



Customer survey results Quarter 1 2008

Complaint handling in UK financial services



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Executive Summary

These survey results summarise the attitudes of UK consumers to making complaints. In particular, it focuses on the UK financial services sector.

The Huntswood customer survey results of 2008 are based on a specially commissioned opinion survey undertaken by GfK NOP on the behalf of Huntswood.

One in three consumers have complained to a bank, building society or insurance company in the last two years

- Mass affluent more likely to complain than mass market.
- A further 20% of UK population tempted to complain but failed to because
 - 1 in 4 found it too time consuming and
 - 1 in 3 thought their complaint would not change anything.
- People overwhelmingly prefer to complain by phone 51% compared to 14% by letter.
- 40% complained to their bank based on transactional errors or poor customer service, while 36% complained regarding fees or charges.
- 41% who did complain went away dissatisfied or extremely dissatisfied with their main bank or building society.
- Their dissatisfaction related to poor speed of response (26%) and requirement to invest too much time (18%). Not explaining why the company did not find in their favour irritated a further 20%.

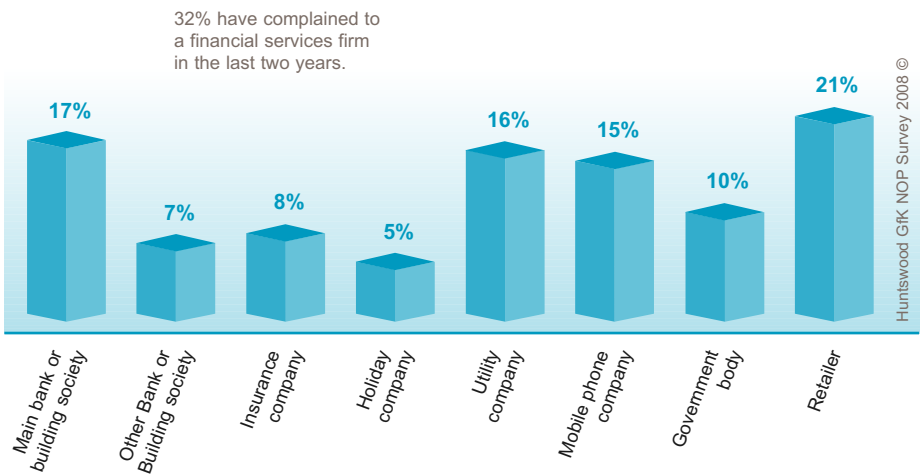


The outcome of the complaint caused 28% to terminate their relationship and 21% to reduce spend

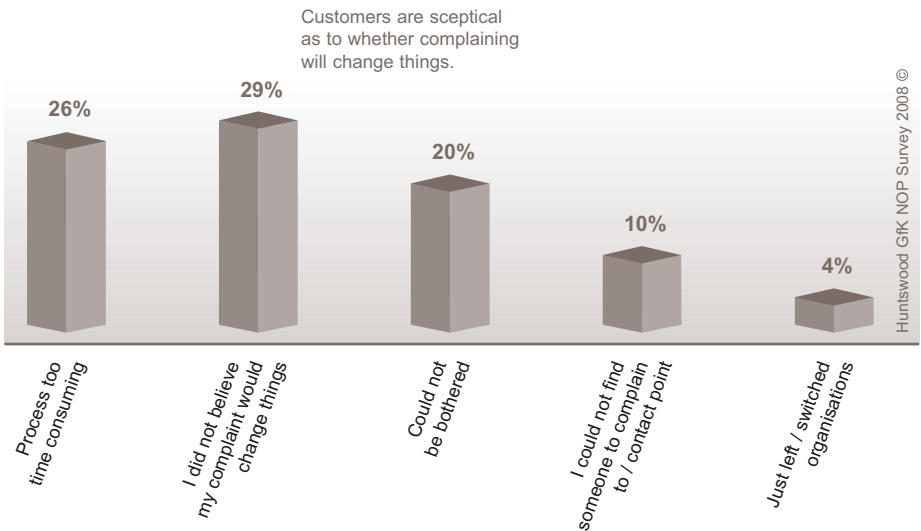
- Complaints to insurance companies were driven largely by the claims process - 30% with poor customer service accounting for 20%. 10% found the product did not meet their expectations.
- 51% went away dissatisfied or extremely dissatisfied with how the insurance company resolved their complaint - more than banks!
- Again, a key reason for dissatisfaction with insurance companies was the time taken to resolve complaints and 30% cited the fact the insurance company did not find in their favour.
- For all FS providers the outcome of the complaint caused 28% to terminate their relationship, 21% to reduce spend with the company with only 5% increasing spend.
- 43% of customers will tell friends or family about their poor experience of a complaint process.
- Key elements a company must address when dealing with a complaint – apologise 32%, resolve quickly 32%, outline why it went wrong 26%, offer compensation or redress 20%.

