review process, it should agree to abide by any decisions made as a result of the process.

4.4 Implementation and operation

4.4.1 *Fairness*

4.4.1.1 *General*

The organization's complaints management process should be fair to both the customer and the staff member or organization against whom the complaint is made. Annex C gives guidelines on fairness. Remedies based on best practice should be developed and should reflect what is fair and reasonable for a particular application.

4.4.1.2 *Fairness culture*

Building-in fairness can discourage customers from taking alternative action or staff from circumventing procedures. Staff should be encouraged to overcome any personal prejudices in dealing with customers and take an understanding attitude to their problems.

Procedures should be designed to protect staff against unfair treatment (see **C.2**.). A "no blame" culture should be followed wherever possible to encourage staff co-operation. Staff should be made aware of procedures and empowered wherever possible to take appropriate corrective action in the knowledge that management will support them fairly.

4.4.2 *Customer support*

4.4.2.1 *Information about how to complain*

An effective complaints management procedure assists the customer at all levels, to make complaints. It is essential that customers are provided with clearly written and relevant information available on site or by post.

Information about a complaints procedure should, wherever possible, be available both prior to a transaction and on completion/point of delivery. The nature of a business will dictate how this information is drawn to customers' attention. The methods include:

— conspicuous notices in retail outlets or public offices;

— clear and highlighted inserts in catalogues;

— references in literature and instruction books;

— notes on bills, invoices and receipts;

— notices on web-sites.

4.4.2.2 *Making the scheme accessible*

Whenever customers require help defining or identifying a problem, assistance should be given free-of-charge. This could include assistance with form filling for customers with limited literacy skills and help for customers with limited language capability. Where appropriate, organizations should cater for the particular problems of complaints relating to cross-border transactions.

Customers should not be required to produce inessential documentation to support their case. If a standard form is considered helpful, e.g. in the case of a public transport service breakdown, this should:

a) be easy to complete, written in plain language and free of jargon;

b) allow for additional personalized input from the customer;

c) cover information needed to support the organization's complaints management system.

No revenue should accrue to the organization from complaints, e.g. the need to use special high-cost telephone numbers.

4.4.2.3 *Disadvantaged customers*

Customers with communication or other problems, e.g. a low level of literacy, lack of telephone, should not be excluded from making complaints. Provision should be made to give them special help and assistance wherever possible.

NOTE   Disadvantaged customers include those with language difficulties. Customers living abroad are additionally unlikely to have knowledge of applicable national law.

4.4.3 *Response*

An organization should establish target time limits that are reasonable for all stages of the complaints management process. It is essential that the workloads of staff handling complaints are realistic to speed complaints resolution. For maximum cost- and time-effectiveness, staff receiving complaints should, wherever possible, be provided with the authority to resolve certain complaints "on the spot". This may take the form of guidelines on financial compensation for different types of complaint. Annex D gives working examples of typical responses.

Customers should be given a contact point to be able to check progress in dealing with their complaint. Staff should assess what sort of resolution would be appropriate and acceptable to a customer. When a complaint cannot be resolved instantly, customers should be told how long it will take to deal with their complaint. They should be kept informed of progress, by their preferred choice of media, e.g. correspondence, telephone, fax, etc. particularly if there will be any delays before resolution.

When *escalation* has been exhausted, staff should be given clear guidelines on when and where to disengage from negotiations and inform customers that an organization is not prepared to offer any/further redress.

4.4.4 *Checking — monitoring and audit*

4.4.4.1 *Monitoring*

Effective monitoring of complaints can provide useful information to identify areas of the business that can be improved. Information that should be checked includes:

— level of customer satisfaction on how the complaint was handled;

— how well the complaints management system meets its targets;

— whether repeat problems are being identified and corrected.

Annex E gives details of the type of questions that can be used to monitor the system.

