



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

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National Audit Office

DEPARTMENT FOR WORK AND PENSIONS
Handling Customer Complaints

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Tim Burr
Comptroller and Auditor General
National Audit Office

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The National Audit Office
study team consisted of:

Lee Summerfield, Karla Rayner, Rachel Coffey,
Dr Baljinder Virk, Steve Wright and
Caroline Mendes Da Costa, under the
direction of David Clarke

This report can be found on the National Audit
Office web site at www.nao.org.uk

**For further information about the
National Audit Office please contact:**

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7400

Email: enquiries@nao.gsi.gov.uk

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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.

PART ONE

The nature of complaints against the Department

1.1 Knowing customer expectations and the extent to which they are being met is essential to improving services. When customers are not satisfied, either service levels have to increase or unrealistic expectations have to be better managed. An effective complaints system is an essential part of providing a quality service and generates a useful source of information and feedback for improving services.

1.2 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 (see Appendix 3). The two latter Agencies merged in April 2008 to form a new Agency, the Pension, Disability and Carers Service. As the majority of our work was completed prior to the merger, we refer to the Agencies separately. This report looks at the processes employed by the Agencies to manage and handle complaints made by customers. 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. These are matters for the Parliamentary and Health Service Ombudsman (the Ombudsman) who carries out independent investigations into complaints about government departments, including those of the Department for Work and Pensions.

1.3 We last reported on complaints handling within the Department in our 2005 report *Citizen Redress: What citizens can do if things go wrong with public services*.² Appendix 5 lists the recommendations from this report and the Department's progress against these recommendations. As part of our examination for this study we used the following criteria to measure effectiveness:

- accessibility of Agency complaints procedures to all customers;
- effectiveness of responses to complaints including both timeliness and adequacy;
- efficiency of internal processes for handling complaints; and
- learning of lessons from complaints to improve services for customers.

1.4 In this report we use an evaluative framework to assess value for money (see Appendix 1). Our methodology is set out in Appendix 2.

The number of complaints received by the Department

1.5 In 2007-08 Jobcentre Plus, The Pension Service and the Disability and Carers Service delivered services to over 22 million customers. Customers include: pensioners; families; lone parents; people looking for work; people with disabilities; and carers. A number of these customers may depend heavily on the Department, for example, those that have low levels of literacy; have a mental health condition; and/or come from a diverse cultural and linguistic background.

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

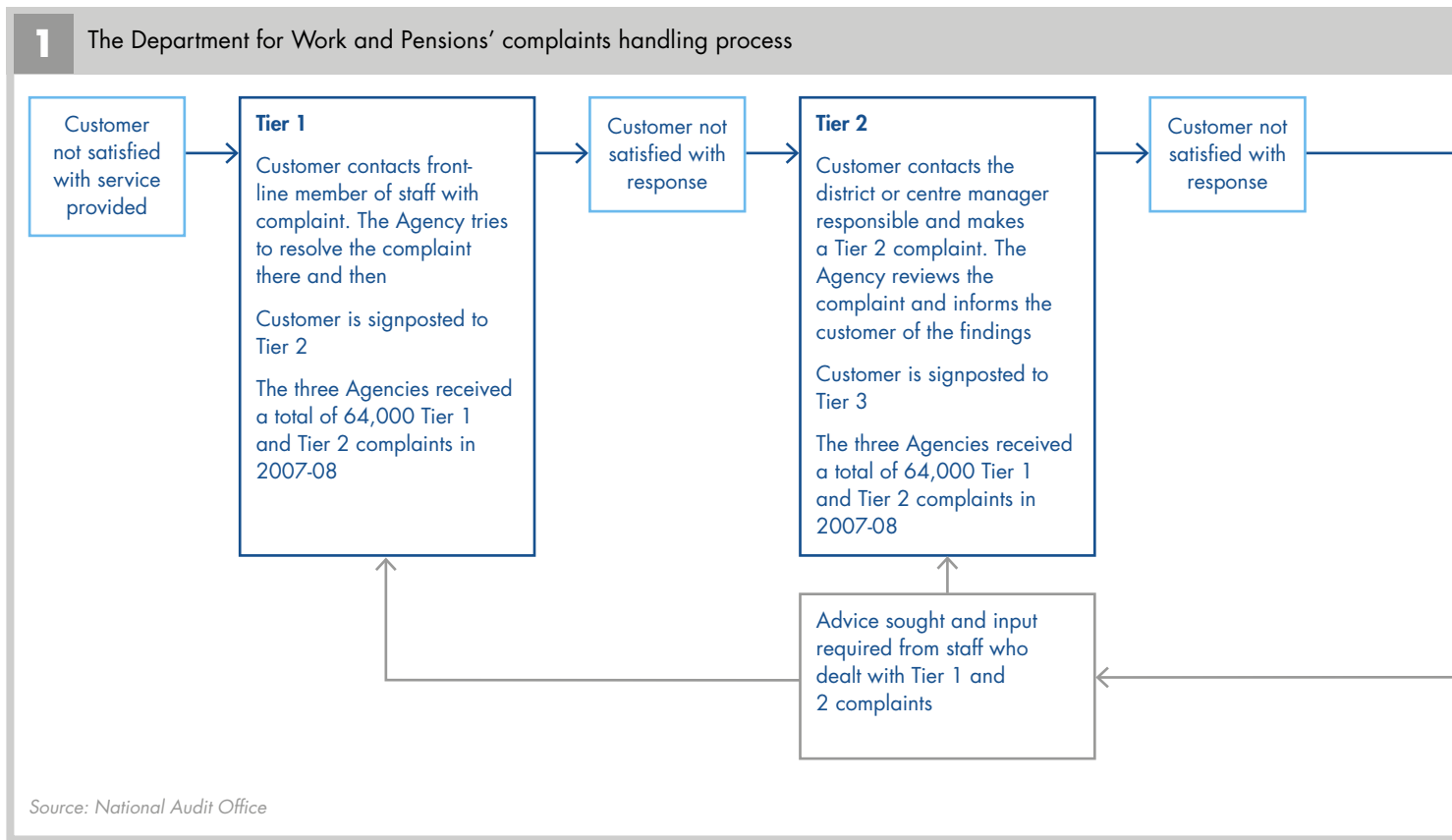
1.6 The Department has recognised the importance of seeking feedback on the quality of services provided. Agencies have a number of processes from which to obtain customer feedback. Some of these processes are initiated by Agencies (such as customer satisfaction surveys); others are initiated by customers, including complaints.

1.7 The Department advises staff that any expression of dissatisfaction with the level of service should be considered to be a complaint – in line with the recent Public Administration Select Committee report.³ The Department defines a complaint as:

a written or verbal expression of dissatisfaction from a customer or a customer’s representative. Complaints refer to the level of service the customer has received; and may be contained in other correspondence, such as appeals or requests for reconsideration.

1.8 Customers may also appeal to the Agencies if they are not satisfied with a decision made about their benefit entitlement. Whereas a complaint is defined as seeking redress for poor service, an appeal seeks redress against incorrectness of official decisions. Where the customer’s concerns are not best dealt with by the complaints procedure, Agencies should direct the customer to the appeals process. This report looks at complaints only.

1.9 In 2007-08, Jobcentre Plus, The Pension Service and Disability and Carers Service recorded 70,000 complaints, compared with 75,000 in the previous year. Overall, less than one per cent of all customers who have direct contact with the Agencies made a complaint (0.89, 0.18 and 0.05 per cent respectively for Jobcentre Plus, The Pension Service and the Disability and Carers Service), reflecting the levels of contact that customers tend to have with the different Agencies.



³ Public Administration Select Committee (2008), *When Citizens Complain*, HC 409, 2007–08.