For more information or to discuss your company's approach to complaint handling, please call our complaint handling experts on **0118 971 8560** or email enquiries@huntswood.com

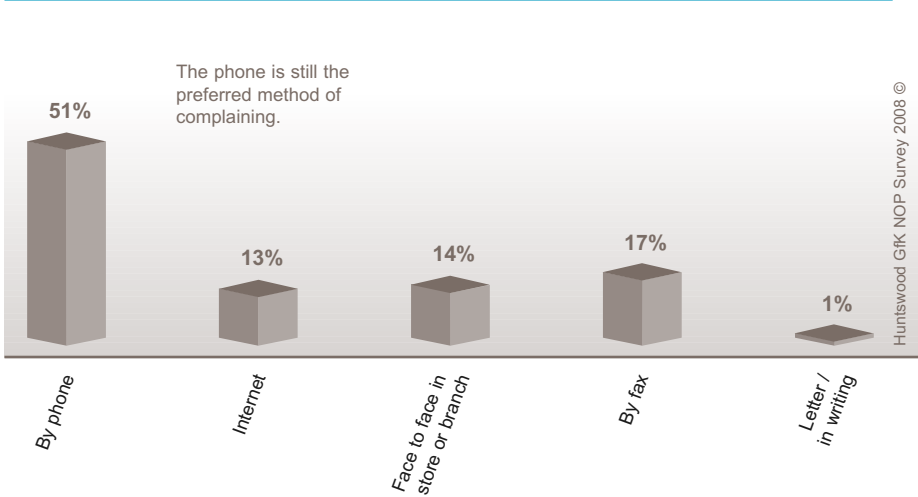
Q1. In the last two years have you actually complained to any of the following?



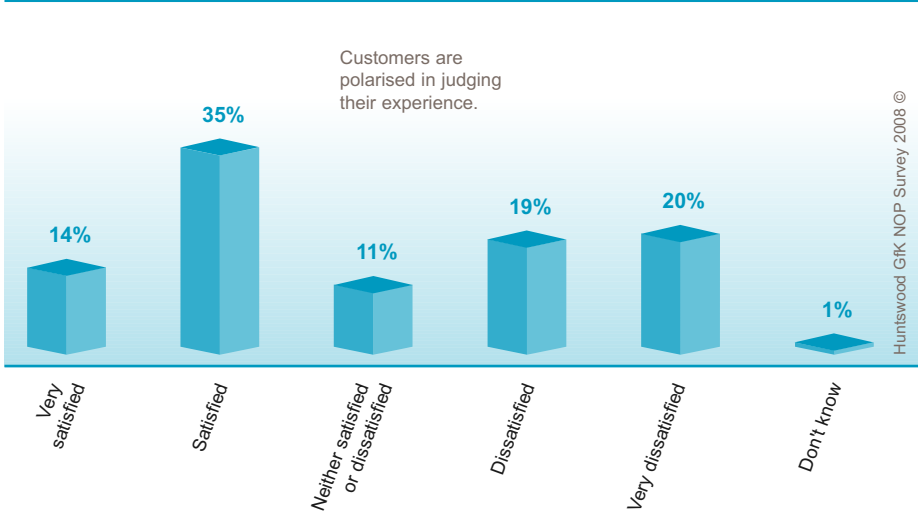
Q2. For those organisations where you were tempted to make a complaint but did not, what were the reasons for this?