4.4.4.2 *Audit*

Audits should be carried out in accordance with the guidance in Annex F, by competent staff who are as independent as possible from the activity that is being audited. The audit should provide information that shows whether:

a) the complaints management system fulfils the stated aims of the policy;

b) the system has been implemented effectively.

The results of audits should be used for improvements in the complaints management system, processes, products or services. Responsibility and authority to make such changes should be assigned to staff with the appropriate competence.

NOTE Whilst audits need to be thorough, their approach should be tailored to the size of the organization and the nature of its activities.

4.5 Management review

Regular reviews of the ability of the complaints management system to fit in with the overall direction of the organization should be made.

Management reviews should consider the following:

— internal factors such as changes in organizational structure or products or services offered;

— external factors such as changes in legislation, changes in competitive practices or technological innovation;

— the overall performance of the complaints management system;

— the result of audits.

Annex A (informative)

Resources

A.1 General

An adequate level of appropriate resources is the key to operating an effective complaints management system. Creating an environment that encourages feedback from customers is likely to lead to an increase in the reporting of complaints. Prior to implementation an organization should identify the resources required to manage, operate and monitor the complaints management system.

A.2 Primary requirements

To ensure the adequacy of resourcing, management should consider appropriate levels for the following:

— personnel requirements (front line and management);

— training needs and budget;

— specialist support (technical and legal advice, marketing, interpretation services);

— materials and equipment (including specialist equipment to make an organization accessible to people with disabilities, for example, minicomms/induction loops);

— computer hardware and software;

— financial requirements, e.g. to fund compensation.

In addition, senior management should acknowledge and act upon any concerns expressed by managers and staff, e.g. the worry that the complaints management system will stretch departmental budgets further or increase workloads.

A.3 Setting the level of resources

When considering the level of resources to devote to the complaints management system, the following should be considered:

— meeting target times set for dealing with complaints;

— the number and complexity of complaints likely to be received by the organization;

— the possibility of seasonal fluctuations;

— the levels of compensation appropriate to different complaints;

— the level of publicity given to an organization's complaints management system;

— checking the complaints system by third party and/or mystery shoppers;

— customer and employee surveys.

Annex B (informative)

External review procedures

B.1 The need

In normal circumstances the majority of complaints, even those serious enough to be referred to chief executive/senior management level, should be resolved by an internal complaints management system. However, circumstances may arise when a customer is not prepared to negotiate, when a settlement cannot be reached because of lack of important facts or when other factors prevent a solution being agreed.

In the absence of an independent dispute resolution process, the legal system is the only independent redress available. Litigation however, may not be practical except in cases of very clear liability (where "conditional fee" actions will be increasingly promoted), or in cases of serious financial hardship where Legal Aid is available. Customers in other countries may have particular difficulty in pursuing cross-border disputes in an unfamiliar language and legal system. Disproportionate amounts of management time and very substantial legal costs may be incurred where legal systems are used, even when an organization is confident that it is not liable or has already made a responsible settlement offer. Also, the cost and delays of legal action may prompt disaffected customers to use other forms of pressure including MPs or other trade and consumer representatives or the media. The direct cost and the overall effect on credibility and trading via an unstructured and uncontrolled airing of complex issues may be out of all proportion to the actual complaint.

Mediation and arbitration services are available as an independent service if both parties agree to their use. These have the advantage of being private, relatively cheap and quick processes. However, mediation is binding only as a result of a written contract between the parties. Arbitration is final, binding and enforceable by a court.

Alternatively, if a customer refuses to accept an organization's decision, an independent review procedure has many benefits for both parties. In particular it can have substantial credibility in the customer's eyes, who is much more likely to be persuaded to accept the results of an independent review than repeated denials by an organization.

