



Dermot Nolan
Chief Executive
Ofgem
9 Millbank
London
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28 November 2014

Dear Mr Nolan

ScottishPower – Complaints Resolution Audit Results

Further to my letter to you of 24 October, highlighting our response to Ofgem's customer complaints handling satisfaction research, I now write with the results of the independent audit into our processes for determining whether a complaint has been resolved, including our compliance with the Complaint Handling Standards.

We engaged KPMG as independent auditors to undertake this audit. The audit involved a review of ScottishPower's management procedures for resolving complaints, interviews with managers and agents and sample testing of complaints.

The audit output is attached for your review. In summary, this found that, although ScottishPower have good procedures in place for managing the resolution of complaints, there are always opportunities for improvements. We have also completed our own research on customer experiences, which echoes the audit results.

We have therefore taken action to deliver further improvements to address this issue and our current focus remains to improve our performance. During November a series of agent refresher training briefs has been delivered, reinforcing key points around recognising, recording and resolving complaints for our customers. Additional feedback from the audit and customer research has identified further areas of training to be included in these briefs and these will be delivered by end December. We are also reviewing opportunities to enhance our systems by adding additional controls to support these improvements.

We are currently updating our complaints handling procedure to make our definition of a resolved complaint clearer, by emphasising that a complaint is resolved when it is resolved to the customer's satisfaction. Further, this latest version expands on potential means of redress for all customers who complain and sets clearer expectations for keeping customers informed of progress of their complaint. These



enhancements are also being reflected in our internal processes and training documentation.

Where we are unable to resolve a complaint due to a system related issue, customers will receive progress of their complaint each month, with reassurance that we are still working on resolving their issues, and further reassurance that we will ensure that no customer is left out of pocket.

To provide an update on the points raised in my October response:

- **Ease of registering complaint:** We have now recruited 77 additional staff to manage contacts, with a further 173 being recruited by the end of the year ;
- **Taking ownership of complaints:** Further enhancements are being made to our desktop reminders for agents in light of observations from KPMG. Daily reporting is now in place at team manager level to ensure that missed opportunities for complaint resolution are fed back and considered further.
- **Communicating the next steps and timings:** Where a technical issue is preventing the resolution of the complaint, customers will receive a monthly update by letter to inform them of progress. System enhancements are being developed to provide a proactive prompt to agents to contact their customers with an update.

Whilst there is no room for complacency, we are making progress and believe that we are beginning to see some evidence of this through our own customer research. The results from our latest (October 2014) consumer panel customer satisfaction show improved customer satisfaction on all fronts and our own complaints research showed a smaller resolution gap than demonstrated through Ofgem's previous results.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Neil Clitheroe".








NEIL CLITHEROE
CEO, Retail & Generation

Independent Complaints Audit Findings

November 2014

An independent audit was carried out by KPMG in November 2014, into ScottishPower's processes for determining whether a complaint has been resolved, and customer communications throughout the complaint handling process.

ScottishPower did well in...

-  Evidencing (through interviews) good behavioural awareness by agents and team managers, of the appropriate link between a customer being satisfied with the outcome before a complaint is closed
-  Evidencing key process and procedural documents for complaint handling, including a Complaint Handling Charter, Procedure and Principles Statement
-  Evidencing the use of helpful visual material for all complaint handlers, showing how to recognise and resolve complaints
-  Providing a wide and suitable range of contact methods for customer complaints to be made – including by telephone, email, in person, and through social media
-  Providing third party support and reference points for customers to reach out for additional support – including Citizen's Advice, Age UK & the Energy Ombudsman
-  Evidencing appropriate logging of the complaint including date, method of contact, initial note capturing and a link to the customer's account – all on one system
-  Evidencing use of internal Promise Tracker tool to ensure promised actions were made to customers

ScottishPower have areas of improvement in...



Updating of all internal complaint documents to ensure references to complaint recognition and resolution are consistent, and highlight the importance of customer satisfaction.



Ensuring that all customer interactions in resolving a complaint are fully recorded and easily linked against the customers' account.



Carrying out enhanced briefing and ongoing refresher training for all agents to ensure adherence to the guidelines with regards to:

- Re-opening a complaint where the customer is not happy or raising another complaint about the same issue
- Ensuring that all complaints have contact (or attempted contact) to the customer at the point of complaint closure, with a clear audit trail on the customer's account of this contact



Carrying out spot checks:

- To ensure that all outstanding customer complaints have a customer contact and update every 10 days (or within a timescale agreed with the customer)
- To ensure that all agents are consistently informing and offering customers' of our complaints handling procedure at the point of the complaint being raised, and at key intervals during the complaint investigation and resolution.

ScottishPower have committed a programme of Management Actions following this feedback, to ensure that all areas for improvement are acted on within a timely manner, as well as ongoing enhancements to the complaint handling processes to adapt to changing customer expectations, market conditions and regulatory requirements.