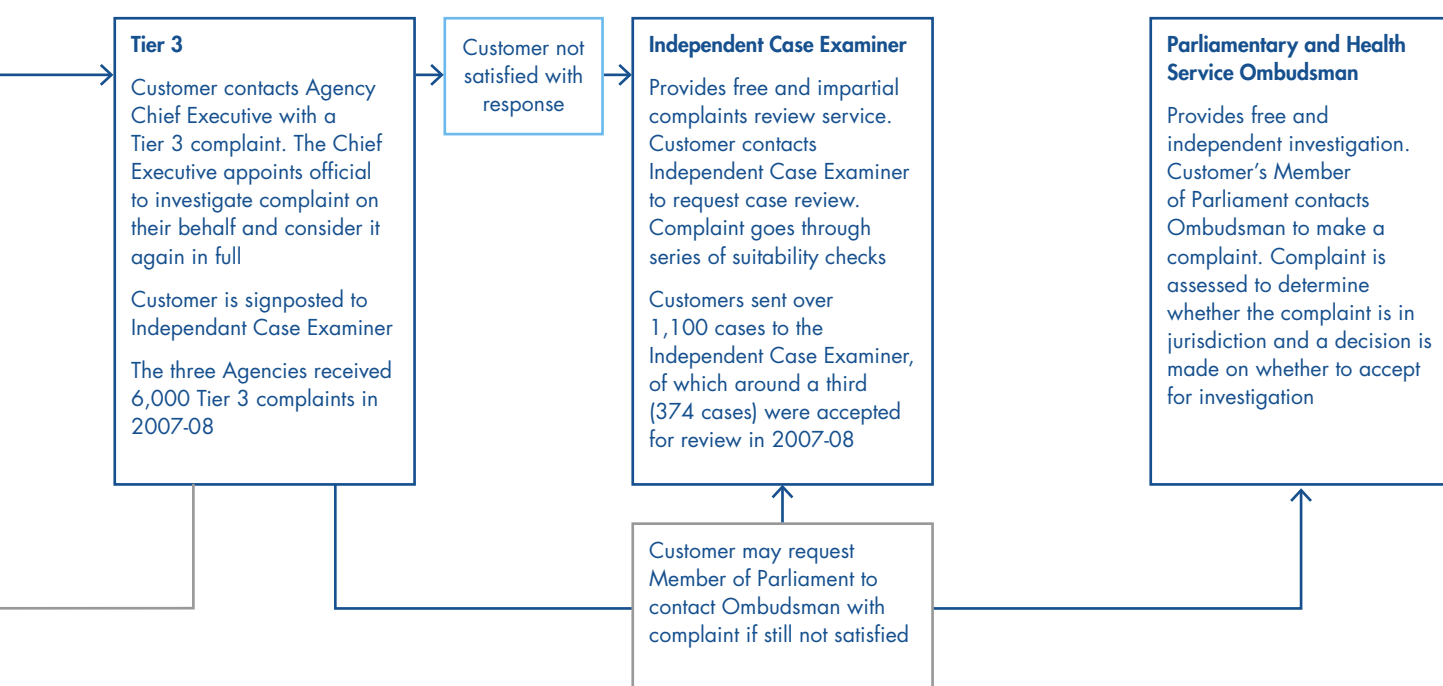
The Department's structured three tier process for complaints handling

1.10 When a customer is dissatisfied with an aspect of the service received in the Department, it should be raised at the point where they received the service, generally at the local office level. The complaints handling process within Jobcentre Plus, The Pension Service and the Disability and Carers Service is split into a three tier process as shown in **Figure 1**. In addition to the three internal tiers, customers can also seek redress through the Independent Case Examiner and/or the Parliamentary and Health Service Ombudsman (the Ombudsman). The remit of the Independent Case Examiner is to consider cases that have been through the three-tier process for all Agencies within the Department. He acts as an independent referee for people who feel that the Agency has not treated them fairly or have not dealt with their complaints in a satisfactory manner (Appendix 4 provides further information).

1.11 All complaints are expected to pass through each tier sequentially. The majority of complaints are resolved at the local office level (Tier 1). Staff consider that handling and resolving complaints is part of their everyday job. Unresolved complaints will not generally be accepted by the Independent Case Examiner or the Ombudsman unless the customer has exhausted all three tiers in the Agency concerned and given them the opportunity to respond.

The nature of complaints against the Department

1.12 The majority of the Agencies' customers, 83 per cent in 2007, are satisfied with the service they receive. Of the remainder, over half of customers (nine per cent) were dissatisfied with the service they receive. Not all dissatisfied customers, however, actually make a complaint (see Paragraph 2.13). The remaining eight per cent of respondents did not express an opinion either way.



1.13 Complaints that are initiated by the customer can cover a broad range of issues that may not have been identified or considered previously by the Department. Work done by the Department to analyse complaints has highlighted key areas of frustration and needs of its customers. **Box 1** provides an overview of the type of complaints made to the Department.

BOX 1

Type of complaints made to the Department for Work and Pensions

- **Timeliness and being unresponsive:** delays in processing benefit claims and the failure of the Department to respond to initial communication. Complainants also refer to the need to pursue issues themselves when they feel that the Department has failed to keep them informed – sometimes by engaging intermediaries such as Citizens Advice Bureaux or other welfare rights organisation.
- **Policy and legislation:** perceived unfairness in a matter of policy or legislation as well as the evidence required to make a claim.
- **Standard of response:** the written response provided to the customer as a result of an initial complaint did not address all points raised by the customer. Criticism also received of the way letters are written.
- **Incorrect and confusing information:** incorrect information being provided to them by a member of staff, for example on particular benefits, which led to financial loss to the customer. They may also complain about leaflets not providing clear information and claim forms being confusing.
- **Error:** failure of the Department to act on information provided (potentially leading to an effect on benefit entitlement).
- **Staff attitude:** customers feeling that staff do not listen or are rude when a customer is making a complaint.

Source: Department for Work and Pensions

1.14 Although we recommended in 2005 that all Agencies should do so, only The Pension Service publishes the number of complaints received and the major reasons for complaints in its annual report. The main complaints against all three Agencies are shown in **Box 2**. There are common reasons why customers complain to all three Agencies, though they also use different categories to report complaints and it is also difficult to compare causes of complaint across Agencies (see paragraphs 5.7–5.9). A major cause for complaint is delay in payment of benefits. Jobcentre Plus research found that staff attitude was the most common cause for potential or actual complaint from ethnic minority customers.⁴ Currently none of the three Agencies make public their reports about complaints and suggestions.

BOX 2

Top five reasons why customers complained, 2007-08

Jobcentre Plus	The Pension Service	Disability and Carers Service
Staff attitudes	Decision taken too long	Payment not received
Staff lack of knowledge	Payment not received	Delay in payment
Late/incorrect benefit payments	Information provided not used	Process delays
Problems with benefit payment procedures	No promised telephone call back	Decision (based on process)
	Information incorrectly given	Failed to reply

Source: Jobcentre Plus Customer Satisfaction Survey 2007; The Pension Service annual report, 2007-08; the Disability and Carers Service Parliamentary Business Unit Quarterly Reports (April–December 2007)

4 National Audit Office (2008), *Department for Work and Pensions: Increasing employment rates for ethnic minorities*, HC 206, 2007-08.

PART TWO

Making and recording complaints

2.1 Whilst customers of many other services, such as banking or electricity suppliers, have the option to choose between providers and can leave those that do not offer a good service, benefit recipients do not have the option to exit services on which they are reliant and they cannot choose to receive these services from another provider. For benefit customers, customer voice is the most important tool they have to express dissatisfaction. It is essential that Agencies enable customers to express dissatisfaction easily.

2.2 This section examines the accessibility of the complaints procedures used by the Department's Agencies, in particular:

- how customers find out about making complaints;
- the channels available to make complaints; and
- the barriers to making complaints.

Accessibility of complaints procedures to customers

2.3 Effective complaints handling systems need to be easily understood, easily available, and free to use. In accordance with good practice as set out in our evaluative framework, information on how to make a complaint to each Agency is available to customers in a range of formats (see Figure 2).

2.4 Each Agency has a leaflet which explains how to make a complaint. These are routinely checked by each Agency's mystery shopping programme to confirm that they are displayed appropriately. These leaflets are also available in other languages including Welsh. Only the Jobcentre Plus leaflet provides a form on which customers can easily make their complaint. The leaflets are:

- *Tell us what you think* (Jobcentre Plus) – 270,000 printed in 2007-08.