B.2 Practical consequences

Providers submitting to an independent review procedure may find the following:

a) legal and administrative costs related to disputes are avoided or significantly reduced;

b) products or services are purchased with more confidence;

c) an independent review procedure provides credible, independent confirmation of reasonable settlement offers that may have been turned down too hastily by a suspicious customer;

d) matters can be settled quickly and in confidence, without adverse publicity;

e) there is a significant annual cost for the review procedure, and/or a case-by-case charge for matters referred which should be weighed against overall savings;

f) procedures that cost the customer little to pursue can attract more complaints;

g) procedures that impose significant delays or costs are under-utilized and open to criticism;

h) frequent findings against providers impose additional costs (this should prompt a review of internal procedures which may be inadequate);

i) frequent findings against customers may prompt external criticism.

B.3 Using existing bodies

If the need for an independent review body is accepted, it may not be necessary to create a new one. Many industries have their own Ombudsman schemes. Many professional and trade associations already operate some form of independent complaints handling process as part of their Code of Practice. It may only be necessary to subscribe to an existing association, or as existing members, to adopt the appropriate review process.

Various other independent and commercial organizations promote arbitration, mediation, and dispute resolution services. From time to time new ombudsman or review services are established or the scope of existing ones extended.

B.4 European Commission Recommendation

The Commission of the European Communities has issued a Recommendation (09/257/EC — OJ(L) 17 April 1998 on the principles applicable to a body responsible for out-of-court settlement of consumer disputes [2]. This does not apply to schemes that merely seek to bring the parties together and to reach a decision by common consent. Equally, it does not preclude mediation as a first step in the resolution process for decision-making bodies. In practice, most independent review mechanisms already in existence will only proceed if the member organization's internal complaints process has been exhausted and if mediation by officials of the independent review body cannot produce a mutually acceptable agreement.

Annex C (informative)

Fairness

C.1 General

Complaints management procedures should be fair to both the customer and the organization concerned, as recommended in **4.4.1**. The procedure should be:

open: well-publicized, accessible and understood by all those involved in a complaint;

impartial: avoiding any bias in favour of the customer, a staff member or the organization. If a complaint is made about a member of staff, the complaint should ideally be investigated by a member of staff who is not their line manager;

thorough: involving finding out the relevant facts, talking to people involved on both sides of the complaint to establish common ground, and verifying explanations wherever possible;

equitable: treating people in similar circumstances in similar ways. For example, a complaint should be treated in exactly the same way whether it is made orally, in writing, in person or electronically;

sensitive: each case being considered on its merits, with due care being paid to individual differences and needs.

C.2 Fairness for staff

The procedure should ensure that staff are treated fairly if a complaint implicates them. This involves:

— informing the staff member immediately and fully of any complaint about their performance;

— giving the staff member an opportunity to explain their role;

— keeping the staff member informed of progress in investigating the complaint, and of the outcome.

EXAMPLE

A social services department discovered, during a review of the complaints procedure, that staff did not feel the system was fair to them. The Customer Services Unit Manager recognized that, "*Having a complaint made against you, particularly when you feel you've done your best in difficult circumstances, is awful; it can only be made worse if it appears to be handled unfairly.*" A number of changes were made to increase openness and to provide support to staff.

It is vital that staff against whom a complaint has been made are given full details of the complaint before they are interviewed.

Help should be available from a group of "informal supporters" — members of staff who have themselves been through the complaints procedure and can provide advice and accompany staff to any investigatory interview.

Staff should be reassured that there are procedures to support them and identify the root cause of the complaint. They should be encouraged to learn from the experience, and develop a better understanding of the customer's perspective.

EXAMPLE

In order to foster a customer-friendly culture across a borough council, customer care, including complaints handling, is built into appraisal for all staff. It carries particular weight for front line staff. "*For staff who deal directly with the public, the assessment of their ability to handle customers well is a major determinant of their performance-related pay. More importantly, the appraisal itself reaffirms the council's commitment to customer care and provides these staff with an opportunity to say what they feel is going well or badly in this area and what help they want to do the job better*".

