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Complaint Handling - Resolving Issues

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1. Introduction

Throughout the 21st Century, consumers have become increasingly more demanding in terms of the service they expect to receive and, consequently, are more likely to complain if something goes awry. According to the Consumer Action Monitor report commissioned by the Ombudsman Services (2016), there were 52 million complaints made by adults aged 18+ about products and services; with around four in five consumers (82%) not being prepared to put up with poor service. They calculated that the number of active complaints made equates to approximately 1.1 per person living in Britain. However, a well-handled complaint could bring significant value to a company.

In the last decade, it has also been made easier for consumers to complain through the setting up of regulators (notably for finance, utilities and telecommunications) and ombudsmen; and through the increasing use of social media platforms, such as Facebook, Twitter and Instagram, making it easier for people to air and share their views. There are also free online dispute resolution services, such as Resolver (see: https://www.resolver.co.uk/) – in association with MoneySavingExpert.com – that can help consumers raise and resolve issues with companies they have experienced problems with.

Resolver has close to 2 million users of its service. Using their data, the following research report investigates issues raised with people using the Resolver platform in terms of the types of issue received, the most common companies cited (in Retail, Transport and Telecoms' sectors), and the level of satisfaction and advocacy following on from a company's handling of the issue concerned. Furthermore, we explore whether it is the duration of a case (number of days) or the number of interactions with a company (number of emails) that has the greatest influence on satisfaction and advocacy scores.

2. Effective Complaint Handling

When it comes to complaining, the consumer is effectively expressing unhappiness about a situation or strongly feels that their expectations have not been met. Hence, the consumer will bring a problem or issue to the attention of the organisation and would expect some form of redress. However, if handled well, complaints are opportunities for businesses to receive feedback in terms of:

- Evaluating how well they are doing
- Identifying any weaknesses in their processes and systems and putting them right
- Understanding the customer's perspective
- Correcting and learning from mistakes
- Improving consumer satisfaction
- Creating retention and long-term loyalty.

According to the famous quote by Zig Ziglar (in Louis, 2016)), 'the complaining customer represents a huge opportunity for more business' and if the business can 'resolve a complaint in the customer's favour … they will do business with you again 70% of the time.' (see: Lee Resources, 2016).

2.1. Resolver

Resolver was started by James Walker after an energy company ignored a complaint he made. This inspired him to offer a service that could proactively help consumers resolve their issues with companies. Consumers can just enter the name of the company they have an issue with and then follow the easy to use steps provided on-screen (see: https://www.resolver.co.uk/). At the time of writing, almost 1.8 million users have used the service.

Figure 1: Resolver's Online Tool
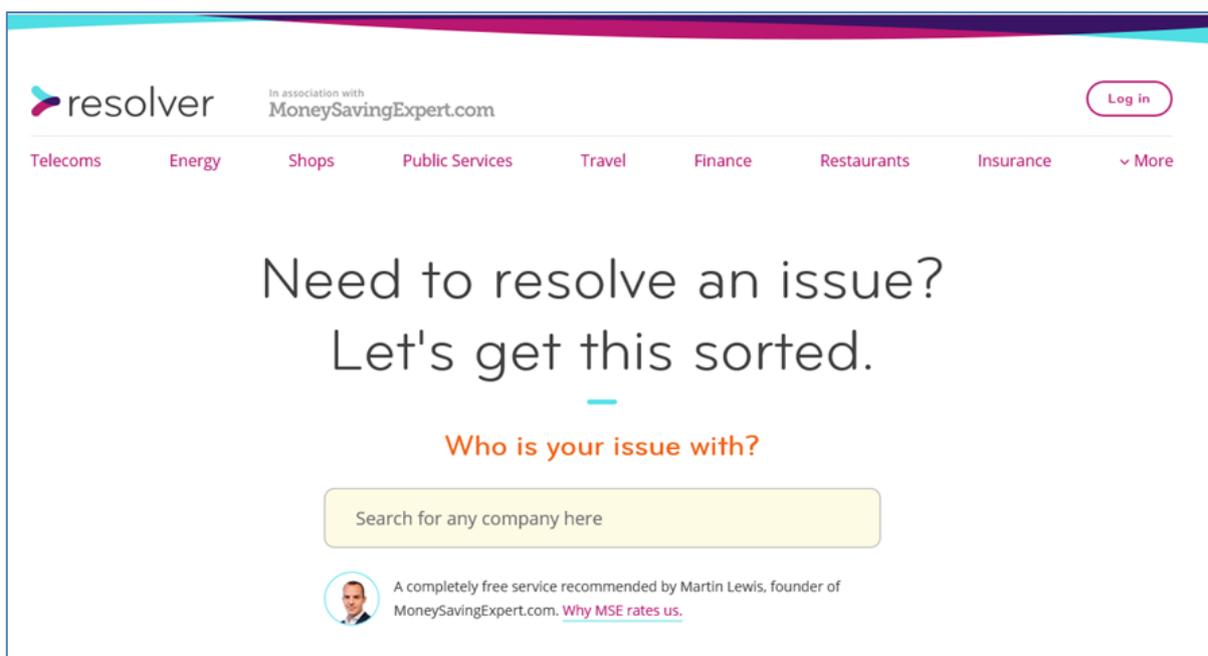
2.2.   Research Question

There is very little evidence that exists to suggest whether it is how long a case is open for or the number of interactions with that company that is more important when it comes to consumer satisfaction and advocacy with respect to complaint handling. When it comes to the use of ombudsmen services in extreme cases, they aim to issue reports within 6 weeks in 90% of the cases they look at. Most of the complaints the financial ombudsman receives - mainly to do with PPI – are aimed to be dealt with and resolved within three months but could take longer in complex cases. However, such bodies do not encourage ongoing consumer interactions. In less extreme cases, these figures should be significantly lower.