2 Customers may find out about how to make a complaint from a variety of sources

Leaflets



Websites



Word of mouth



Source: National Audit Office

- *Tell us how to improve our service* (The Pension Service) – 14,250 printed in 2007-08.
- *Customer Information* (Disability and Carers Service) – 1,560,000 issued in 2007-08.⁵

2.5 We found that the language used in the Agencies' complaints literature encourages customers to make complaints and is more customer focussed than comparable international social security organisations. All three Agencies also have the facility to communicate using Braille formats or textphones for customers with hearing or speech difficulties. There are also translation and interpretation services available.

2.6 Accessibility of leaflets in Jobcentre Plus on how to complain is good. In 2007-08, copies of *Tell us what you think* were available in 97 per cent of the Jobcentre Plus offices visited by the Department's mystery shoppers. The leaflets were less accessible in the other Agencies. Of the requests made to The Pension Service, only 40 per cent resulted in a leaflet being provided accurately. Similarly, not all requests to the Disability and Carers Service resulted in the leaflet being sent accurately: of those requested over the phone, 72 per cent were received; of those requested in person, 88 per cent were received in 2007-08.

2.7 Customers can also find out about how to complain via the Agencies' websites. The visibility of complaints information on the internet for all three Agencies has improved since our last report in 2005.

Channels through which customers can make complaints

2.8 Customers can now complain through a wider range of channels than they could in 2005, including by phone, e-mail, in person and in writing. The way in which services are delivered by Agencies, however, is likely to impact on how customers complain. **Figure 3** sets out in more detail the preferred and actual channels of complaint.

2.9 Complaints can be made by customers themselves; by their Member of Parliament; or by a designated third party such as a relative, a solicitor or an advocacy group. The Agencies have been making efforts to improve communication about complaints with Members of

Parliament and advocacy groups easier. They consider that if advocates have a better understanding of the benefits process and links with staff locally, complaints are more likely to be resolved at an earlier stage, reducing the lengthy and costly process if complaints are escalated.

2.10 The Agencies are taking steps to improve communication around customer complaints with Members of Parliament. The Pension Service and the Disability and Carers Service each have a helpline for Members of Parliament; the former receives around 60 calls per month. Local and regional offices are also developing links with Members of Parliament and advocacy groups such as Citizens Advice Bureaux: for example, through visits; newsletters; conferences for welfare groups; and outreach work.

2.11 Our research with advocacy groups suggests that experiences of making complaints to the Agencies can be very mixed. Some welfare advisors use the complaints procedure in order to get things done as their clients consider that the Agencies' processes are too slow. The welfare advisors indicated that it was easier to make a complaint and get things resolved when they had a designated, local point of contact within an Agency.

2.12 The Agencies use contracted organisations to provide some services for their customers, such as training provision for customers seeking work. If a customer is not happy with services provided by contractors, they can complain directly to the Agency, using the three-tiered complaints process, or directly to the contractor. Of the three Agencies, this contracted provision is primarily a service for Jobcentre Plus customers; all contractors are expected to have a complaints procedure in place and action taken by contractors as a result of complaints is recorded by the Agency and forms part of contract management discussions.

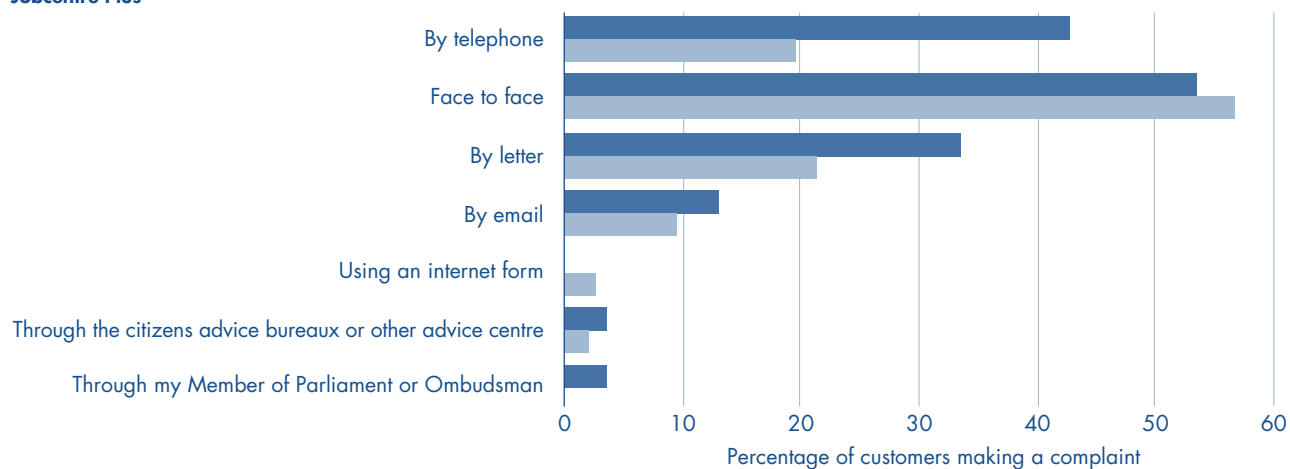
Reasons why some dissatisfied customers do not complain

2.13 Our survey found that overall one in ten customers (11, seven and eight per cent respectively for Jobcentre Plus, The Pension Service and the Disability and Carers Service) felt that they had cause to make a complaint but did not do so.

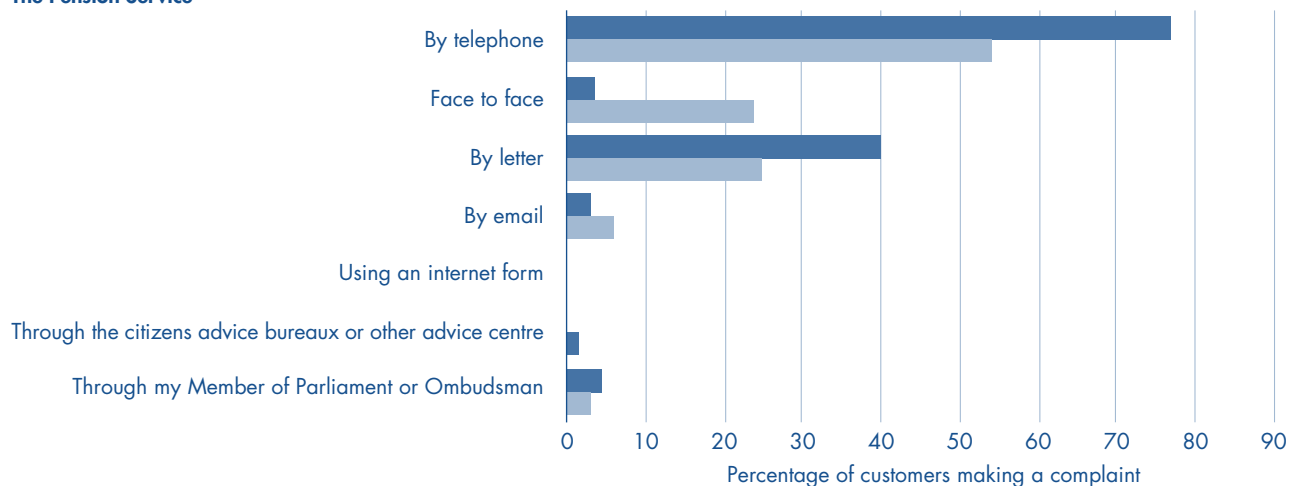
⁵ The Disability and Carers Service issue customer information leaflets to all customers at their first point of contact and this outlines the complaints process.