C.3 Separating complaints from disciplinary procedures

Complaints procedures should be separated from disciplinary procedures, wherever possible. However, in serious cases this is not possible and swift resolution is vital. The delay caused by following the two procedures separately is likely to worsen the organizational implications of the problem and could lead to loss of marketplace credibility and customer loyalty from perceived inaction. Such cases include the following:

— flouting of explicit health and safety policies that endangers life or property;

— criminal activity leading to organizational liability;

— activity that invalidates an organization's insurance cover or raises public liability issues.

C.4 Confidentiality of internal procedures

In addition to ensuring customer confidentiality (see **4.3.1.3**), the complaints management procedure should ensure confidentiality in the case of complaints against staff. Details of any complaints against staff should only be known by the staff member/s concerned, their supporters and those who are investigating the complaint.

It is important, however, that managers do not use the need for confidentiality to avoid drawing up and publishing information about complaints. Such information should be made anonymous to preserve confidentiality.

C.5 Monitoring fairness

Organizations should monitor responses to complaints to ensure that no one is being treated unfairly (see annex E on monitoring). Measures might include:

— regular (e.g. monthly) monitoring of randomly selected completed complaints cases;

— surveys of people who have made a complaint, asking them if they were content with the way their complaint was handled.

Annex D (informative)

Response to complaints

D.1 General

The key to effective response is to determine what is *appropriate* for a particular complaint. There may be two levels of response — the immediate response on receipt of the complaint, and the response during and/or after further investigation of the issue.

The response to a customer complaint for an organization should be determined by two factors:

— the type of organization and the culture or environment in which it operates;

— the seriousness and complexity of the complaint.

This is not to say that a minor complaint in a relaxed environment should be treated lightly. All complaints are both an expression of customer dissatisfaction and a source of management information.

D.2 Immediate response

On receipt of a minor complaint, the staff member should be empowered to resolve it immediately. This may involve corrective action or the ability to offer redress. The level of empowerment in this area should be decided in the planning stage of implementing a complaints management system. If the complaint cannot be resolved at this stage, it should pass on to the follow-up level and the customer told both the course of action and the likely duration. This may be either by telephone or in writing — the latter essential for a major complaint.

EXAMPLES

A major bank's staff have authority to resolve a customer issue on the telephone up to an authorization level of £1 000.

A major US hotel chain gives every employee authorization to spend up to $1 000 to satisfy a customer complaint or request.

Examples of complaints that may be handled in this way may be:

— a misdirected credit to an account that causes a customer overdraft and resulting interest and inconvenience: authorizing a £50 compensation payment;

— missing soap or shampoo in a hotel bathroom: a £10 voucher to spend in the hotel bars or restaurant as an apology.

D.3 Follow-up response

The second level of response should be used for complaints that cannot be resolved at the first stage. A typical process for doing this is shown in Figure D.1. The customer should be kept informed of progress at regular intervals. A typical complaints record is shown in Figure D.2.

EXAMPLES

A complaint to a local government housing department about housing conditions that will require a visit, inspector's report and adjudication. The result may be a move for the customer and a rent rebate with an apology.

A lost piece of luggage with an airline, requiring both an immediate compensation to allow the customer to be clothed, with a following investigation that will determine the facts and the level of replacement cost for baggage and belongings, together with any compensation.