We have formulated the following research question:

> *Is it the case duration or the number of interactions that have the greatest impact on consumer satisfaction and advocacy following the resolution of an issue?*

To answer this question, we utilised the data collected by Resolver during 2017 pertaining to the Retail, Telecoms' and Travel sectors. In terms of measures we included:

- Case duration – the total number of days a case is open for
- Interactions – the total number of emails that are exchanged whilst a case is open
- Advocacy – how likely are you likely to recommend the company to a friend or colleague? (0=Not likely to 10=Very likely)
- Satisfaction – overall how satisfied are you with the way the company dealt with the case? (0=Not at all satisfied to 10=Very satisfied).

Figure 2: The Research Question
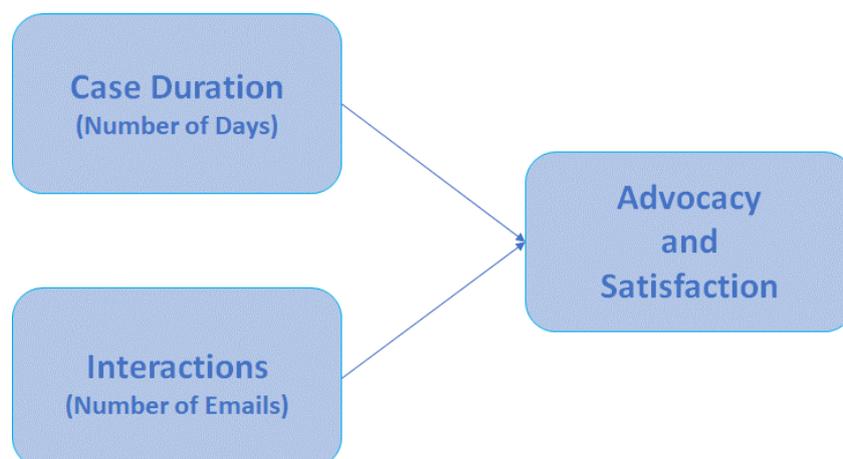
To begin with, we explore an overview of the data collected by Resolver and then focus on the issues raised within each sector, identifying low performing companies and exploring the outcomes relating to the research question highlighted above.

3. Data Overview

In total, there were 22,167 registered issues or complaints relating to the Retail, Telecoms' and Travel sectors. The following figure shows that, in many cases (over half), the outcome was either 'positive' or 'not bad'. For the Travel sector, the outcome was significantly more 'positive' compared to the other sectors (see Figure 3).

Figure 3: How do you feel about the outcome of your case?
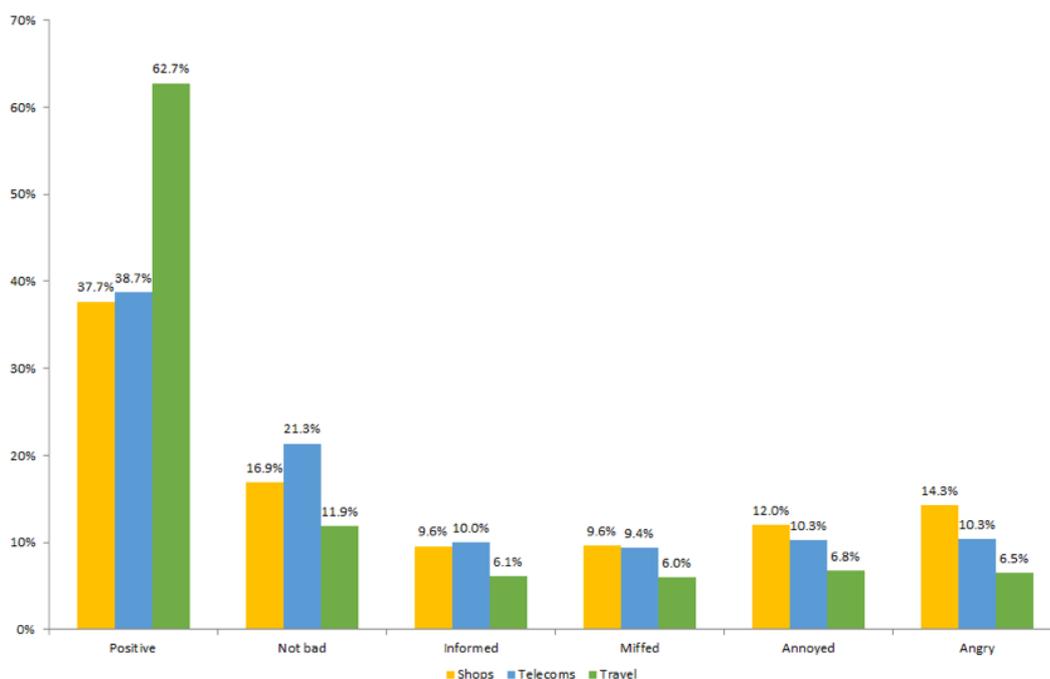
Overall, scores for Advocacy and Satisfaction are fairly low for both the Retail and Telecoms' sectors but significantly higher for the Travel sector (see Figure 4).