3 The actual channels and preferred channels that customers use to make complaints

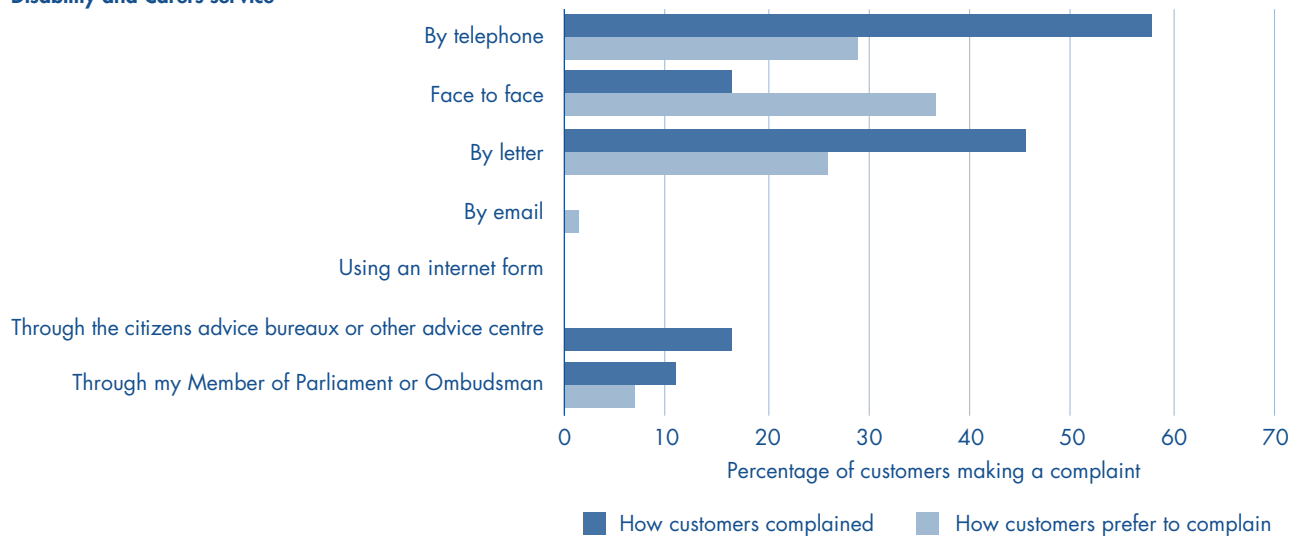
Jobcentre Plus



The Pension Service



Disability and Carers service



Source: National Audit Office omnibus survey

NOTE

Respondents were asked to choose all those channels that they had used for their last complaint and how they would like to complain, and so the percentages shown do not sum to 100.

2.14 Each Agency carries out analysis of the reasons why dissatisfied customers do not make complaints through its customer satisfaction surveys. The surveys demonstrate that a significant proportion of customers who are not happy with aspects of services do not complain.

- Fourteen per cent of respondents in 2007 stated that they had felt like complaining about some aspect of **Jobcentre Plus** service at some point in the last six months. Less than a quarter of this group (3.4 per cent of all customers) had actually made a complaint, although nine per cent intended to do so at some point in the near future. Twenty seven per cent of Jobseeker's Allowance customers felt like complaining, although only seven per cent did so.
- Twelve per cent of all customers of **The Pension Service** reported in 2005 that they had made or were considering making a complaint, although only six per cent actually did so.
- Ten per cent of customers in 2007 reported difficulties or problems when dealing with the **Disability and Carers Service** compared with 14 per cent in 2006 and 23 per cent in 2005. Of the 10 per cent who did experience problems, one in ten went on to make a formal complaint, which was the same as in 2006.

2.15 Our survey found that Jobcentre Plus and The Pension Service customers felt it was not worth complaining as they did not feel it would make a difference (43 and 42 per cent respectively). Almost all (95 per cent) of those Disability and Carers Service customers who had cause but did not complain felt they couldn't be bothered. This reaction may in part be due to the Agencies not reporting publicly what they have done in response to complaints on particular issues. Jobcentre Plus research found that ethnic minority customers lacked awareness of the complaints system and anti-discrimination procedures.⁶

2.16 There may also be some practical barriers to making a complaint; for example the cost of making a complaint as shown in **Box 3**. The Pension Service indicates in its *Tell us how to improve our services* leaflet that the maximum call charge from BT landlines to its 0845 number will be three pence per minute although calls from mobile phones, cable or other network providers may be different. Customers should be offered the option to be called back if they choose but it is not possible to determine how many are so advised or how many take up this service.

2.17 There is currently no facility for customers to contact the Agencies using text messaging. Such a facility might help to limit the costs to customers as text messages are often cheaper and have a fixed cost. Text messaging would enable customers to leave their details for the Agencies to return calls, thereby absorbing the costs. Text messaging might also benefit customers who are hard of hearing.

BOX 3

The cost of calling to complain may be a barrier for some customers

Much of the Department's business is now conducted over the telephone. When customers make a complaint over the telephone they are likely to incur a call charge.

The Social Security Advisory Committee has reported on call costs and the equality of access to the Department's services. It points out that although the Agencies largely have 0845 or 0800 numbers, which are cheaper or free from landlines, these numbers can be costly to call from mobile phones. The cost per minute tends to be highest on pay-as-you-go mobile phones, which are more likely to be used by customers from low income groups, than contract mobile phones. The Committee found that calls to 0845 and 0800 numbers from mobile phones ranged from 10 to 40 pence per minute.

Source: Social Security Advisory Committee

⁶ National Audit Office (2008), *Department for Work and Pensions: Increasing employment rates for ethnic minorities*, HC 206, 2007-08.

PART THREE

Responding to complaints

3.1 The more promptly a complaint can be resolved, the more likely it is that the customer will be satisfied and think highly of the Agency. Complainants expect their complaints to be resolved immediately by the first person that they talk to. If that is not achievable, then they expect a response to their complaint as soon as possible. Dissatisfaction rises sharply if a response takes too long. Dissatisfaction may lead to complaints unnecessarily being escalated up the tiers.

3.2 This section examines:

- the processes the Agencies use to handle complaints; and
- targets for responding to complaints.

The Agencies' three-tiered approach to complaints handling

3.3 Our evaluative framework suggests that a tiered or staged approach to complaints handling is the most effective (Appendix 1). The system should aim to resolve the majority of complaints at Tier 1 – the front-line (Figure 4). Each tier should also be clear to all users of the system, both customers and staff handling complaints. Our site visits to the Agencies indicated a high level of compliance and awareness of the three-tiered process.

3.4 Within the tiered framework, day to day handling of Tier 1 and 2 complaints is delivered in different ways across and within Agencies. The Disability and Carers Service and Jobcentre Plus have a decentralised

4 Proportion of cases at each tier

	Tiers 1 and 2		Tier 3		Total	
Jobcentre Plus						
2003-04	40,020	82%	8,850	18%	48,870	100%
2007-08	42,572	93%	3,216	7%	45,788	100%
The Pension Service						
2003-04	41,030	99%	530	1%	41,560	100%
2007-08	19,342	90%	2,066	10%	21,408	100%
Disability and Carers Service						
2003-04	8,890	70%	3,730	30%	12,620	100%
2007-08	1,930	74%	684	26%	2,614	100%

Source: National Audit Office analysis of Department for Work and Pensions data

complaints handling process, whereby complaints are answered by front-line staff. Staff consider that handling complaints is part of their normal everyday job. In practice, some pension centres handle complaints centrally by customer service specialists. The Pension Service is currently reviewing these practices and applying the decentralised, front-line model.

3.5 Evidence provided to the Public Administration Select Committee⁷ suggests that customers value and expect the opportunity to discuss the complaint with a knowledgeable person who is able to give them accurate and detailed information about their particular case. This case worker approach, where individual members of staff are responsible for individual customers' complaints in the first instance, suggests that the more decentralised approach for Tier 1 and Tier 2 complaints meets customer expectations more closely than the centralised approach. As complaints handling is decentralised, the Department needs to focus on maintaining the quality of the response to complaints.

3.6 Once complaints reach Tier 3 there is more consistency in the approach taken across the Agencies, each having a central team to deal with complaints, which is usually also responsible for the Chief Executive's correspondence. The central team is responsible for the response and will usually request a sequence of events from the local teams involved and draw on this evidence. The response is then signed off by either the Chief Executive or delegated to a senior manager within each Agency. Complaints at this stage are likely to have a minimum of five and a maximum of 12 staff involved in answering the complaint.