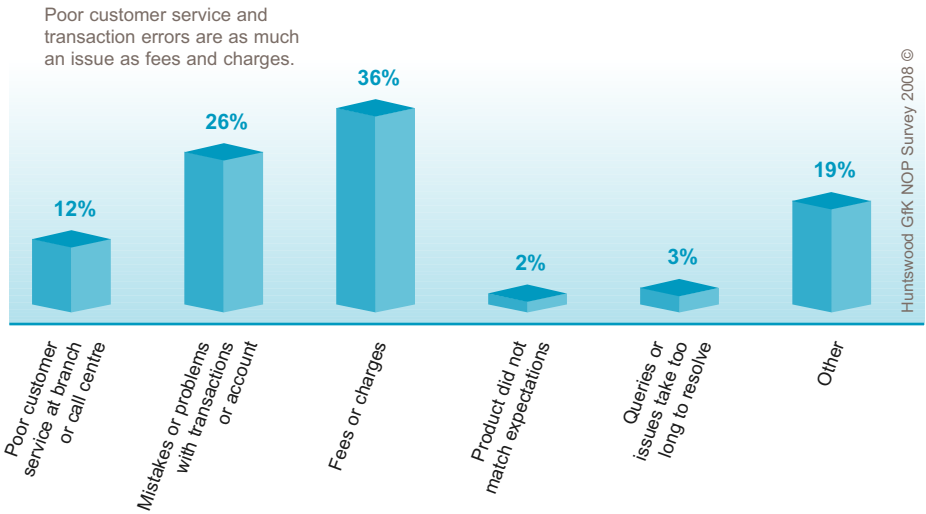
Q3. When you complained, through which channel did you initially make your complaint to these organisations?



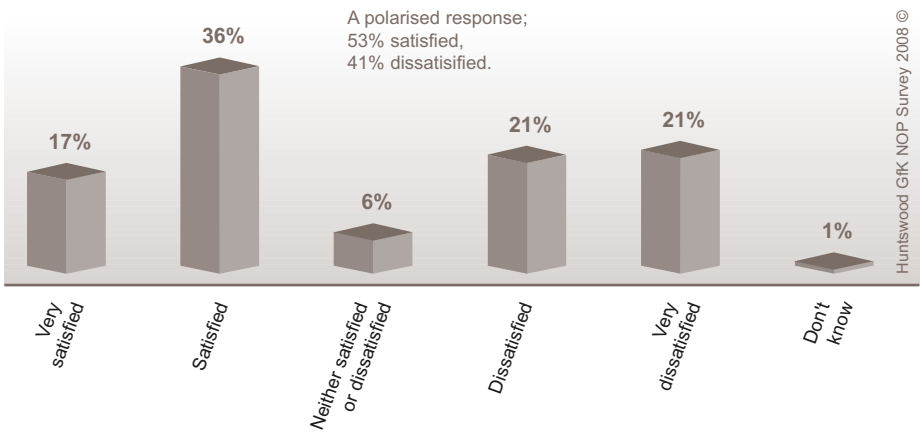
Q4. In general, how satisfied were you with the way in which these organisations dealt with your complaint?



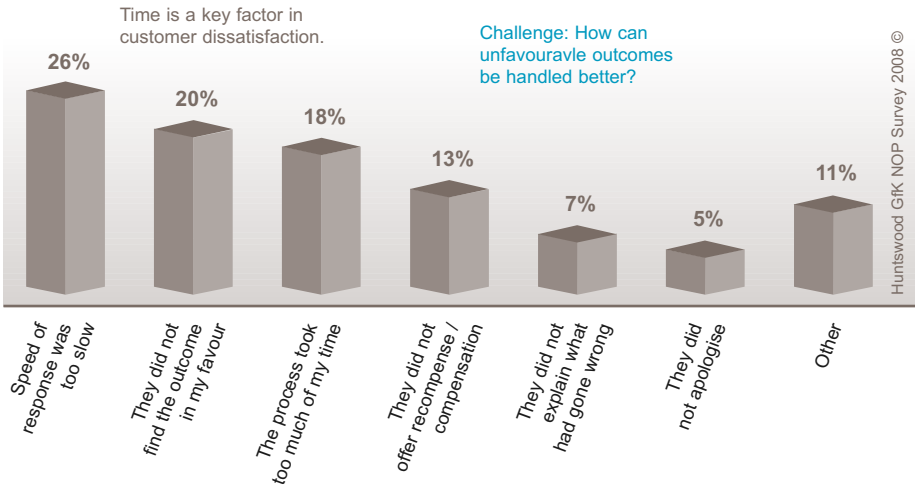
Q5. What was the major reason for your complaint to your main bank or building society provider?