Figure 4: Feedback Scores
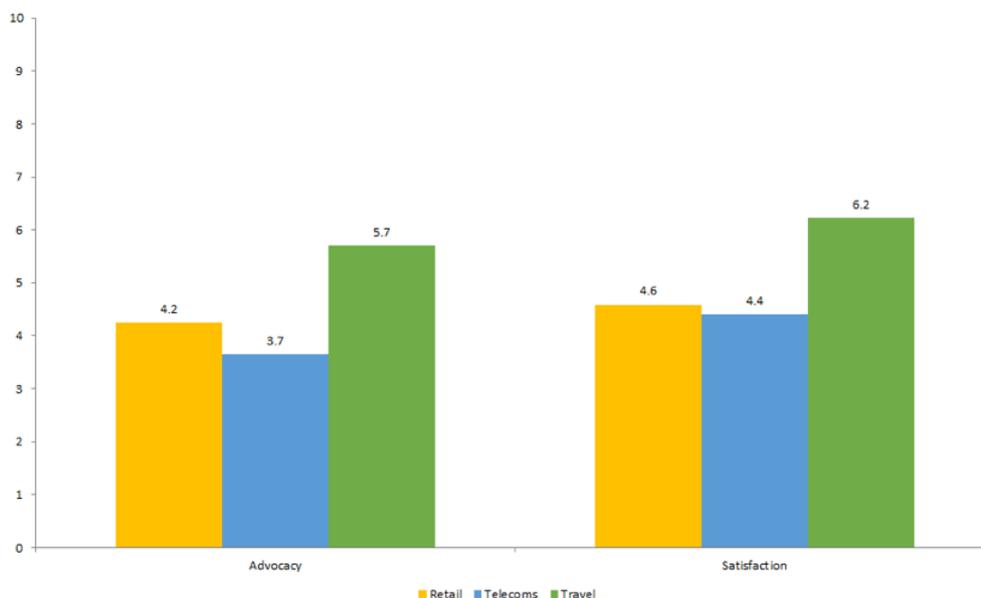
3.1.   Case Duration and Number of Interactions

Across all sectors, the average case duration was approximately two weeks (14.2 days) – although significantly longer for the Travel sector (see Figure 5) – and five interactions (4.8 emails).

Figure 5: Case Duration and Number of Transactions by Sector
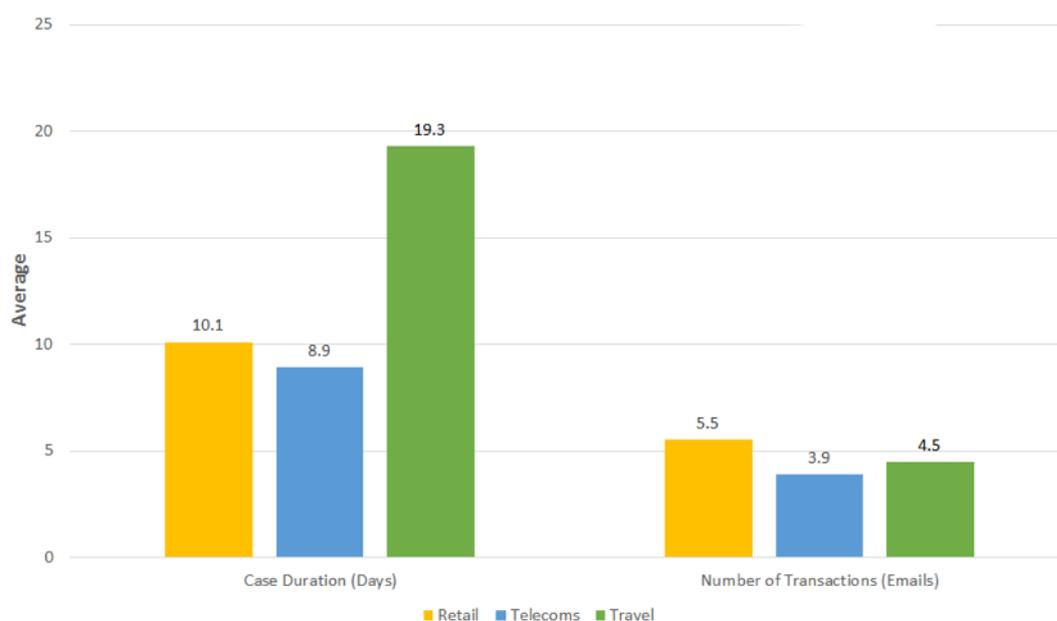
In terms of the number of complaints or issues across the three sectors, Ryanair stood out the most, followed by British Airways and Flybe (see Table 1). Although perhaps not expected, they all received higher than average Advocacy and Satisfaction scores.

Table 1: Most Number of Issues or Complaints

Company	Complaints	Advocacy Score	Satisfaction Score
Ryanair	1972	5.62	6.57
British Airways	1126	5.79	6.40
Flybe	961	6.43	7.20
O$_2$	589	4.68	5.47
Virgin Media	526	3.60	4.26
Vodafone	427	2.45	3.25
Argos	417	3.97	4.13
B&Q	405	5.14	5.62
House of Fraser	381	4.33	4.38
BT	349	3.29	4.01

3.2.   The Retail Sector

In total, there were 8,507 registered complaints relating to the Retail sector, the majority of which related to either online or in-store shopping (see Figure 6 below).