It is also essential to capture information through the process and use it to enhance future response, and eliminate some of the causes where possible. Each organization will need to determine what it considers as appropriate.
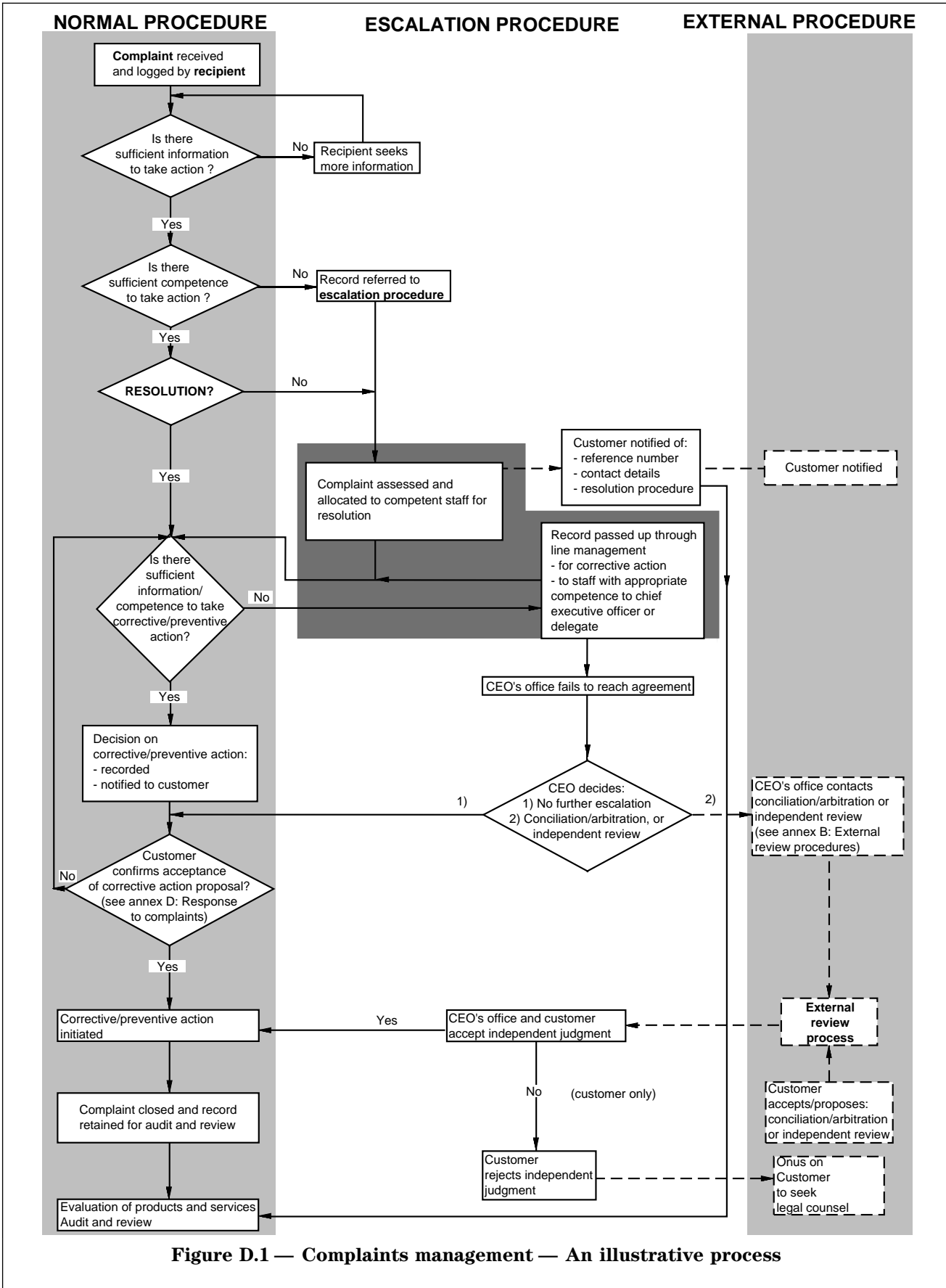
NORMAL PROCEDURE **ESCALATION PROCEDURE** **EXTERNAL PROCEDURE**

Complaint received and logged by recipient

Is there sufficient information to take action ?

No → Recipient seeks more information

Yes

Is there sufficient competence to take action ?

No → Record referred to **escalation procedure**

Yes

RESOLUTION?

No →

Yes

Complaint assessed and allocated to competent staff for resolution

Customer notified of:
- reference number
- contact details
- resolution procedure

Customer notified

Is there sufficient information/ competence to take corrective/preventive action?