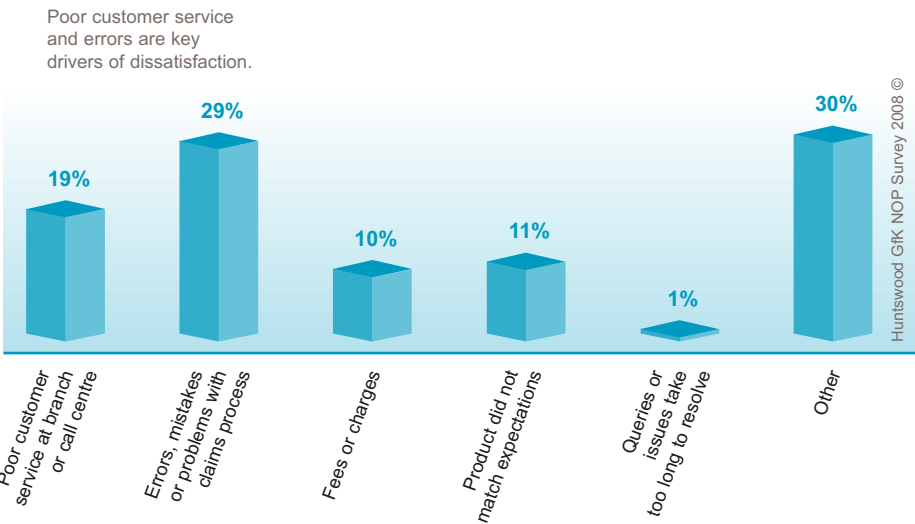
Q6. Recalling your experience of making a complaint, regardless of the outcome, how satisfied were you with the complaints process that was followed by your main bank or building society provider?



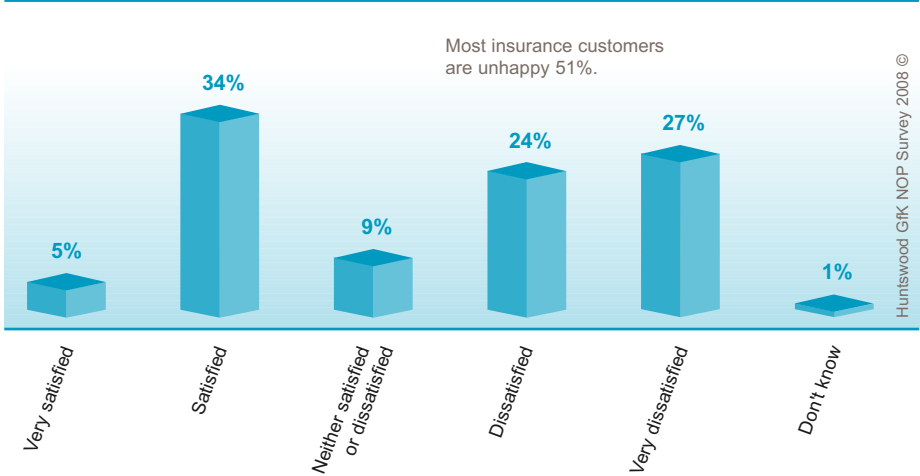
Q7. Why were you dissatisfied with the process or outcome of your complaint with your main bank or building society provider?



