

Briefing Notes

Exploring the relationship between complainants and the organisation, the motivations and the outcomes



Monday 10 July 2023

Introduction

James Walker was the guest speaker for this session. James is a consumer rights champion and serial entrepreneur. He is CEO of Jam Doughnut, a Civil Justice Council Member (SMEs) for the Ministry of Justice, a Non-Executive Director at the Dispute Resolution Ombudsman and a Board Member of Rightly. He is also on the Board of Consumer Scotland, the Civil Aviation Authority Consumer Panel, the Office of Road & Rail and is originally the CEO and Founder of Resolver Group. The session began with James talking about his experience in consumer engagement and what the social housing sector can learn from other sectors. The session then moved into discussion among attendees.

1. About James Walker

James started out as a building surveyor, working on the creation of building and housing standards and assessing housing stock. He then moved into the private sector retrofitting homes when a contractor went into administration with 140 homes mid-retrofit without windows or heating. He saw how hard it can be when dealing with a complaint to see what the issue is, the facts of the case and what action to take. At the same time, James' own experience as a consumer making a complaint underlined his professional experience; consumers do not know their rights, how to complain or about any ombudsman. He used his experience to set up a very successful online app to help consumers, 'Resolver'. James gave the following insights for the social housing sector.

2. Consumers only complain if they think it will have an effect

Consumers only complain if they think they will be listened to and action will be taken. For example, consumers do not generally complain to their water company because they cannot change their water company. In contrast, consumers complain to their telecoms provider when their contract is up for renewal. This is not because they are looking for a lower price or compensation but because they have leverage (by threatening to change telecoms provider), which means their complaint will be resolved. Consumers lack leverage in the social housing sector because they cannot choose their landlord which may lead to greater frustration.

3. The risks of consumer frustration

Consumers often do not have experience of complaining so struggle to explain the issue. Consumers will become frustrated if they feel they are being “fobbed off” or not listened to, especially because they know they have never complained but your organisation deals with complaints every day – you should know how to deal with them. Consumer frustration should be avoided because it is very difficult to undo – resolving the original issue will not undo the built up frustration because it has then become a matter of how the consumer has been treated. Frustrated consumers are more likely to complain to the ombudsman or on social media, and will sometimes take steps just to cause problems and incur costs for the organisation.

4. How to avoid consumer frustration

Organisations should provide a good level of communication and fulfil any commitments they make (e.g. if you commit to respond in three days, responding in four is too late!). When responding to complaints, explain what happened, how the issue arose and what you are doing to try to resolve it. James gave the example of flight delays where research results show consumers are less likely to escalate their complaint when they receive a comprehensive (but clear and simply worded) letter explaining what happened rather than just a short letter offering standard compensation. Taking a personalised, not standardised, approach for each consumer shows engagement and care for that individual.

Organisations tend to refer consumers to complaints forms which result in two types of complaints – very short ones, which do not set out the issue in full, and very long ones, where it is difficult to work out the precise issue. Often the long complaints occur where the original issue has not been addressed and the consumer is then trying to explain everything that has happened since. These longer complaints also tend to concern how the consumer has been treated rather than the original issue. This shows that dealing with consumer complaints is not necessarily about responding quickly but more about how the consumer is treated, because a consumer's dissatisfaction with their treatment is so difficult to resolve.

Organisations should treat consumers fairly and ensure they are looked after and listened to. People should be seen as consumers, not as a cost/revenue number. It is tempting in the social housing sector not to see people as consumers, but ultimately they are paying for a service.

5. Consider the impact on the consumer when assessing the severity of a complaint

Consider the seriousness of a complaint, since this often determines who deals with it, whether to escalate it, and the consumer's level of frustration. Consumers tend to rationalise the seriousness of their complaint – for example, when their power cuts out they put a realistic figure on the lost food in the freezer rather than seeking unrealistic compensation.

6. Points arising from the discussion

The following points came out of the open discussion among attendees.

Points about the complaints process:

- Complaints at stage 2 tend to be about how the consumer was treated rather than the initial problem. The consumer wants an acknowledgment of the mistake and an explanation of what the organisation is doing to correct it and what it has learnt.

- Some incidents are so serious, or the consumer already so frustrated, they should immediately be escalated to stage 2. This avoids the consumer being dragged through stage 1 (which would only make them more frustrated) and means they are dealt with by the right people. While the ombudsman does not support quick resolutions, the solution may be to resolve the complaint quickly outside the complaints process rather than getting into the rigmarole of the formal complaint process.
- Consumers often want a record of their dealings with the organisation, especially when they do not trust the organisation. This is easier when, for example, complaints take place through a chatroom since you can simply send a receipt.
- In the telecoms sector, the ombudsman published widely information on how they resolve consumer complaints at stage 1. This is not the ombudsman getting involved too early but rather providing an independent perspective to manage consumers' expectations about what the ombudsman would do if a complaint escalated. Setting expectations at the start of the process can make the process easier.

Points about cultural change and adopting a new perspective:

- Increased consumer regulation in the social housing sector is partly a knee-jerk reaction by the government. The regulation has been seen as too relaxed for too long and so now the government is trying to show that action is being taken. Many organisations see the strengthening of consumer protections as an inconvenience but board members can drive cultural change. Rather than focusing on the rise in the number of complaints, organisations should focus on the people behind the complaints, the heart of the problems and how to improve. This will allow organisations to prevent complaints rather than worrying about the increased number coming in.

- It is difficult for board members to judge customer engagement since they only see statistics, e.g. the number of complaints resolved, and that is only the organisation's perception of what has been resolved. Statistics can be misleading – people tend to rate how good the process was by whether the conclusion went in their favour. This can mean poor complaints processes are sustained in the false belief that customers like them (and vice versa). One way to address this is to ask for feedback about the process before the conclusion. Another good test is to ask consumers whether they would recommend your service to a friend (bearing in mind the consumer themselves cannot change their landlord). Statistics can also be a problem because consumers re-benchmark your service as it improves – after improving your service, your consumer satisfaction scores will increase but then consumers come to expect that service and it will fall again.
- Organisations should make themselves available and make their complaints process simple. They should set expectations against a timetable and explain the complaints process. They should provide access to independent advice or signpost to it. They should then communicate to the consumer in good time and in a way that is clear, concise and simple to understand. Fundamentally, organisations should be fair and reasonable and guide consumers through the process.
- It is important to develop a culture of treating consumers with humanity and recognising they are a person. While some consumers do cause trouble or lie, organisations should prevent complaints-handlers becoming desensitised and appearing uncompassionate, and develop their emotional intelligence by, for example, using rewards to recognise complaints-handlers that go above and beyond.
- Whilst an example from the private sector, it is also important to make tenants feel like they have control over their own home. Some tenants feel frustrated that they cannot make changes to their property without a complicated process of getting approval from the landlord.
- In thinking of residents as consumers, it may be helpful to move away from words like “landlord” and “tenant” which create a power imbalance. However, some residents make clear they are not consumers because they cannot change housing provider.
- Residents are not comparing you to other landlords. They are comparing your customer service to companies like their broadband provider or local supermarket.

We'll be back in September!

This session was the final session before we take a break over the academic summer break. We look forward to seeing you all again for more thought-provoking sessions in September, we will be in touch to promote the first session which will be held on Monday 18 September 2023.

If you would like to run a NED Network session or have an idea for a topic we could cover, please get in touch with HACT, Chief Executive, Andrew van Doorn.

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A special thanks to our partners



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