No →

Record passed up through line management
- for corrective action
- to staff with appropriate competence to chief executive officer or delegate

Yes

CEO's office fails to reach agreement

Decision on corrective/preventive action:
- recorded
- notified to customer

CEO decides:
1) No further escalation
2) Conciliation/arbitration, or independent review

1)

2)

CEO's office contacts conciliation/arbitration or independent review (see annex B: External review procedures)

Customer confirms acceptance of corrective action proposal? (see annex D: Response to complaints)

No →

Yes

Corrective/preventive action initiated

Yes ← CEO's office and customer accept independent judgment ←

External review process

No (customer only)

Complaint closed and record retained for audit and review

Customer accepts/proposes: conciliation/arbitration or independent review

Customer rejects independent judgment

Onus on Customer to seek legal counsel

Evaluation of products and services Audit and review

Figure D.1 — Complaints management — An illustrative process

Complaints record		
1 Date Time Reference number		
2 Name of customer	Your name	
	Telephone no.	
3 Address	Fax no.	
	E-mail	
4 **Remember to** **Give the reference number** **Give your name and telephone extension number** **Take full details of the complaint** **Speak to your Supervisor or Section Head if you cannot deal with the complaint** **Ask the customer if he/she wants to receive a Complaints leaflet**		
5 Details of complaint		
6 Action taken (please include dates and times where appropriate)		
7 Was the complaint justified?		
8 Root cause identified as		
9 Complaint passed on to		
(date and time)		

Figure D.2 — Typical example of a complaint recording form

Annex E (informative)

Monitoring, reporting and corrective action

E.1 General

This annex describes the main elements of an effective monitoring system. It is a generic guide; the approach adopted should be appropriate to the type and size of the organization.

E.2 Responsibilities and competence

An organization should pay particular attention to the role of line management when setting up an auditing procedure. It is vital to ensure that those responsible for monitoring and reporting complaints management performance and for taking corrective action, are competent to do so. Suggested responsibilities are as follows:

a) chief executive officer/delegated manager is responsible for:

— defining the monitoring objectives;

— defining monitoring responsibilities;

— attending/chairing the management review;

— ensuring complaints feedback is implemented to improve product design.

b) line managers are responsible for ensuring that:

— adequate monitoring is undertaken and recorded;

— corrective action in the activity or system is taken and recorded;

— adequate data is available for the management review.

E.3 Selecting performance measures

E.3.1 *General*

The performance measures listed in **E.3.2** are examples of those that can be used to monitor complaints management. As organizational processes, products and services differ widely, so do the performance measures that are appropriate for them. Organizations should develop a range of measures relevant to their particular circumstances.

E.3.2 *Examples of system monitoring*

Whilst the following list is not exhaustive, (certain categories, e.g. involving specialist staff, may not apply in smaller organizations), examples that should be considered include:

a) the extent to which objectives, e.g. training requirements, have been set and achieved;

b) staff perceptions of management commitment to complaints management;

c) whether a senior manager has been allocated responsibility for complaints management;

d) whether front line staff are empowered to resolve complaints on-the-spot;

e) whether front line staff discretionary limits have been set;

f) whether complaints management specialist staff have been appointed;

g) whether a complaints management policy has been published/updated;

h) the proportion of front line staff trained in complaints management;

i) the effectiveness of complaints management training;

j) number of staff suggestions for improving complaints management;

k) staff attitudes to complaints management;

l) frequency of complaints management audits/reviews;

m) time taken to implement complaints management audit/review recommendations.

E.3.3 *Monitoring of complaints and commendation data*

Data monitoring could include gathering numbers/proportions of the following:

a) complaints received;

b) complaints resolved at source;

c) complaints incorrectly prioritized;

d) complaints acknowledged outside target time;

e) complaints by priority category (if used), resolved outside target time;

f) complaints going to external review;

g) repeat complaints by customers concerning products, services, processes etc.;

h) recommendations from customers following complaint resolution or otherwise;

and could indicate:

— customer profiles by location, sex, age, socio-economic group, etc.;

— the value of compensation provided.