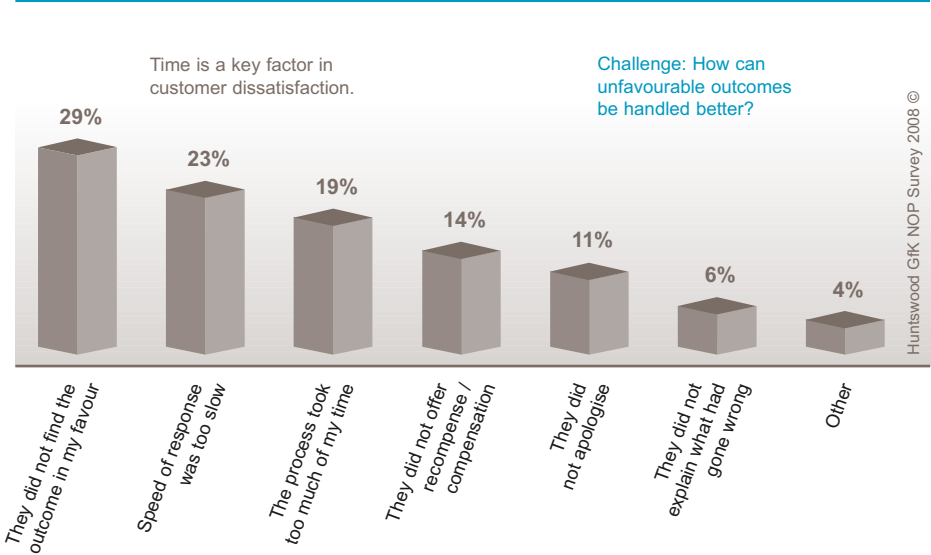
Q8. What was the major reason for your complaint to your insurance provider?



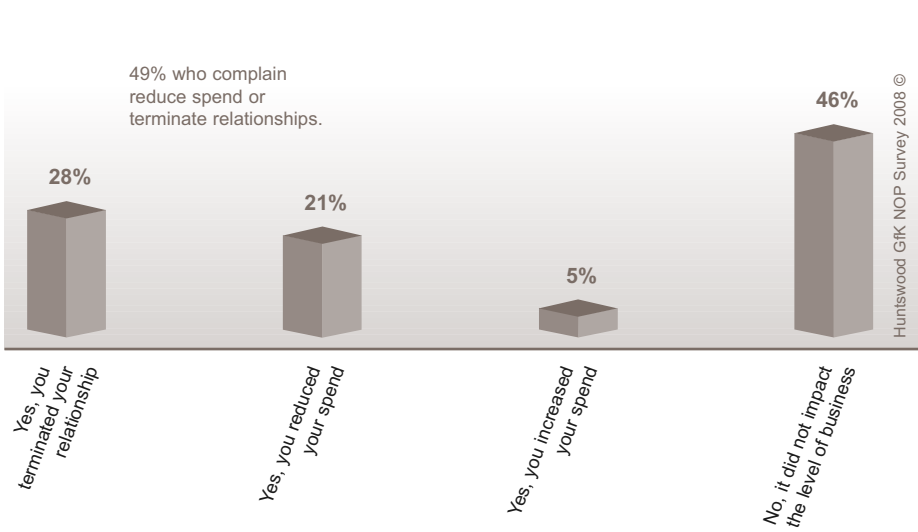
Q10. Recalling your experience of making a complaint, regardless of the outcome, how satisfied were you with the complaints process that was followed by your insurance provider?



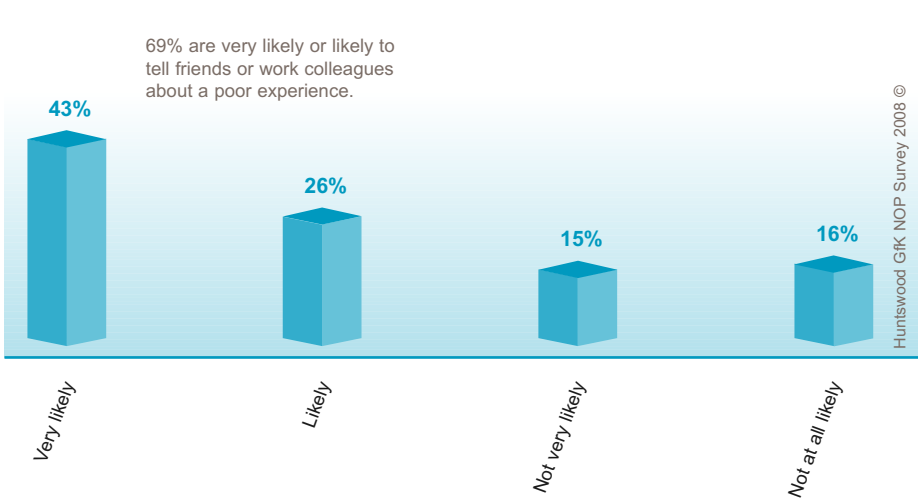
Q11. Why were you dissatisfied with the process or outcome of your complaint with your insurance provider?



