



Complaints Management Transformation

Client Success Story



Background

Huntswood was engaged by a top 5 retail bank to review their approach to complaints management across all channels from front to back office. This was carried out in order to develop a comprehensive improvement plan for the short, medium and long term in line with business requirements and the customer strategy.

The Challenge

The client organisation had seen a significant increase in complaints over the past 12 months and needed to rapidly regain control, reduce costs, reduce regulatory risk and improve effectiveness and customer service levels. This also offered the opportunity to transform the way complaints were handled throughout the organisation in order to deliver broader business benefits for this important customer “moment of truth”.

Objectives

The objectives of the project were:

- To provide the client with a view of current complaint handling by channel with respect to sector and industry best practice through out the lifecycle of a complaint.
- Develop an immediate solution to regain control of complaint volumes in a cost-effective manner and would form part of a longer term solution.
- Develop and facilitate the agreement of a vision and 12 month roadmap for effective complaints management covering people, process, MI, IT and governance.
- Develop a compelling case for change focusing primarily on cost reduction, increased resolution times and improved customer experience.

Finding the Right partner

The client selected Huntswood after a world leading consultancy failed to develop an effective solution and create stakeholder alignment. Huntswood's acknowledged market leadership in complaints management and successful client track record to date combined with our holistic approach meant we were invited to restart the project, although under reduced timescales.

The Solution

Huntswood's team comprised of financial services experts with experience in complaints handling, process improvement, front and back office transformation and effective application of DISP and TCF.

Four streams of work were launched covering:

- People: staff and management attitudes, behaviours, understanding and views on policy and processes, strengths and weaknesses of the current approach.
- Process: effectiveness of complaints process throughout the complaints lifecycle for all complaint types.
- MI, IT and Governance: information capture and usage to drive performance and improvements.
- Vision, Roadmap and Business Case: To-Be model for complaints handling and case for change.

This was undertaken through:

- Policy, process and governance reviews across front office channels (covering the branch network, telebanking, letters and email) and back office complaint handling centres to establish the understanding of the effectiveness of the current approach.
- Interviews with key members of staff at all levels throughout the organisation to develop a view on the importance placed on complaints, strengths and weaknesses of the current approach, the level of understanding of the complaints process, use of MI and IT solutions.
- Collation of business case and market data.
- A number of workshops to support analysis, design and create alignment and buy-in.

Our analysis highlighted a number of major weaknesses throughout the complaints lifecycle. These could be summarised as:

Front-line staff behaviour did not drive 1st touch resolution – A significant percentage of front-line staff in the branch network were firstly treating all expressions of dissatisfaction as complaints and secondly passing them straight to the back-office to fulfil, due to their lack of confidence, training and pressure from sales targets. Good behaviour was not being consistently reinforced due to a lack of training, and recognition for good performance, although pockets of best practice existed in well performing teams, was proving difficult to embed elsewhere. There was a destructive “them & us” culture between front and back office which had build up over a number of years which was perpetuated by a number of siloed teams.

An ineffective complaints process – there was no optimum complaint handling model within the organisation that effectively encompassed both front and back office. There was no single view of a complaint from front to back office and limited introduction and use of workflow and imaging technology to improve resolution times. The process was complex, poorly documented and inconsistent creating a large number of unnecessary hand-offs.

Inconsistent customer experience – complaints were dealt with differently across and within different channels, in some cases actually creating more complaints. There were limited standard answers to queries and SLAs were not consistent across complaints handling units.

The Results

Within four weeks we were able to assess the organisation and develop a set of pragmatic recommendations and compelling case of change (covering both multi-£m cost savings through reduction of outstanding complaints, reduction of waste and resources and potential improvements in customer advocacy from enhanced customer experience). Huntswood was able to devise a solution using the existing IT systems, reducing the cost and time to deliver major improvements.

The new vision for complaints management was agreed by both front and back office teams and set the company's sights on best practice amongst their peer group within 12-24 months.

In terms of helping with the immediate client requirement we devised a number of innovative steps:

- We redefined complaint definitions, categories and routing and clarified the responsibilities of the front office and back office teams. The expected breakdown from our research suggested that 80% of complaints could be resolved at 1st touch, a further 10% with guidance and support to the front-line, with the final 10% needing specialist resolution.
- We recommended the mobilisation of a short term middle office "centre of excellence" to support and educate the front-line during this period of transition. The centre of excellence was operational within 3 months delivering support to the pilot branches.
- We also recommended the introduction of 1st touch resolution measures and targets in balance with sales targets which were launched as part of the client's customer experience programme.

The roadmap was developed in the form of a high-level transformation plan for the next 12 months.

People workstream recommended the introduction of a single board-level owner responsible for the end-to-end complaints process. Huntswood also conducted a review and redevelopment of existing rewards and recognition for good customer service, front-line job roles and measures regarding complaint handling responsibilities. This was supported by the creation and launch of a communications plan for complaints handling, the design and print of complaints handling user guides and associated training.

Process workstream recommended the review and development of an improved complaints categorisation model (inc. decision trees, resolution pathways, roles and responsibilities with user examples). Huntswood also introduced a customer-centric design approach for the end-to-end complaint handling process and new organisation structure to utilise the centre of excellence. Huntswood undertook pilots to monitor progress and staff reaction.

MI, IT and Governance workstream recommended the coordination of the complaints activity with existing improvement programmes to maximise the benefit, minimise cost and overlap, Huntswood also developed a prototype enhanced complaints MI Pack.



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