



National Audit Office

DEPARTMENT FOR WORK AND PENSIONS Handling Customer Complaints

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL | HC 995 Session 2007-2008 | 23 July 2008



SUMMARY

1 Complaints are a valuable source of information for organisations about how customers experience services. They can be used to provide early warning of poor service, systematic errors, or problems with specific processes. When organisations make the most of the information gathered from complaints and learn lessons, they can make useful improvements to services.

2 This report examines how complaints are handled in three Agencies of the Department for Work and Pensions (the Department) – Jobcentre Plus, The Pension Service and the Disability and Carers Service. The two latter Agencies merged in April 2008 to form a new Agency, the Pension, Disability and Carers Service. However, as the majority of our work was completed prior to the merger, we refer to the Agencies separately in this report.

3 The Agencies provided services to more than 22 million customers in 2007-08, over 80 per cent of whom were satisfied with the services they received. The Agencies recorded 70,000 complaints during the year, representing less than one per cent of customers who have direct contact with them.

4 We last reported on complaints handling in the Department in our 2005 report *Citizen Redress: What citizens can do if things go wrong with public services*.¹ In this report we use an evaluative framework (Appendix 1) to examine whether:

- agency complaints procedures are accessible to all customers;

¹ National Audit Office (2005), *Citizen Redress: What citizens can do if things go wrong with public services*, HC 21, 2004-05.

- responses to complaints are effective, being both timely and adequate;
- internal processes for handling complaints are efficient; and
- lessons are being learned from complaints to improve services for customers.

5 Our methodology for this study is set out in Appendix 2.

6 Since we last reported, the Department has made significant improvements to its complaints handling. It has extended the remit of the Independent Case Examiner as an additional, independent tier through which customers can seek redress for complaints. In parallel it has clarified its three-tiered complaints resolution process and has made efforts to direct customers more clearly through this process. The Department is also taking steps to embed the Parliamentary and Health Service Ombudsman's good practice principles across all the Agencies.

The nature of complaints against the Department

7 Complaints made by customers vary in their complexity and in the seriousness of the issues being raised. Some complaints will be easily and quickly resolved by front-line staff. Others, however, may be more complex, requiring input from a range of officials and as a result can be more time-consuming and difficult to deal with. This report does not consider the merits of individual complaints, the adequacy of redress received by customers, or appeals made by customers about decisions on benefit entitlement.

8 Based on customer surveys the majority of the Agencies' customers, 83 per cent in 2007, were satisfied with the service they received. Of the remaining 17 per cent, eight per cent did not express an opinion either way and nine per cent were dissatisfied. Of those dissatisfied, less than a quarter make a complaint. Common causes of complaints are:

- benefit payments not received;
- delay or problems with benefit payments; and
- staff attitude or lack of knowledge.

Making and recording complaints

9 The Agencies' complaints systems are visible and easily accessible to customers who can make complaints through a variety of channels. Customers can find out how to make a complaint from leaflets supplied by each Agency. Such leaflets are available from almost all Jobcentre Plus offices (with 97 per cent availability in its mystery shopping exercises) but less so from The Pension Service (available from only 40 per cent of its 16 pension centres). The Disability and Carers Service supplies its complaints leaflet with every claim form. The language used in the Agencies' complaints literature encourages customers to make complaints and is more customer focussed than comparable international social security organisations. Customers can also get assistance from advocacy groups or their Member of Parliament in making a complaint and the Agencies are working to improve the complaints process for these routes. Only a minority of dissatisfied customers actually complain; the major reason for not doing so is that they do not feel it would make a difference.

Responding to complaints

10 The three Agencies manage complaints internally using an escalating process from local level to Chief Executive, followed by two levels of independent review through the Independent Case Examiner and the Parliamentary and Health Service Ombudsman where customers are unhappy with resolution offered by the Agencies. The Agencies have targets for responding to complaints and perform reasonably well against them with performance against individual clearance targets ranging from 72 per cent to 99 per cent. It is important that the Agencies strike the right balance between setting clear and achievable administrative targets and providing the customer with a high quality and accurate response.