Figure 6: Service Type - Retail
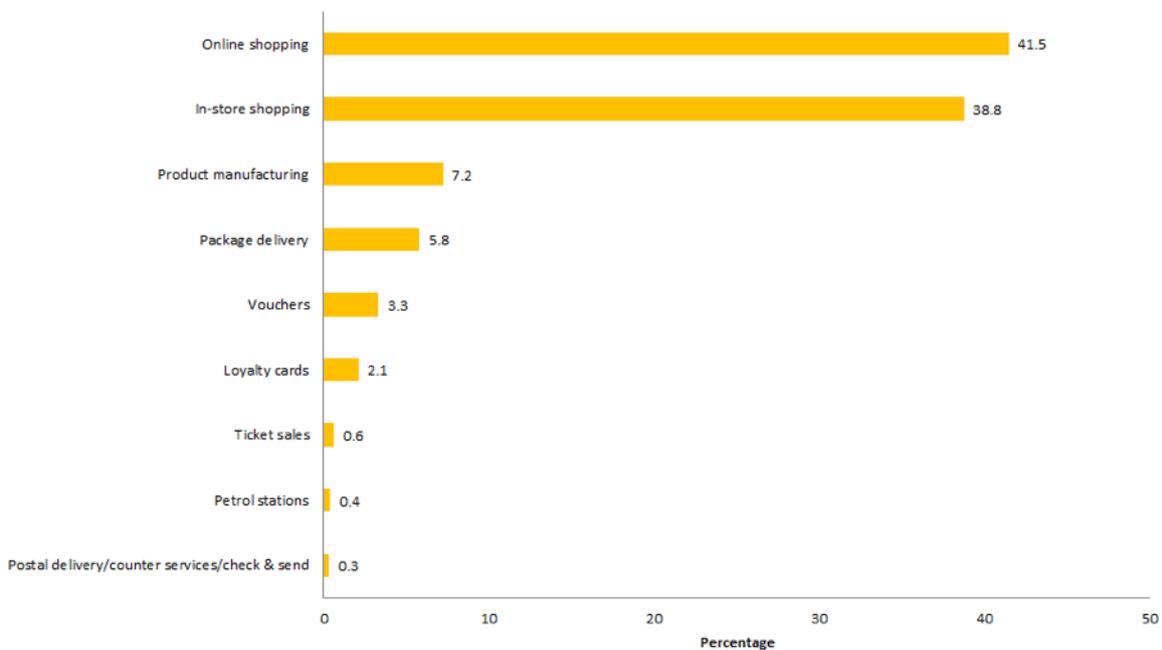
The top 10 retail companies that were complained about most are listed in the table below. No one company stood out but Argos, B&Q and House of Fraser were frequently mentioned (product issues/returns and delivery issues cited as being the main reasons for complaint).

Table 2: Percentage of All Complaints in Retail

Top 10 Retail	Percentage of all complaints
Argos	4.9
B&Q	4.8
House of Fraser	4.5
Currys PCWorld	3.8
Very.co.uk	3.2
Amazon UK	3.1
Tesco	2.8
Yodel	2.3
ASDA	2.1
Wowcher	1.9

The following figure shows the main service issues in the Retail sector overall. Product issues and returns is the biggest issue followed by delivery issues (see Figure 7).

Figure 7: Service Issue - Retail
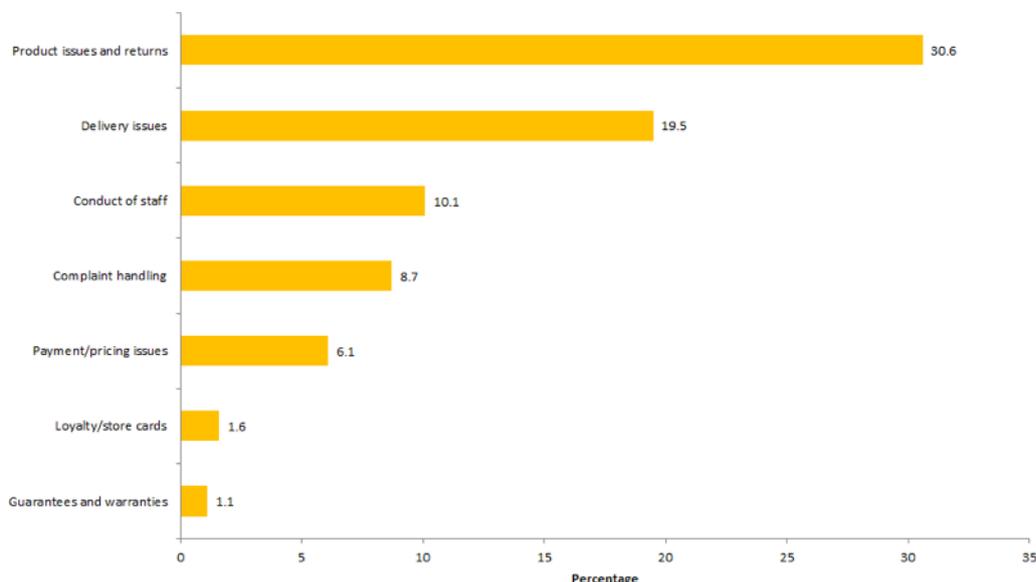
3.3. The Telecoms' Sector

In total, there were 3,356 registered complaints relating to the Telecoms' sector, the majority of which related to either mobile phones or broadband issues (see Figure 8 below).

Figure 8: Service Type - Telecoms
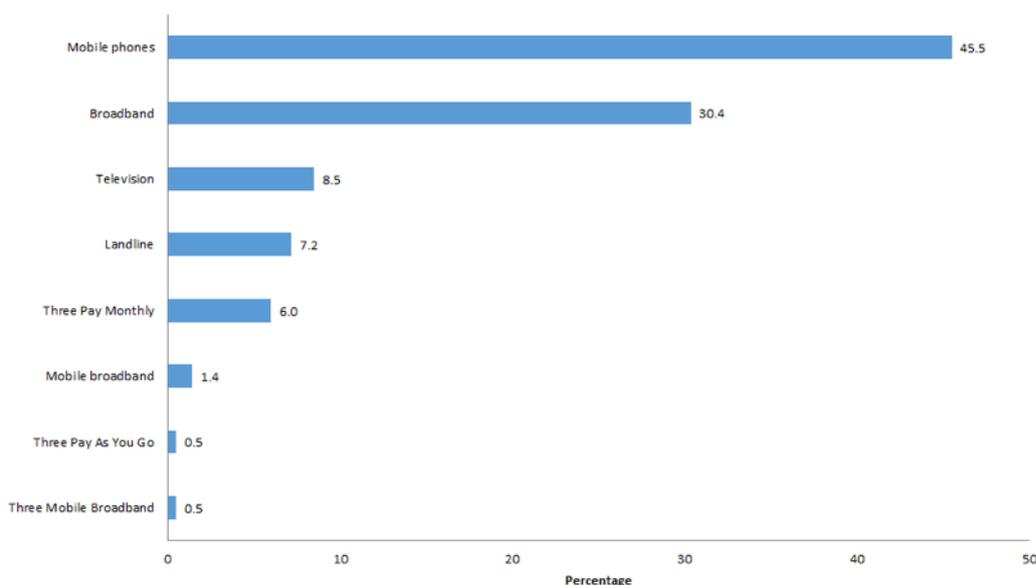
The top 10 telecoms companies that were complained about most are listed in the table below. The four main ones mentioned being O₂, Virgin Media, Vodafone and BT (billing, service issues and customer service cited as being the main reasons for complaint).