Targets for responding to complaints

3.7 It is important that Agencies give realistic timeframes for a response to a complaint and follow-up with progress reports if there are any delays. Our evaluative framework expects that Agencies resolve complaints within a certain time. Targets must be realistic and always followed through as customers would rather be told a realistic timeframe within which their complaint will be dealt with, rather than given a promise which may not be fulfilled. The Agencies need to strike the right balance between setting clear and achievable administrative targets and providing the customer with a high quality and accurate response.

3.8 In line with good practice, the Agencies each have time limits for responding to each tier in the complaint handling process, for example providing an initial response to complainants. The targets used by Agencies have not been reviewed since they were established in 2001-02 to determine whether they are in line with other bodies or with customer expectations. The target for Tier 3 complaints is consistent across the Agencies at 15 days.

3.9 Where complaints cannot be resolved immediately, customers need to be assured that the Agency is taking action. Where a delay is going to be unavoidable, Agency staff are advised to send a holding response, responding where possible to any other issues raised. Customer research carried out by the Office of Gas and Electricity Markets (Ofgem)⁸ during a review of complaints procedures across energy providers in the United Kingdom found that customers were willing to sacrifice speed of resolution for a quality response, provided that they were kept informed of progress. Our evaluative framework sets out that customers should be provided with progress reports where necessary to explain unavoidable delays.

⁷ Public Administration Select Committee (2008), *When Citizens Complain*, HC 409, 2007-08.

⁸ Ofgem (2008) *Complaint handling standards: proposals notice and consultation* available at www.ofgem.gov.uk.

3.10 Our visits to local offices found some differences in the recording against response targets for Tier 1 complaints. Guidance on meeting and recording against all targets is provided but we found that there was not full compliance with guidance that acknowledgements should not be counted towards the target. Responsibility for recording response times sits within local Agency offices, but there is limited quality control of the data provided.

3.11 The majority of complaints are cleared within target (**Figure 5**). Of those Tier 1 and 2 complaints not cleared within target, a substantial number are cleared within a further five days. Of the complaints not cleared within target in The Pension Service (4,015), 38 per cent were cleared within a further five days. Of the Jobcentre Plus complaints not cleared (6,000) within ten days, half were cleared within a further five days of the target.

3.12 For Tier 3 complaints across the three Agencies, most of the complaints are dealt with between 11 to 15 days. Over half of both Disability and Carers Service and Jobcentre Plus cases are dealt within this time (**Figure 6a and 6c respectively**). Over 70 per cent of the complaints for The Pension Service are dealt with between 11 to 15 days (**Figure 6b**). Although for Jobcentre Plus 72 per cent of cases are dealt within the 15 day target, 89 per cent are dealt within 16 days.

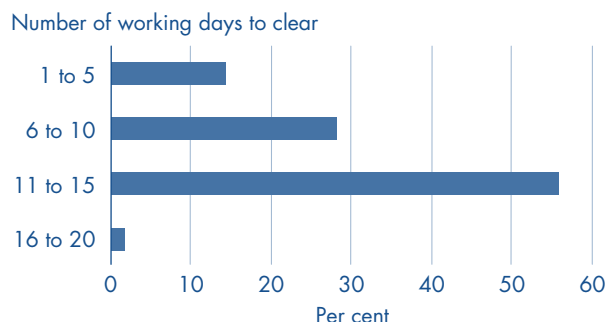
5 Response targets and performance against targets 2007-08

	Tier 1 and Tier 2	Cleared in target	Tier 3	Cleared in target
	working days	%	working days	%
Jobcentre Plus	10	86	15	72
The Pension Service	7	81	15	96
Disability and Carers Service	7	91	15	99

Source: Department for Work and Pensions data

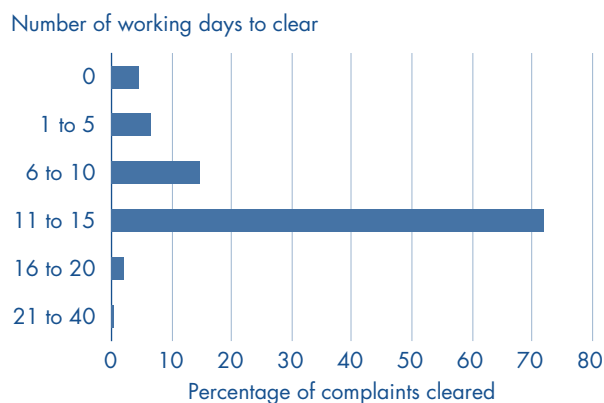
6 Number of days taken to clear Tier 3 Chief Executive complaints

a Disability and Carers Service



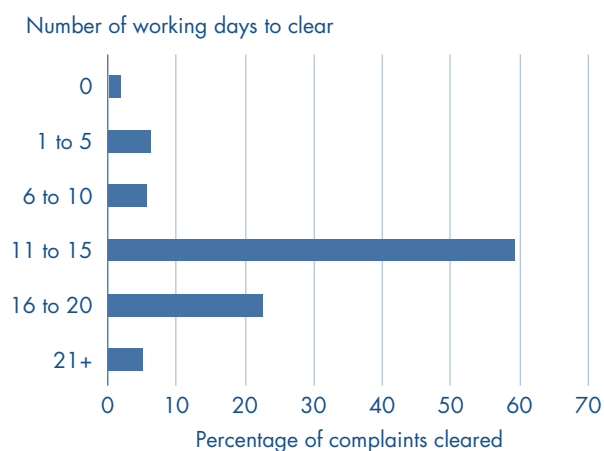
Source: National Audit Office analysis of Department for Work and Pensions data. Data analysis based on complaints received between 23.02.07 – 25.04.08 (224 complaints).

b The Pension Service



Source: National Audit Office analysis of Department for Work and Pensions data. Data analysis based on complaints received from 01.01.07 to 31.12.07, (1,819 complaints).

c Jobcentre Plus



Source: National Audit Office Analysis of Department for Work and Pensions data. Data analysis based on a complaints cleared in June 2008 (179 complaints).

PART FOUR

Providing good quality responses to complaints

4.1 As set out in our evaluative framework, effective complaints handling systems seek to resolve as many complaints as possible at a local level. This approach gets a better result more quickly for the customer and saves time, effort and money for both customers and staff. Poor quality responses, however may cause unnecessary escalation if customers remain dissatisfied and can increase costs.

4.2 As we reported in 2005, there are savings to be made by Departments and Agencies if they can resolve more complaints at the lowest possible level rather than allowing complaints to progress up the system, involving external bodies and accumulating extra costs and delays as they do so. Similarly, the Public Administration Select Committee recently reported that customers who complain to government organisations often need “time, persistence and stamina”⁹ to see their complaint through to conclusion.

4.3 This section examines:

- the level of customer dissatisfaction with the complaints handling process;
- quality assurance processes in place to respond to complaints; and
- the cost of resolving complaints.

Customer dissatisfaction with the complaints handling process

4.4 Customers make complaints because they are unhappy with a decision taking too long, the level of service they have received, or the behaviour of staff. Not resolving a complaint quickly and adequately is likely to exacerbate dissatisfaction, resulting in sometimes unnecessary escalation of the issue, costing the Agency and customer time and money spent on the resolution process.

4.5 Even though the Agencies have a clear and structured complaints process, some customers remain unsatisfied with the way their complaints are handled. Customers that do not get the outcome they wanted, where for example the complaint concerns a government policy, are more likely to say that they remain dissatisfied whatever level of service they receive. The Department’s customer satisfaction surveys in 2007, which may also include those that have a complaint against policy, found widespread dissatisfaction with the complaints process.

4.6 Just over half of **Jobcentre Plus** respondents in 2007 who had made a complaint stated that they were dissatisfied in some way, with 38 per cent describing themselves as ‘very dissatisfied’. The most common reasons for dissatisfaction were: the process did not achieve the desired result; the customer was not informed of progress of the complaint; staff dealing with the complaint were unconcerned or uncaring; the customer felt that their complaint was not taken seriously; and the process was too slow and/or inefficient. The majority of customers who had made a complaint (86 per cent) had not taken the matter further.