Providing good quality responses to complaints

11 A substantial proportion of customers who complain remain dissatisfied with how their complaint was handled. Up to 40 per cent of customers who had made a complaint against the Agencies remained dissatisfied, although reasons varied. This may be, for example, because the process did not achieve the desired result for the customer where the Agency declined to change a decision which the Agency believed to be right. In other cases customers were dissatisfied with the timeliness and adequacy of the response to their complaints. The Agencies do not carry out research into why customers remain dissatisfied.

12 The Agencies attempt to resolve the majority of complaints at local level which can give a quicker result and save time, money and effort for customers and staff. There are, however, no Departmental quality assurance standards for complaints handling and ad hoc quality checks for local level (Tier 1) complaints in particular are very limited. The Agencies do not routinely carry out post hoc review of cases where customers are dissatisfied with the complaints handling process. Feedback from the Independent Case Examiner and the Ombudsman indicates that improvements made to earlier stages would prevent some complaints escalating in the future. The Disability and Carers Service plans to pilot the Ombudsman's principles of good administration on the handling of complaints. The Agencies have staff guidance on generic skills such as letter writing but do little monitoring of compliance with standards in complaints handling specifically.

13 Cost data is limited and only exists where there are specific teams dealing with complaints. In 2005 the Department estimated that it cost around £9 million to resolve complaints. Since the roll out across all three Agencies of the three tiered approach, we estimate that the Department's costs have reduced. Agencies now spend between £4.7 and £6.2 million responding to recorded complaints. As front-line staff increasingly resolve complaints the costs of handling complaints should fall. In addition to these costs, the Agencies made special one-off compensation payments, of £3.6 million in 2007-08 to customers as a result of complaints

Learning lessons from complaints

14 The Department has recently moved responsibility for high level complaints policy including the Independent Case Examiner to the Department's Customer Insight Directorate to help the Department to understand better its customers' experience. The Department intends to use more information from complaints to inform service delivery.

15 Recording complaints can be difficult, but failing to capture this information may limit the Agencies' ability to learn about where service improvements are needed. There is a larger number of complaints made by customers than are captured. Based on an extrapolation of survey results, we estimate that the number of complaints could be up to five times the number recorded by Agencies. It is difficult, however, to gauge whether the unrecorded complaints are of similar weight or seriousness to those recorded by Agencies. Many of these complaints are likely to be easily resolvable by front-line staff and dealt with quickly. Processes to record complaints can be cumbersome and inefficient. The Department is currently seeking to standardise how complaints are recorded which should enable comparison of complaints data and facilitate better customer insight.

16 Some local improvements to services have been made using the information gathered through complaints. Processes are in place between the Agencies and the Independent Case Examiner to provide feedback on the way in which complaints are handled. There are some mechanisms for Agencies to share good practice within themselves, but there is no single network in place for sharing good practice in complaints handling between Agencies.

Value for money assessment

17 The Agencies provided services to 22 million customers in 2007-08, over 80 per cent of whom were satisfied with the services received and less than 10 per cent dissatisfied. The Agencies recorded 70,000 complaints during the year, representing less than one per cent of customers. The three Agencies have complaints handling processes which feature a wide definition of a complaint and are handled largely by front-line staff. The Department's approach offers customers a clear and structured process, allowing complaints to be escalated where necessary.

18 Customer satisfaction with the outcome of their complaint, including the handling of the complaints themselves, however, could be improved. Up to half of customers who had made a complaint against the Agencies remain dissatisfied. While some of these will reflect customers who have been properly dealt with, but who continue to question the outcome, we found significant dissatisfaction with the timeliness, knowledge of staff and the adequacy of the response given to customers' complaints. Improving the adequacy and quality of the responses to complaints could increase the economy and efficiency of complaints handling by reducing the number of complaints escalated to higher and more costly tiers. Complaints resolved successfully at Tier 1 may be as much as 40 times cheaper than those resolved at Tier 3. Reducing the number of cases that reach Tier 3 by a third could save the Department over £700,000.

19 A potentially large volume of complaints are dealt with but not recorded. In 2007-08 Agencies recorded 70,000 complaints but we estimate that Agencies may only be recording around one in five of the complaints made by customers. Consequently the Department and Agencies could miss early warnings of poor services, systematic errors, or problems with its processes.

20 Based only on the number of recorded complaints, we estimate that the Agencies spent between £4.7 and £6.2 million in 2007-08. In addition, the Department paid out around £3.6 million in special payments to customers as a result of complaints. We estimate that Agencies spent around £11 million in 2007-08 handling both recorded and un-recorded complaints.