E.3.4 *Caution in the use of complaints monitoring data*

Complaints monitoring data is important as it gives a direct indicator of complaints management performance. However, caution should be exercised in data interpretation as:

a) objective measures such as response times may reflect the efficiency of the system but say nothing about the effectiveness in meeting the customers' expectations;

b) the introduction of a complaints management system is likely to generate more complaints from customers in its initial stages.

Annex F (informative)
Audit and review

F.1 General

This annex provides basic guidance on how to set up and operate an appropriate complaints management audit system. It does not provide a ready-to-implement system as it will be necessary to tailor any system to the needs, complexity and size of each organization.

F.2 Organizational commitment to auditing

F.2.1 *Senior management commitment*

There should be a commitment to auditing and to its effective implementation within the organization. This means openly expressing a commitment to accept audit findings and recommendations and to take appropriate action within a reasonable time, according to the priority of the issues identified.

F.2.2 *Co-operation with auditors*

In order that staff audits are not seen as a threat, and to minimize potential stress for both staff members and auditors, they should be made aware of how auditing will benefit the organization. Staff should be kept fully informed of the dates during which the audit will be conducted. To minimize inconvenience, a timetable of planned interviews and inspections should be prepared and issued to staff who will be affected.

F.3 Developing an audit system

F.3.1 *Audit policy*

In developing an auditing policy a number of key issues should be considered, including:

a) the arrangements and staffing for the management and implementation (and its revision as necessary);

b) the budgetary provision;

c) the format of audit reports, the circulation list for the final report and the process/arrangements for response.

F.3.2 *Preparation of audit material*

In setting the terms of reference for the audit the following should be considered:

a) the key parts of the system and the criteria against which performance will be judged;

b) a means of ensuring that the audit includes a representative sample of activities;

c) how key questions will be framed; the need for auditing aids, e.g. checklists.

F.4 Personnel

A team approach, involving managers and employees from all parts of the organization, should be implemented. Other factors that should be taken into consideration include:

a) the availability of auditors for the length of time necessary to undertake the audit;

b) the availability of auditors with the necessary skills or technical expertise; (and any extra training they may require);

c) the danger of an internal auditor being over-familiar or satisfied with an organization's arrangements compared with the benefits of a possibly more questioning approach of an external auditor;

d) the danger of unfamiliarity or lack of understanding where complex technical issues are involved.

F.5 Data collection and interpretation

F.5.1 *General*

The aim should be to obtain evidence that can form the basis of objective findings rather than subjective judgements about performance.

F.5.2 *Interviews*

Key personnel at all levels should be interviewed to establish whether procedures are known, understood and followed. These will usually include directors, managers and front line staff with specific responsibilities for customer care and employee representatives. It may be necessary to utilize pro-forma questionnaires to ensure that interviews are carried out in a structured manner.

F.5.3 *Documentation*

Relevant documentation should be examined. Ideally, complaints management instructions should form an integral part of normal procedures and working instructions. Typically, appropriate documents for examination may include:

a) the policy document/s;

b) complaints management manuals, referral procedures and work instructions;

c) complaints management control arrangements;

d) complaints management suggestions;

e) previous audit records.

F.5.4 *Data analysis*

Audit findings generally take the form of both qualitative and quantitative data. The use of correctly designed audit aids should simplify the analysis of the data. In order to ensure that any queries arising can be answered, the auditors should ensure that adequate records are kept of what was done, what was said and by whom, and what was found.

F.6 Reporting

F.6.1 *Confidentiality*

An audit report is prepared in the first instance for the management who commissioned the report. The content of the report and any other information learnt by the auditors during the course of the audit should be treated as confidential. It should not be divulged unless agreed by the report's commissioner.