9 Public Administration Select Committee, (2008) *When Citizens Complain*, HC 409, 2007-08.

4.7 Of the six per cent of customers who made a complaint to **The Pension Service** in 2005, 30 per cent had not received a response at all and 40 per cent of those who had received a response felt that they had waited an unreasonable length of time. Nearly a quarter of customers (23 per cent) who received a response felt that the reply did not answer their complaint at all. Half of complainants who received a reply said the response did not make clear who they should contact if they had further queries on the matter.

4.8 Amongst those who made a complaint to the **Disability and Carers Service**, 39 per cent were dissatisfied with how their complaint was handled, and 34 per cent stated that they were satisfied with it.

4.9 Our survey during 2008 also found dissatisfaction with how complaints are handled. Almost half of Jobcentre Plus complainants reported that they were 'dissatisfied' with how their complaint had been handled overall, compared with 32 per cent for The Pension Service and 57 per cent for the Disability and Carers Service. Our survey found that 29 per cent of customers considered their complaint had not been resolved, of which over a third gave up with their complaint.

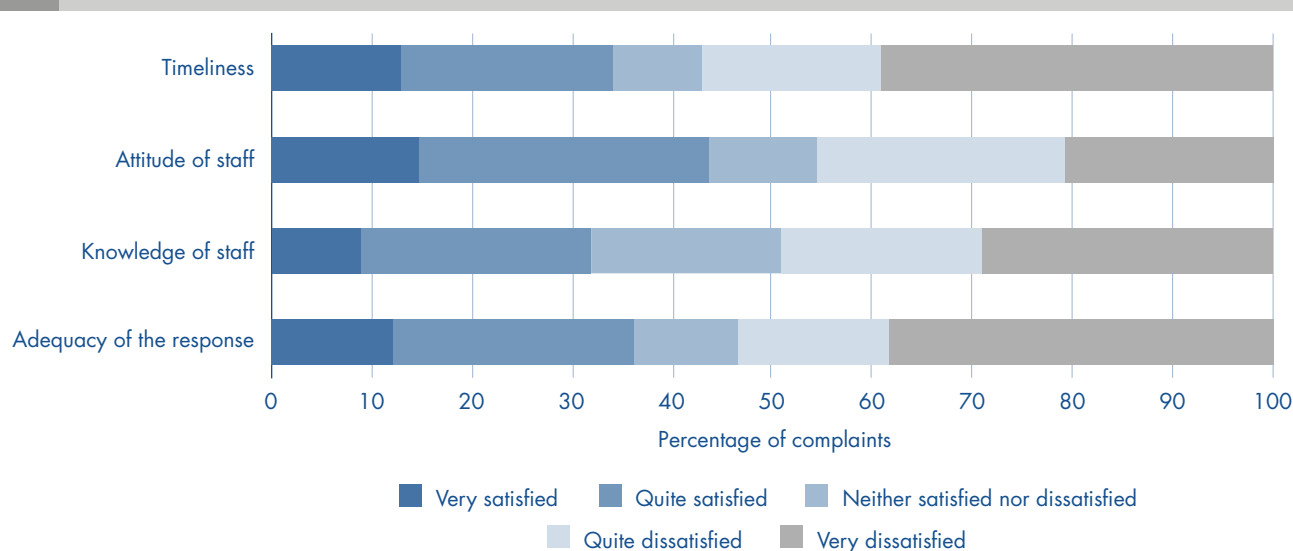
4.10 Customers were dissatisfied with various elements of the responses to their complaints. They were most dissatisfied with timeliness and adequacy of the response, with customers quite or very dissatisfied with these elements in 57 per cent and 53 per cent of complaints respectively (**Figure 7**). Dissatisfaction with timeliness could, in part, be where response time targets have not been met but may also be because these response times do not match customer expectations.

Departmental quality assurance standards for complaints handling

4.11 There are quality assurance processes for Tier 3 complaints, but there are no Departmental-wide quality assurance measures in place for complaints resolved at all levels to check that:

- the relevant staff member has implemented an adequate and effective resolution of that complaint;
- each responsible officer undertakes regular reviews of a sample of responses by staff to check resolution has occurred at whatever tier a case has reached; and
- the relevant customer or stakeholder has been contacted regarding any resolution, and is satisfied with the manner in which their complaint has been dealt with.

7 There are high levels of dissatisfaction with various elements of the response to complaints across the Agencies



Source: National Audit Office survey

4.12 Our evaluative framework sets out the importance of quality assurance in the complaints handling process. Quality assurance in the three Agencies tends to be arranged at the local office level. As such, there is a lack of consistency between sites around how quality assurance occurs and the arrangements and responsibilities differ between offices. There is also no central monitoring of the quality of responses or follow-up with customers.

4.13 Tier 3 complaints tend to be quality reviewed as they are signed off by a senior manager. There is some ad hoc quality checking of Tier 1 and 2 complaints.

- Some local Jobcentre Plus offices undertake quality checking of written responses, although this is more likely to be for those escalated to Tier 2.
- The Pension Service randomly checks recorded calls, although these checks are not specifically looking at responses to complaints. It also undertakes written communication checks, but they also are not specific to complaints.
- The Disability and Carers Service checks the quality and accuracy of some written responses to complaints in its programme of checking letters more generally. It also holds discussions with staff about key issues around complaints.

4.14 All staff are expected to comply with generic Departmental guides for communicating effectively with customers; for example, *Working Letters Guidance*; and how to recognise customer feedback (The Pension Service). Checking complaints responses against these guides will only occur where complaints are passed internally to managers. There are no routine checks on samples of responses.

4.15 There are some examples of local good practice in quality assurance within the three Agencies which could be spread more widely. A number of local offices have derived their own checklists and cover sheets for staff responding to complaints.

4.16 Unlike some other public and private sector organisations, the Department does not routinely check with customers that their complaint has been resolved to their satisfaction. This is a good practice point which is set out in our evaluative framework. By comparison, Scottish Power uses a different approach: staff are required to clarify with the customer that they are satisfied with the outcome of the complaint before they agree to close it. Agencies should also carry out internal reviews where complainants are dissatisfied with the response from the Agency. The Pension Service advises managers to ask about the customer's experience, although it is not clear that they do so routinely. Neither Jobcentre Plus nor the Disability and Carers Service, however, carry out any post hoc review of complaints.

Training in complaints handling

4.17 Front-line staff regard complaints handling as part of their daily job. They recognise that customers may make a complaint about one issue when contacting them to deal with another. When joining the Department, staff receive general customer service training and, during their employment, more specialist skills training such as in dealing with difficult customers.

4.18 Coaching-style training is delivered at the local or district level by more experienced staff when needed. Within local offices, staff responsible for collating and monitoring complaints tend to identify training needs for their office and run workshops or one-to-one coaching sessions to assist front-line staff in answering and handling complaints. Support is also provided by the central teams responsible for Tier 3 complaints. In May 2008, The Pension Service delivered workshops to staff on how to identify complaints. The Pension Service also identifies staff training needs through call recording and monitoring.

4.19 There is, however, little formal training specific to complaints handling and there is no national complaints handling training offered in any of the Agencies. Despite the learning and development offered to support customer service, staff attitude is the single largest reason why Jobcentre Plus customers felt like making a complaint in 2007 (31 per cent).

Escalation rates to independent complaint reviewers

4.20 It is likely there will always be some cases that require the involvement of the Independent Case Examiner or the Ombudsman, although they are only a small proportion of all complaints recorded by the Department. Cases from the Department, in particular Jobcentre Plus, form a significant proportion of cases accepted for investigation by the Ombudsman. As reported by the Public Administration Select Committee, many of the complaints that are referred to these bodies could have been dealt with effectively at an earlier stage. A good indicator of the quality of an organisation's response to complaints is likely to be the proportion of complaints upheld by independent complaints reviewers.

4.21 Unlike some private sector complaints processes, escalation of the complaint tends to be the responsibility of the complainant rather than the person dealing with the complaint. When responding to complaints, however, the Agencies signpost customers to the next appropriate tier should they wish to escalate their complaint. In Scottish Power, if the member of staff taking the complaint is unable to resolve it at time of contact, they make a referral to the customer care team and give the customer a complaint reference number. This second tier team then contacts the customer about their complaint within 10 days to try to resolve it at that level.