Table 3: Percentage of All Complaints in Telecoms

Top 10 Telecom	Percentage of all complaints
O$_2$	17.6
Virgin Media	15.7
Vodafone	12.5
BT	10.4
Three	7.1
TalkTalk	6.8
Sky	6.7
Virgin Mobile	6.1
EE	5.6
Plusnet	2.8

The following figure shows the main service issues in the Telecoms' sector overall. Billing is the biggest issue by a long margin, followed by service issues and customer services (see Figure 9 below).

Figure 9: Service Issue - Telecoms
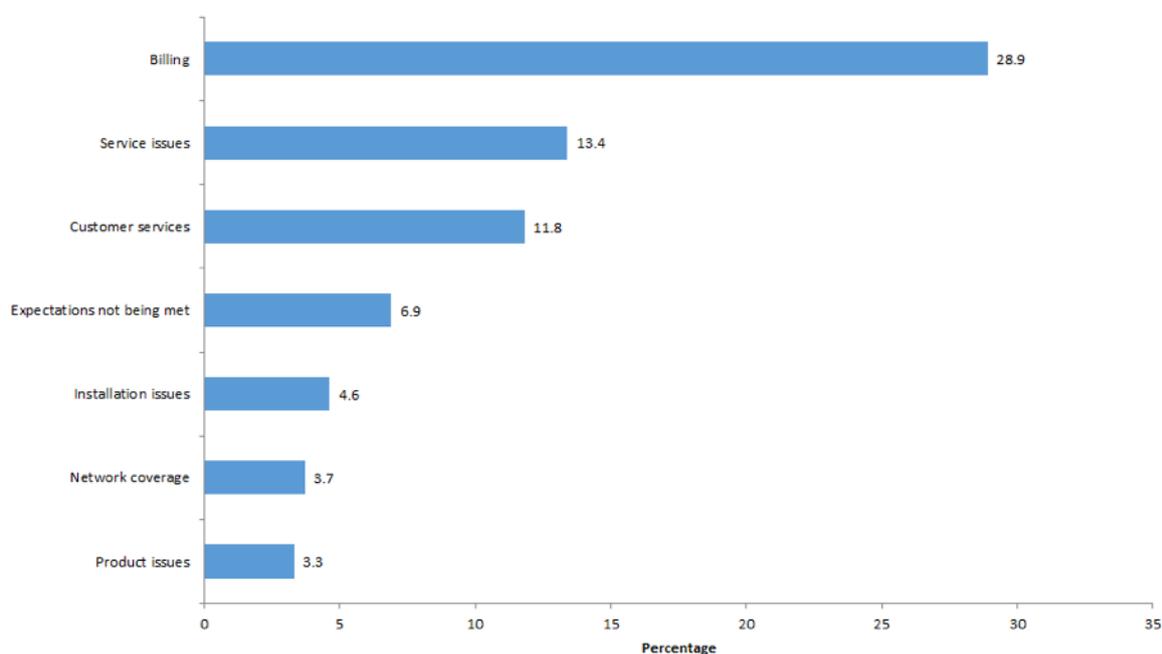
3.4.   The Travel Sector

In total, there were 10,304 registered complaints relating to the Travel sector, the majority of which related to issues pertaining to flights (see Figure 10 below).

Figure 10: Service Type - Travel
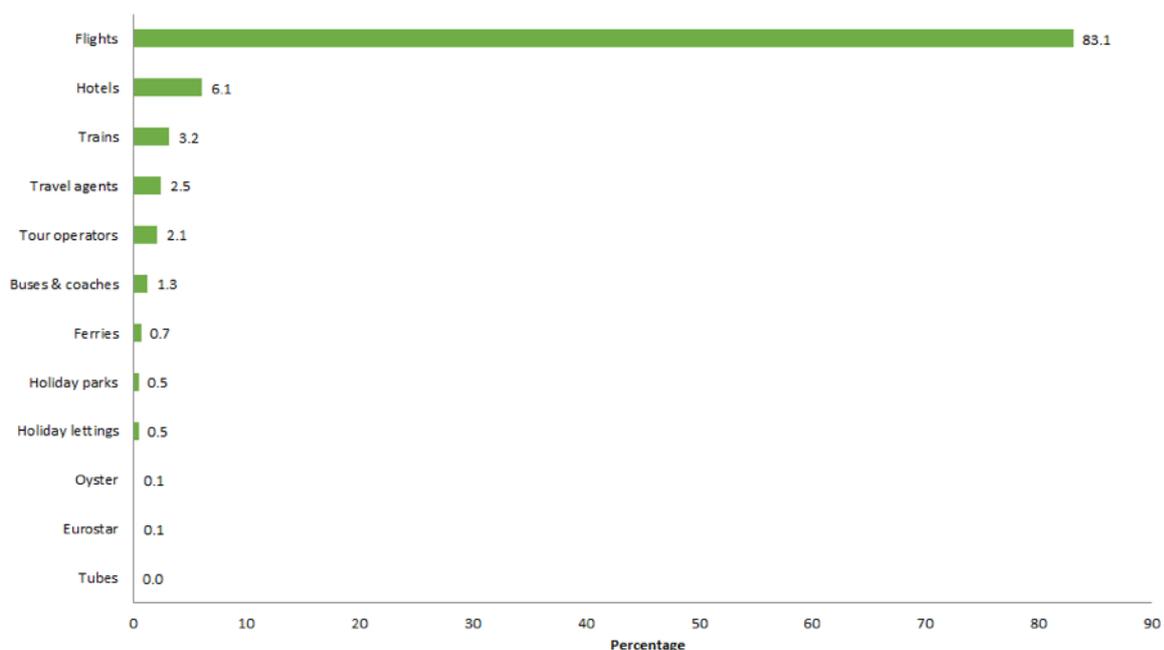
The top 10 travel companies that were complained about most are listed in the table below (see Table 4). The three main ones mentioned being Ryanair, British Airways and Flybe (flight delays and cancellations cited as being the main reason for complaint).