F.6.2 *Initial feedback*

At the end of the data collection phase the auditor/audit team should summarize and feedback their initial findings to local senior management.

F.6.3 *Final report*

The final report should be concise, written in plain language and free from jargon. It should assess the overall performance and identify any inadequacies in the system. It may make recommendations on action for improvement. Alternatively, it may be left to local management to develop a suitable action plan based on the audit findings. The report should also identify the strengths and suggest how they can be built on.

F.7 Acting on audit results

F.7.1 *Dissemination of final report*

The final report should be considered by the appropriate levels of management. This will usually be those who have commissioned the audit and those affected by the findings, including the employees' representatives and those with the authority to ensure that remedial action is taken. It is important to communicate the substance of the audit report and the agreed recommendations for action to appropriate personnel.

F.7.2 *Action plan*

An action plan of agreed remedial measures should be drawn up together with responsibilities, completion dates and reporting requirements. It is essential that line management demonstrates clear ownership of the audit and action plan.

If necessary actions identified in the action plan are not carried out speedily, the entire auditing exercise may be worthless. Follow up monitoring arrangements should be established to ensure satisfactory implementation of the action plan.

F.8 Review

F.8.1 *Differentiation between review and audit*

Reviews and audits are not the same. An audit identifies how effectively a complaints management system is meeting policies and targets. A review identifies whether it is meeting current and anticipated needs. When carrying out the review, particular emphasis should be placed on the need or opportunity for improvement. It should be carried out by appropriate members of management or by independent personnel reporting directly to senior management.

F.8.2 *Reporting review evaluations*

Reviews should consist of well-structured and comprehensive evaluations of all relevant sources of information as indicated in **4.5**. Observations, conclusions and recommendations reached as a result of a review should be submitted to senior management for appropriate action in establishing a programme for product and service delivery improvements.

F.8.3 *Frequency of review*

The complaints management system should be reviewed regularly e.g. annually to check whether it continues to meet organizational needs. Where changes are planned or being implemented, more frequent review periods may be needed.

To ensure that the entire complaints system is covered, a standard agenda should be followed. This could include:

— complaints problems and actions taken;
— how the complaints system is working and whether objectives are being met;
— audit reports;
— areas for improvement/changes or extra training needed;
— relevance of complaints policy and objectives to current needs.

Identifying the issues to go under these headings may feed into the development and revision of strategic organizational plans for future activities. For example, as improvements are made and problems eliminated, systems may be simplified and savings achieved.

Records of the review should be kept, addressing all points of the agenda together with any action points and target dates allocated. The records can be in any form that suits an organization, such as notes in a daybook, formal meeting minutes or notes produced, distributed and stored on paper or electronically (computer data).

Bibliography

Standards publications

BS 8800, *Guide to occupational health and safety management systems.*

BS EN ISO 9001:1994, *Quality systems. Model for quality assurance in design, development, production, installation and servicing.*

BS EN ISO 14001:1996, *Environmental management systems. Specification with guidance for use.*

Other publications

[1] GREAT BRITAIN, *How to deal with complaints,* June 1998, Service First Unit. The Stationery Office.[1]

[2] EUROPEAN COMMISSION, *Recommendation on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes* (09/257/EC — OJ(L) 17 April 1998.

Further reading

These standards are not mentioned in the text but may provide additional information.

BS EN 30011, *Guidelines for auditing quality systems.*

BS EN 30011-1:1993, *Guidelines for auditing quality systems. Auditing.*

BS EN 30011-2:1993, *Guidelines for auditing quality systems. Qualification criteria for quality systems auditors.*

BS EN 30011-3:1993, *Guidelines for auditing quality systems. Management of audit programmes.*

AS 4269-1995, *Complaints handling* Standards Association of Australia, Homebush, NSW 2140.

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[1] For availablity, contact Service First Unit, Horse Guards Rd, London SW1P 3AL Tel: 0345 22 32 42

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