4.22 Across the three Agencies, over 1,100 customers referred their case to the Independent Case Examiner, of which only 371 were accepted. The Independent Case Examiner on the whole only accepts cases that have been through all three tiers of the Agencies' complaints process (Appendix 4). Some cases may also be rejected where

the complaint concerns a matter of law or policy. Overall around six per cent of Tier 3 cases are subsequently accepted by the Independent Case Examiner for an independent review (**Figure 8**).

4.23 Since the roll-out of the wider remit of the Independent Case Examiner in April 2007, 72 complaints have been investigated in full for the three Agencies. In 29 per cent of these cases the Independent Case Examiner upheld or partially upheld the complaint. In a further 94 cases reviewed by the Independent Case Examiner in 2007-08, the complaint was resolved without the need for a full investigation. The Independent Case Examiner considers that this indicates how Agencies have generally been proactive at attempting to resolve complaints internally (**Figure 9**).

8 Independent Case Examiner cases, 2007-08

	Jobcentre Plus	The Pension Service	Disability and Carers Service
Tier 3 complaints	3,216	2,066	684
Number of cases received by the Independent Case Examiner	895	190	64
Number of cases accepted by the Independent Case Examiner	239	100	32
Per cent of cases accepted	27	53	50

Source: Independent Case Examiner's Office

NOTE

Data is included only for the three Agencies discussed in this report. Cases received and cases reported on differ due to the time taken to report on cases.

9 The number of cases accepted by the Ombudsman from the Agencies

	2006-07
Jobcentre Plus	126
The Pension Service	55
Disability and Carers Service	36
Total	217

Source: Department for Work and Pensions

NOTE

Data from the Child Support Agency is not included. Cases received and cases reported on differ due to the time taken to report on cases.

4.24 Although the number of cases referred to the Ombudsman is relatively small compared to the overall number of complaints received, of the 280 Agency-specific cases on which the Ombudsman reported in 2006-07, 173 (62 per cent) were upheld. The substantial percentage of complaints upheld by both independent bodies suggests that complaints handling within the Department could still be made more effective for customers and more efficient for the Department.

Costs to resolve complaints

4.25 Costs for complaints handling are not routinely monitored and reported. Funding for complaints handling comes from the Agencies' general administrative budgets and is not ring-fenced, and represents a small proportion of the Department's total budget. Generally private and public organisations do not measure the cost of handling complaints as it is considered part of front-line staff's everyday roles. We have generated a 'best estimate' of the costs of complaints handling within the Agencies.

4.26 Expenditure on complaints comprises spending by Agencies on resolving complaints themselves (staff costs) as well as the cost of the Independent Case Examiner and the Ombudsman, and any compensation paid at the end or during the lifetime of the complaint.

4.27 In 2003-04, the Department estimated that it spent around £9 million dealing with Tier 1 and 2 complaints across the three Agencies, compared with total administration costs of £6 billion. Applying the same methodology in 2007-08 we estimate that the overall costs of complaints handling has gone down to around £6.2 million since the Department rolled-out its three-tiered approach across all Agencies. This calculation is based on average costs in 2003-04, and a reduction in recorded complaints (70,000 in 2007-08 compared with 103,000 in 2003-04).

4.28 We have also estimated the Agencies' costs to handle complaints using an alternative methodology, using assumptions about the length of time complaints take to resolve, and the average costs of those resolving complaints at the different levels of the process. Collating all available information, **Figure 10**, provides an estimate of the costs to each Agency, applying the same time and cost assumptions across all three Agencies. These assumptions are that:

- it takes on average 60 minutes to resolve a complaint at Tier 1;
- around 40 per cent of complaints reach Tier 2;

- Tier 2 complaints require input from at least two people;
- it takes on average 90 minutes to deal with a Tier 2 complaint;
- Tier 3 complaints are managed centrally but will always require input from front-line staff; and
- each tier is preceded by the previous tier, so costs for Tier 2 include Tier 1 costs and costs for Tier 3 include Tiers 2 and 1 costs.

4.29 It is difficult to identify costs of Tier 1 complaints, because these complaints are under-reported and it is difficult to separate complaints handling from other daily work undertaken by front-line staff. Tier 1 complaints are therefore likely to be higher than we have estimated.

4.30 As cases are escalated, costs increase as more senior staff are involved and wider consultation is needed to gather case and complaint history. We estimate that complaints resolved successfully at Tier 1 are 40 times cheaper than those resolved at Tier 3. If a third of the cases that reach Tier 3 were resolved at Tier 1, we estimate that the Department could save up to £700,000.

4.31 The Independent Case Examiner's office monitors costs. They calculated the cost per case to be £1,790 for 2007-08, excluding the cost of handling Child Support Agency cases. This figure reflects the depth at which cases are examined and the cost of specialised staff to investigate events. There are additional costs to the Agencies in co-operating with the Independent Case Examiner as he ascertains the events, which the Department estimates at around £1,000 per case. This means the full cost of examining a case at Independent Case Examiner level is around £2,800.

4.32 Based on these two calculations, we estimate that the administrative cost of recorded complaints resolution is between £4.7 million and £6.2 million. Using the Agencies' customer satisfaction surveys, we estimate that the 70,000 complaints recorded by the Agencies each year form a small proportion (some 20 per cent) of total complaints. It is, however, difficult to gauge whether the unrecorded complaints are of similar weight or seriousness as those recorded by Agencies. The majority of these are likely to be Tier 1 complaints, and are those most likely to be easily resolvable by front-line staff and dealt with quickly. Using our estimate of the total number of complaints, based on the Agencies' customer satisfaction surveys we estimate that the unrecorded complaints cost around an extra £5 million to resolve as the majority are low level Tier 1 complaints. In total we estimate the cost of complaints handling could be around £11 million (**Figure 11**).

10 Estimated cost of recorded complaints

	Jobcentre Plus		The Pension Service		Disability and Carers Service	
	Number of complaints	Cost £	Number of complaints	Cost £	Number of complaints	Cost £
Tier 1	26,000	260,000	12,000	120,000	1,000	10,000
Tier 2	17,000	700,000	8,000	320,000	800	30,000
Tier 3	3,216	1,100,000	2,066	880,000	684	200,000
Independent Case Examiner costs	239	430,000	100	180,000	32	60,000
– Agency staff costs		240,000		100,000		30,000
Total	46,000	2,740,000	22,000	1,600,000	3,000	340,000

Total for all Agencies: £4.7 million

Source: National Audit Office (cost figures include employer contributions and pensions)

NOTE

Tiers 1 and 2 complaints are rounded to the nearest 1,000; costs are rounded to the nearest £10,000. Numbers in the table may not sum due to rounding.

11 Estimated cost of all complaints (recorded and unrecorded)

	Jobcentre Plus		The Pension Service		Disability and Carers Service	
	Number of complaints	Cost £	Number of complaints	Cost £	Number of complaints	Cost £
Tier 1	69,000	700,000	112,000	1,150,000	15,000	150,000
Tier 2	46,000	1,880,000	75,000	3,090,000	10,000	410,000
Tier 3	3,216	1,110,000	2,066	880,000	684	200,000
Independent Case Examiner costs	239	430,000	100	180,000	32	60,000
– Agency staff costs		240,000		100,000		30,000
Total	118,000	4,360,000	189,000	5,400,000	25,000	850,000

Total for all Agencies: £10.61 million

Source: National Audit Office (cost figures include employer contributions and pensions)

NOTE

Tiers 1 and 2 complaints are rounded to the nearest 1,000; costs are rounded to the nearest £10,000. Numbers in the table may not sum due to rounding.

Financial Redress

4.33 Under a Department-wide scheme, each Agency compensates customers for additional costs, losses or other effects of maladministration. The value of special payments made due to complaints in 2007-08 is shown in **Figure 12**. The Department publishes its Guide to Financial Redress for Maladministration on its website which explains about special payments and the situations in which they may be provided. The total value of special payments is reported in the Departmental Annual Report.