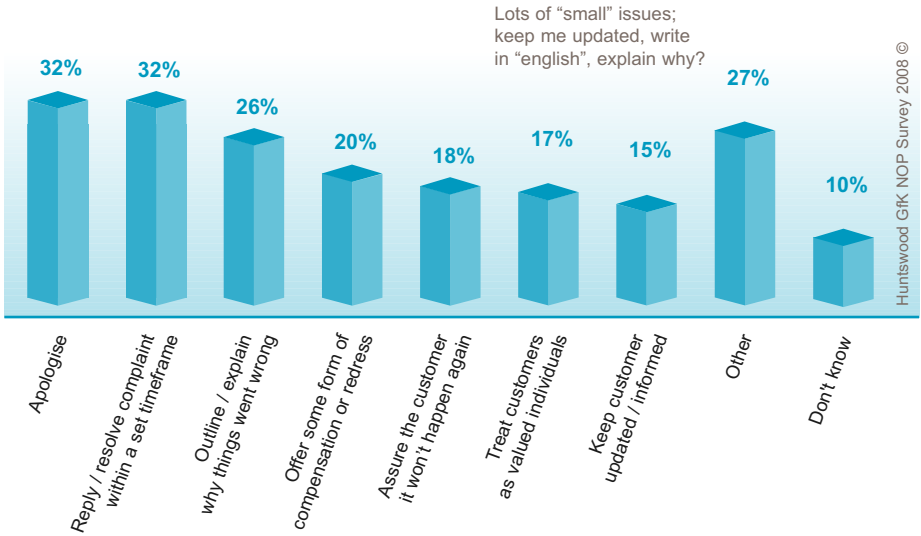
Q12. Did the outcome of the complaint and the process that was followed impact the amount of business you gave that main bank or building society or insurance provider?



Q13. How likely or unlikely are you to tell family friends or work colleagues about a poor experience of a customer complaint process?



14. What do you believe are the three key elements a company must do when dealing with a complaint and the customer who has made the complaint?



Huntswood GfK NOP Financial Services Customer Survey 2008 ©

Sample design and method

The survey was undertaken in Q1 2008 and was conducted by telephone involving 1,000 consumers across the UK aged 16+.

Universe:	All adults (16+) – UK
Sample size each wave:	1,000 (500 men / 500 women)
Sampling method:	Quota
Interview method:	Telephone (CATI)

Huntswoods View

Poor complaint handling seems endemic to the industry. It is costing firms and customers both time and money while the regulatory focus is increasing with complaint handling now viewed by the FSA as a window on a firm's progress in Treating Customers Fairly (TCF).

However, this focus is not limited to the regulator. The media, consumer groups and other key stakeholders have taken up this issue, meaning that financial services firms can no longer view complaint handling as "just the cost of doing business" - complaint handling is a key process for protecting revenue, reducing risk and driving customer advocacy.

Our mission is to work with clients where we are sure we can improve their performance and reduce their risk in regulated, highly complex, customer sensitive environments.

Huntswood provides consulting and customer services solutions to the UK financial services industry. Our research and extensive experience of managing, resourcing and improving complaints management projects has highlighted that many firms still miss the opportunities that complaints present.

For more information or to discuss your company's approach to complaint handling, please call our complaint handling experts on **0118 971 8560** or email enquiries@huntswood.com





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