



Dermot Nolan  
Chief Executive  
Ofgem  
9 Millbank  
London SW1P 3GE

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Dear Dermot,

### **Open letter – customer satisfaction with ScottishPower’s complaints handling**

Thank you for your open letter of 22 September highlighting Ofgem’s latest research report into customer satisfaction with suppliers’ complaints handling. We take our customer service and complaints handling very seriously and are disappointed with the results. As we acknowledged in April at the conclusion of Ofgem’s investigation, the range of technical issues caused by our transition to a new billing system led to an unacceptable increase in complaints and reduced quality of customer service, and we apologised unreservedly to all customers affected.

Since then we have been working hard to improve our service for customers, including our handling of complaints. The progress achieved through these actions is already reflected in an improved position in external parties’ reviews of supplier service performance<sup>1</sup>. We recognise there is more that we can do and we continue to monitor our performance to assess other actions we can take. Preventing and resolving customer complaints remains a key focus area and we are confident that our performance will improve further in the coming months.

The key actions we have taken since Ofgem’s research, and the further changes we are making, to deliver this improved performance are set out below, focusing on the areas of concern noted in your letter.

#### **1. Making it easy to register a complaint**

We recognise that there are two key factors that can affect how easy it is for a customer to register a complaint. First, we must ensure that it is easy for customers to contact us and we continue to work hard to support this. In 2016 our Average Speed of Answer (ASA) is 60-80 seconds. For customer queries via email, around 40% receive a substantive response within four hours and 98% within 48 hours.

Second, agents must be able to identify when a customer is raising a concern. To support improvements in this area, we have recently developed an additional online complaints handling

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<sup>1</sup> For example, in July 2016 ScottishPower was named the ‘most improved organisation in the utilities sector’ in the Institute of Customer Service UK Customer Satisfaction Index (UKCSI) published in July 2016 with a 6.8 point increase on score from previous year. ScottishPower has also seen improved scores across all measures in uSwitch’s Energy Supplier Customer Satisfaction Monitor published in November 2015, with a c. 2 percentage point increase in overall customer satisfaction since 2015.



tutorial for all our customer service advisors which includes particular focus on the identification and opening of complaints. This additional training is being rolled out for all advisors.

## **2. Communicating actions clearly and keeping customers informed**

We recognise the importance of ensuring customers understand the actions that will be taken in relation to their complaint and the timescales for completion of these actions, from the time of raising the complaint right through to full resolution.

All our training for agents clearly sets out the need to set expectations for the customer of actions and timelines. We have implemented a new template for the recording of complaints which ensures that all the detail of the complaint is visible to anyone engaging with the customer. This is particularly important when a complaint is not resolved at the time of the first contact, or when a customer wishes to discuss the complaint at a later date.

Over the last few months, we have also been developing a new online tracker for complaints that will allow customers to view the status of their complaint and access all communications issued to them during the course of the complaint. The tracker will launch this month.

## **3. Resolving complaints more quickly and empowering complaints handling staff**

We recognise the importance of resolving complaints to customers' satisfaction as quickly as possible and we have taken a number of actions since Ofgem's research was undertaken to support improvement in this area, with a particular focus on enabling action to be taken quickly and giving agents increased ownership of issues. This has included increasing the number of staff trained to handle customer complaints, by one third, and implementation of a revised approach and structure to call routing and complaint ownership. These changes are designed to help give our complaint advisors more time to handle each individual issue and ensure a quality resolution. This has supported around 90% of complaints raised with us being resolved within 14 days, and 98% resolved within 56 days. However, we are continuing to work to improve this.

This improved approach includes ensuring that contact from customers with open or recently closed complaints is directed to a specialist team, and this has resulted in around a 20% reduction in contact from such customers due to quicker and more effective resolution. In addition we have implemented our "pod" model which supports better ownership of complaints within a small group of agents, which is particularly important for complaints not resolved at time of first contact (only 1 out of 3 of our direct complaints). In such cases, a small group of specialist agents within the "pod" who have the skillset to resolve more complicated issues will be able to support quick resolution of the complaint.

We have also developed and rolled out additional support and tools for our agents to enable the quicker identification of issues causing customer complaints and to ensure that prompt action is taken to fix any technical account issues. We believe that this is improving both the management of customer expectations and the speed of resolution of complaints. In recent months this has included improved visual aids on each agent's desktop surround, outlining the procedures that should be followed to ensure quick and full resolution of customer complaints. These materials are subject to regular review and version control to ensure consistency across all of our contact centres.



#### 4. Reducing the resolution gap

We recognise the need and importance of listening to our customers and ensuring that complaints are properly closed. We have taken a number of actions since Ofgem's research was undertaken that will support improved performance in this area, some of which we have already set out in this letter. We will continue to monitor this and take further action where required.

In addition to the areas already highlighted, over the last few months we have developed an improved complaint closure script for our agents which sets out four clear steps that agents must take to close a complaint and sets out clearly the importance of confirming that the customer is happy that the complaint has been resolved prior to closure. This improved script is reflected in our agent training and is also provided to all agents on their desktop surround to highlight the importance of ensuring customer satisfaction prior to closure. Our quality assurance activity monitors the quality of our closing of complaints, allowing quick identification of areas of improvement, both at an individual agent level and where broader action is required.

We are confident that our actions are delivering improvements – for example comparing 2016 year to date with the same period in 2015 shows a 53% reduction in receipt of Ombudsman cases. We are committed to treating our customers fairly at all times, and including improving customer satisfaction when raising complaints with ScottishPower. We monitor our customer service activity, including our handling of customer complaints, as a matter of great importance, through our internal quality assurance processes and independently undertaken research. We have reviewed and updated our training, policies and processes where improvements have been identified. We will remain focused on this to ensure we continue to improve our performance.

We are grateful for the positive engagement we have had with your team on the details of Ofgem's customer research. We expect the insights gained from this research to be helpful in pinpointing areas where we can further improve our performance, and we are keen to ensure that we are monitoring our performance in a consistent manner to Ofgem. We hope to meet in the next few weeks to discuss this further. We are also happy to meet with Ofgem to discuss our improvement plans in more detail.

Yours sincerely,

**Neil Clitheroe**  
**Global Retail Director**