Table 4: Percentage of All Complaints in Travel

Top 10 Travel	Percentage of all complaints
Ryanair	19.1
British Airways	10.9
Flybe	9.3
TUI Airways	7.5
Thomas Cook Airlines	5.5
Jet2	3.4
Norwegian Air	2.8
easyJet	2.1
Monarch	2.1
Travelodge	1.6

The following figure shows the main service issues in the Travel sector overall. Flight delays and cancellations is the biggest issue by a long way (see Figure 11).

Figure 11: Service Issue - Travel

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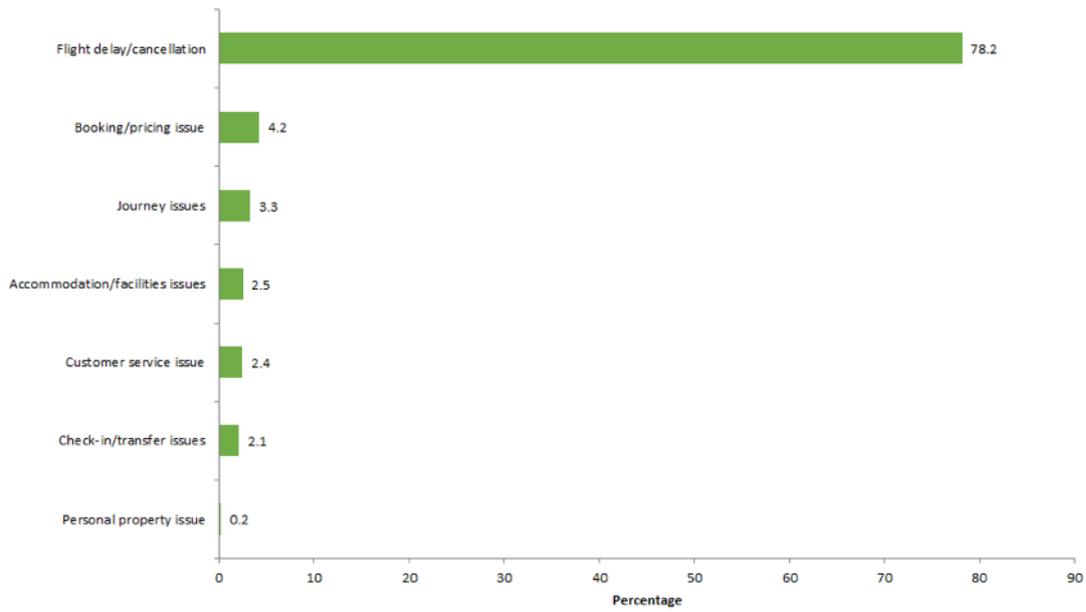
4. Performance Table

We also explored how companies performed on the resolution of issues by means of satisfaction scores in the form of a performance league table (see Table 5); where the worst performers are in the left column and the best performers are in the right column. The criteria for inclusion were based on at least 50 cases per company.

Table 5: Performance League Table

League Table (Worst Performers)	Satisfaction Score	League Table (Mid Performers)	Satisfaction Score	League Table (Best Performers)	Satisfaction Score
The Range	2.13	Parcel2Go	4.48	Iceland	5.80
SCS	2.40	Boohoo.com	4.50	Specsavers	5.81
Yodel	2.72	Amazon UK	4.59	John Lewis	5.82
Zara	2.84	Dunelm	4.66	United Airlines	6.00
Samsung	2.87	Aldi	4.68	Missguided	6.00
GAME	2.95	ASDA	4.69	Tesco	6.02
Trainline	3.02	Booking.com	4.80	Lufthansa	6.07
myHermes	3.05	Royal Mail	4.93	Travelodge	6.24
Very.co.uk	3.11	Lidl	4.96	IKEA	6.29
Vodafone	3.25	EE	5.01	British Airways	6.40
Littlewoods	3.29	Thomas Cook Holidays	5.04	National Express	6.42
Sports Direct	3.33	Wowcher	5.09	Thomas Cook Airlines	6.44
Talk Talk	3.53	Debenhams	5.11	Air Canada	6.55
JD Sports	3.71	Tesco Direct	5.13	Ryanair	6.57
Currys PC World	3.78	Plusnet	5.16	Aer Lingus	6.63
Sky	3.79	Vueling Airlines	5.23	Norwegian Air	6.65
TUI Holidays	3.80	KLM Royal Dutch	5.33	Delta Airlines	6.74
Hotpoint	3.93	Studio	5.35	ASOS	6.76
BT	4.01	Turkish Airlines	5.35	Eurowings	6.86
CEX	4.03	O2	5.47	Monarch	6.87
Argos	4.13	Premier Inn	5.53	Virgin Atlantic	6.92
Virgin Media	4.26	Morrisons	5.59	TUI Airways	6.97
Wizz Air	4.30	B&Q	5.62	Waitrose	7.00
easyJet	4.31	Sainsbury's	5.65	Qatar Airways	7.18
Carphone Warehouse	4.32	American Airlines	5.65	Flybe	7.20
House of Fraser	4.38	Primark	5.70	Jet2	7.49
Virgin Mobile	4.40	Three	5.80	SAS	8.07