21 On this basis, we conclude that the Agencies' handling of recorded complaints appears to be economical but improvements can be made in resolving complaints to the customer's satisfaction. One way in which the Agencies could improve the effectiveness of their complaint handling is by understanding better why some dissatisfied customers do not complain. We found that there is a common perception amongst customers that complaining would not make any difference, a perception that Agencies may be able to change through wider publication of the ways in which it uses complaints information to improve services.

Recommendations

In taking forward customer complaints in the future, the Department and its Agencies should aim to:

Improve responsiveness to complaints

Up to 40 per cent of complainants are not satisfied with the response to their complaints. Some of this dissatisfaction may be due to Agencies not meeting the needs or expectations of their customers.

The Agencies should:

a learn from customers about their experience and satisfaction with the complaints handling process and whether it meets their needs. Agencies could for example take a random sample of customers who have made a complaint to the Department and/or its Agencies, and assess their experiences of the complaints handling process and whether it has been dealt with to their satisfaction.

Improve quality assurance across the Department

There are limited Department-wide quality assurance measures in place for complaints resolved at all levels in order to check resolution of complaints and the customer experience of complaint handling.

The Department and Agencies should:

b confirm that staff members dealing with complaints have implemented an adequate and effective resolution of that complaint. It should take a random sample of live cases to review the quality of local level responses (Tiers 1 and 2 complaints). The Agencies should also review a sample of final responses sent to customers to identify areas where Departmental standards are not applied and a satisfactory resolution has not been reached with the customer.

Agencies should also:

c obtain feedback from front-line staff, to identify areas of concern in handling, monitoring and recording complaints and develop specific training on complaints handling to encourage consistency and a common understanding within the Department.

Improve consistency of recording, monitoring and reporting of complaints across the Department

The Department is not capturing all information on complaints which may allow it to learn about customers' experiences and make adjustments to service delivery as appropriate. Consideration needs to be given to the way information is collected, collated and actioned, without letting it become time consuming for front-line staff.

The Department should:

d establish whether those complaints that Agencies record provide a complete picture of the issues of concern to customers that form the basis of their complaints. For example, it could undertake to record all expressions of dissatisfaction at a sample of Agency sites to determine whether the one in five complaints it records provide a representative sample of all the issues that customers raise about Agency services. The Department does not capture all the valuable customer insight offered through complaints and cannot be sure that those it does record provide adequate coverage of all those areas where customers have cause to complain.

e improve the existing system for recording complaints. The Department should set out minimum information requirements for recording complaints and standardise the recording process to enable comparisons across and within Agencies. A simpler format for recording, for example using a single database across Agencies, would increase the information available to the Department whilst reducing the burden on individual offices that have developed their own systems and often time consuming processes for recording information.

Agencies should also:

f report on their redress procedures for complaints (including the number of complaints received as well as information on how services have changed as a result) together with their other measures of the quality of services that they provide as part of their annual report, as we recommended in 2005.

g report on their complaints activity, for example on their websites, to demonstrate the value they place on customer feedback. Improving customers' awareness of changes made as a result of complaints may encourage complaints from those customers who want to make a complaint but have not as they feel that nothing would be done about it.

Gain a better understanding of customer complaints

The Department's use of complaints handling information could be improved to further identify and investigate reasons for customer complaints and barriers as to why customers do not make a complaint. To gain a better understanding of customer complaints.

Agencies need to:

h identify ways to enhance customer awareness of the complaints handling system. The Pension Service and the Disability and Carers Service should consider including a complaint form within their leaflet on how to make a complaint as done by Jobcentre Plus.

i use information from its customer satisfaction surveys to find out why some customers who are not satisfied with the service do not complain. More in-depth qualitative research could be undertaken with a sample of customers identified through the survey to discuss barriers. The Agencies should then take action to remove barriers that customers identify.

Learn lessons from complaints

The Department does not make full use of customer complaints information as a key source of customer insight. The Department could use this information to learn about customer attitudes and needs in order to improve its services.

The Department should:

j gather and share localised good practice in complaints handling across and within Agencies, for example through joint forums or workshops to discuss trends and underlying causes of complaints being raised by customers. Such forums could also develop strategies for handling particular complaints.