Source: Resolver (2018)

Despite the number of issues or complaints, satisfaction scores were by and large the highest for companies in the Travel sector (highlighted in green), with SAS, Jet2, Flybe and Qatar Airways all scoring over 7 on the 0-10 scale – which suggests that customers are likely to be satisfied with the outcome, which in most cases will probably be in some form of compensation.

Scores in the Retail sector (highlighted in yellow) were fairly mixed, with Waitrose scoring well and companies, such as The Range, SCS, Yodel and Zara, scoring particularly poorly on customer satisfaction.

Most of the companies in the Telecoms' sector (highlighted in blue) were in the 'Worst Performers' column, with companies such as Vodafone, TalkTalk and BT all scoring poorly. This is supported by the most recent report from the Telecoms' regulator Ofcom (based on data from October to December 2017), where TalkTalk was named the most complained-about broadband company in the UK and BT and Vodafone were the most complained-about mobile operators. Interestingly, O_2 and Plusnet who scored higher are accounts that are being managed by Resolver.

5. Measuring Impact

To measure the impact of case duration and interactions on advocacy and satisfaction, we undertook a linear regression (due to the large sample size within each sector). The findings are reported below.

5.1. Case Duration Vs. Number of Interactions - Retail

For the Retail sector, the impact of case duration and interactions are both statistically significant ($p < 0.001$) on the outcomes relating to Advocacy and Satisfaction scores (see Figure 12). However, case duration has significantly more impact compared to the number of interactions (due to a higher *F*-statistic, highlighted below).

Figure 12: Impacts in the Retail Sector
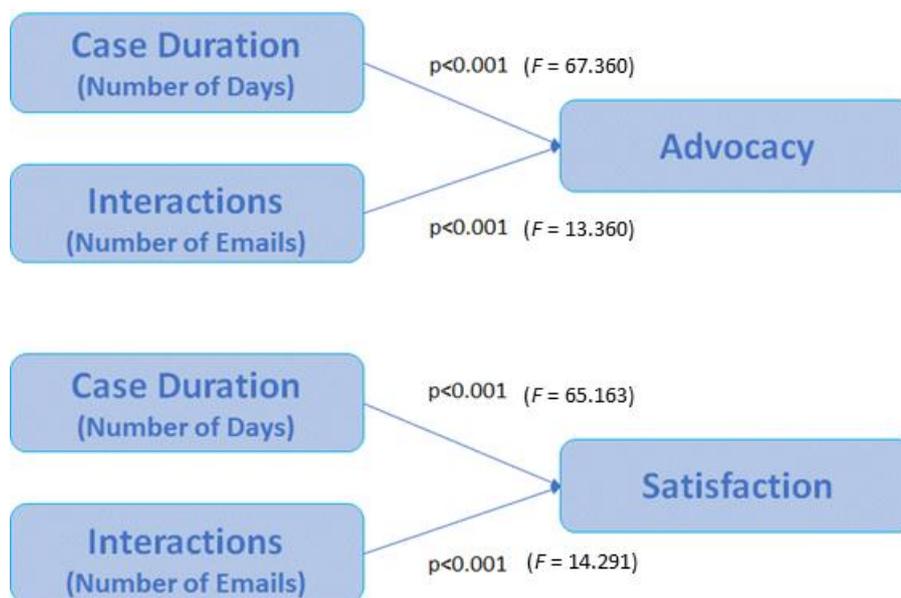
5.2. Case Duration Vs. Number of Interactions - Telecoms

For the Telecoms sector, the impact of case duration and interactions are both statistically significant on the outcomes relating to Advocacy and Satisfaction scores (see Figure 13). However, case duration ($p < 0.001$) has significantly more impact compared to the number of interactions ($p < 0.05$).

Figure 13: Impacts in the Telecoms' Sector

Case Duration (Number of Days)	p<0.001
Interactions (Number of Emails)	p<0.05

→ **Advocacy**

Case Duration (Number of Days)	p<0.001
Interactions (Number of Emails)	p<0.05
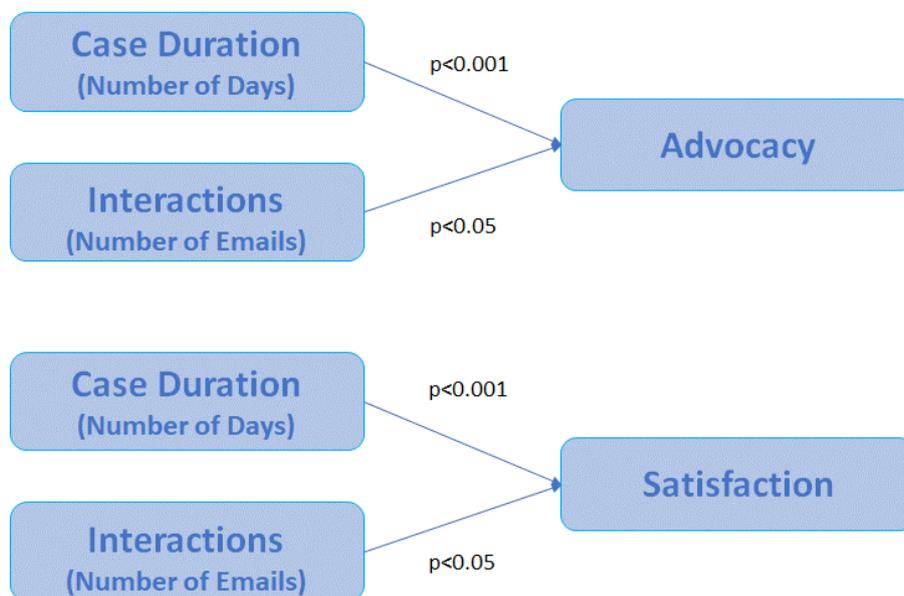
→ **Satisfaction**

5.3. Case Duration Vs. Number of Interactions - Travel

For the Travel sector, the impact of case duration is statistically significant ($p<0.001$) on the outcomes relating to Advocacy and Satisfaction scores (see Figure 14). However, the number of interactions has only a statistically significantly impact on Satisfaction scores ($p<0.05$) compared to Advocacy scores, which is not significant ($p>0.05$).

Figure 14: Impacts in the Travel Sector

Case Duration (Number of Days)	p<0.001
Interactions (Number of Emails)	p>0.05

→ **Advocacy**

Case Duration (Number of Days)	p<0.001
Interactions (Number of Emails)	p<0.05

→ **Satisfaction**
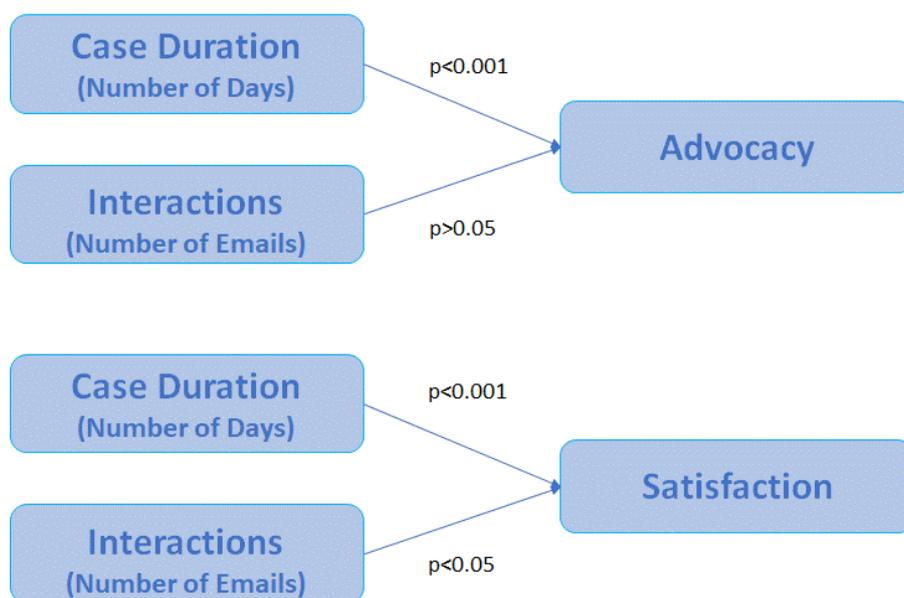
6. Summary

Complaining is about resolving issues or problems – and consequently one would expect an improvement in services received. It is about companies having an adequate complaints and resolution procedure in place, which generally means that:

- There is a strategic plan in place relating to how complaints are dealt with
- Both staff and management are trained in complaint handling
- Complaining is given enough priority and authority in the organisation
- Complaints can be processed from all sources (e.g. email, social media)
- There is an internal process that logs and analyses the complaints.

When done effectively, consumers making a complaint should be dealt with fairly and with a quick and simple process. When done badly, or if the company that is being complained about does not have adequate complaints procedures in place, it can be a time-consuming and frustrating experience for the consumer.

In answering the research question posed earlier in this document, we have found that consistently across the sectors, case duration has the greatest impact on outcome measures relating to Advocacy and Satisfaction scores compared to the number of interactions. We would, therefore, recommend that companies also need to deal with issues or complaints in a timely manner to prevent a significant adverse effect on these scores.

There would also seem to be an inconsistency or paradox within the Travel sector compared to the other sectors, in that the case duration is significantly longer on average than it is in the Retail and Telecoms' sectors; yet those who complain rate the Travel sector higher compared to the other sectors on each of the outcome measures. Maybe this is the 'nature of the beast' and about managing customer expectations. It may be related to the way compensation is given or perhaps the process is less complicated in the Travel sector in comparison with the Retail and Telecoms' sectors. Clearly this paradox needs further investigation.

7. References and Further Reading

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The Henley Centre for Customer Management

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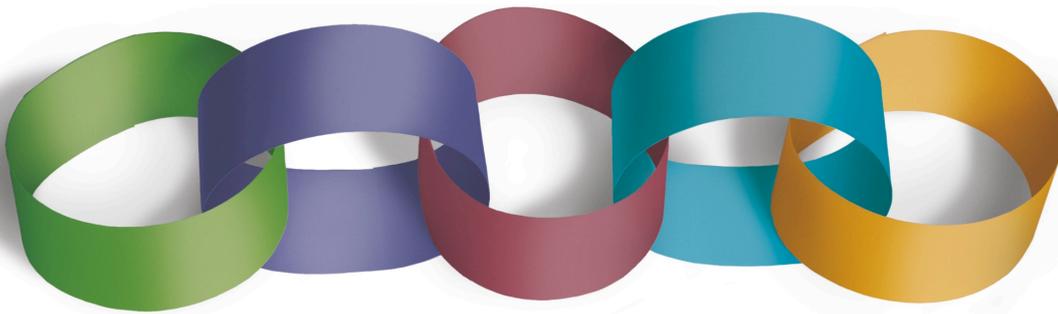
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