4.34 In 2007-08 a total of £3.62 million was paid out in 15,430 special payment awards resulting from complaints, compared with the £120 billion paid out in benefits in 2006-07¹⁰ by the Agencies. The 2007-08 figure compares with £3.69 million to 13,425 awards in 2006-07. The largest single category of payments in 2007-08 was to compensate customers for delay – usually to make up for interest lost on delayed payments – which accounted for 51 per cent of all complaints related special payments. The average payment per award due to complaints in 2007-08 was £234 and awards ranged from £64 to £505 (**Figure 13**).

12 Special payments made due to complaints in 2007-08

	Jobcentre Plus		The Pension Service		Disability and Carers Service		Total	
	Total payment £	Number of awards	Total payment £	Number of awards	Total payment £	Number of awards	Total payment £	Number of awards
Actual Financial Loss	145,177	1,007	153,743	541	14,723	163	313,643	1,711
Compensation for delay	779,073	1,543	1,096,488	4,925	479,472	1,161	2,355,033	7,629
Gross Inconvenience	101,142	1,289	766,458	4,104	48,875	443	916,475	5,836
Gross Embarrassment	1,575	16	1,475	21	900	9	3,950	46
Severe Distress	10,600	84	5,350	63	11,325	61	27,275	208
Total	1,037,567	3,939	2,023,514	9,654	555,295	1,837	3,616,376	15,430

Source: Department for Work and Pensions

13 Average award of special payments made due to complaints in 2007-08

	Jobcentre Plus £	The Pension Service £	Disability and Carers Service £
Actual Financial Loss	144.17	284.18	90.33
Compensation for delay	504.91	222.64	412.98
Gross Inconvenience	78.47	186.76	110.33
Gross Embarrassment	98.44	70.24	100.00
Severe Distress	126.19	84.92	185.66
Agency average	263.41	209.60	302.28

Source: National Audit Office analysis of Department for Work and Pensions data

10 The most recent audited accounts are for 2006-07.

PART FIVE

Learning lessons from complaints

5.1 With an increasing emphasis on the personalisation of services, complaints are a valuable source of information for organisations about how customers experience their services and the difficulties that they face. They can be used to provide early warning of poor services, systematic errors, or problems with specific processes. When organisations make the most of the information gathered from complaints and other sources of customer feedback such as satisfaction surveys and learn lessons about the customer journey, they can make useful improvements to services. Our evaluative framework sets out the importance of monitoring and analysing complaints in a systematic way in order to inform service delivery improvements.

5.2 This section examines:

- how the Agencies try to capture all complaints to provide customer insight;
- the Department's plans to develop standardised recording categories;
- how the Department uses national information on recorded complaints;

- improvements to service delivery as a result of complaints; and
- sharing good practice in complaints handling.

Recording complaints

5.3 The Department's customer satisfaction surveys suggest that the number of complaints captured by the Agencies is significantly lower than customers' perceptions of complaints they have made. It is difficult, however, to gauge whether the unrecorded complaints are of similar weight or seriousness as those recorded by Agencies. Using the results of the survey provides a rough estimate of the possible number of complaints made against the Agencies, although this is likely to be an over estimate as the survey is sample based. 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. We estimate that total complaints could be as high as up to five times the 70,000 recorded by the Agencies, though many of these complaints are likely to be easily resolvable by front line staff and dealt with quickly (**Figure 14**).

14 Estimated number of complaints made and complaints recorded in 2007–08

	Jobcentre Plus	The Pension Service	Disability and Carers Service
Percentage of customers who reported making a complaint	3.4 per cent	6 per cent	1 per cent
Total customer contacts	5,215,000	3,155,482	2,525,000
Estimated number of complaints made by customers	117,300	189,329	25,249
Recorded complaints	45,788	21,408	2,614

Source: National Audit Office analysis of Customer Satisfaction Survey data

5.4 Recording first tier complaints can be difficult for a variety of reasons:

- **Difficult to recognise the complaint.** There can be an element of judgement required in determining whether a customer is actually making a complaint when expressing views about a service.
- **Little incentive for staff to record those complaints that have been resolved at first point of contact.** Dealing with customers' dissatisfaction is seen as a normal task and not worth recording if issues are resolved quickly.
- **No time to record complaints.** Front-line staff are largely required to complete a certain number of interviews or telephone calls each day and they have little time in between appointments to record complaints information.

5.5 In its proposed complaints handling standards, Ofgem¹¹ requires all complaints to be recorded in writing at the point they are received. This record provides customers with a clear reference point from which the complaints process starts, signposting when the customer would be entitled to refer their complaint through the tiered process if a satisfactory response is not given.

5.6 Some local offices have introduced more effective systems for recording complaints than others. For example, some pension centres have developed an electronic pro forma that pre-populates customer information.

Standardising recording categories

5.7 The Department is rolling out a new typology by which to record customer feedback. Currently, each Agency has its own complaints categories, making it difficult for the Department to make any direct comparisons and making recording complaints more problematic. For example, The Pension Service records complaints using 19 high level and 135 low level categories. **Box 4** sets out the new typology.

5.8 The Department aims to use the standardised typology to compare complaints across Agencies. As part of the roll-out, the Department needs to inform staff about the new categories and how to use them. The Department is not introducing a single database on which to record this information, which may limit the usefulness of the new typology.

5.9 By comparison, Scottish Power attempts to record customer expressions of unhappiness, however minor, including the date, details of the issues and category using a customer contacts database. Whilst there was some initial outlay for the system, Scottish Power were clear that, once the recording process had bedded in, the impacts on the front-line were minimal and they were able to maintain competitive costs.

Using information on complaints

5.10 Currently there is no Departmental system that records consistent and timely information on complaints. In the past each Agency used the RESPOND database to record complaints. Only The Pension Service continues to use this system. Each Agency has its own database to report its performance against complaint response targets. Whilst this provides some useful information, basic information is not captured that would enable greater learning opportunities at a national level. In order to analyse the average response times for all complaints, for example, Jobcentre Plus needs to collate individual spreadsheets held at over 800 separate sites.

BOX 4

The Department is piloting eight categories of complaints in one region of Jobcentre Plus in 2008

- 1 You haven't given me the information that suits my needs
- 2 Department for Work and Pensions staff don't treat me with respect
- 3 Department for Work and Pensions policy is unfair
- 4 I can't access the system
- 5 You take too long
- 6 You've got it wrong
- 7 Your contractors aren't good enough
- 8 I have to contact a number of departments to tell them the same thing

Customer feedback categories

- 9 Compliments
- 10 Suggestions

Source: Jobcentre Plus

11 Ofgem (2008) *Complaint handling standards: proposals notice and consultation* available at www.ofgem.gov.uk.

5.11 We found that many local offices have set up their own databases that enable them to track case progression, but only limited information from these databases is reported to the central teams. Such systems enable local offices to learn about customers' experiences and make local adjustments if appropriate, but make it less easy to analyse data nationally. These duplicate systems also create inefficiencies as complaints are recorded separately on each database requiring multiple data entry, increasing the risk of errors.

Improving service delivery

5.12 The introduction of the Independent Case Examiner has provided the Department with valuable information on the way in which it handles complaints, offering Agencies opportunities to improve the way complaints are handled. Throughout the first year of its operation, the Independent Case Examiner and the Department have put in place a process to inform the Agencies of systematic issues observed through the examination of the complaints cases (Appendix 4).

5.13 All three Agencies have a structured process for sharing the lessons from the Independent Case Examiner with local offices around the country. This process includes sharing case outcomes, issues and lessons learned, and monitoring progress of implementing recommendations. The Independent Case Examiner's experience of cases to date is that the Agencies have been prepared to implement changes to their working practices on his advice where they agree that this would lead to improvement.

5.14 The Independent Case Examiner also monitors the implementation of these recommendations and issues raised and meets regularly with senior officials from each Agency to discuss progress. The Independent Case Examiner is scheduled to meet with this group of officials quarterly.

5.15 In addition to lessons from the Independent Case Examiner, the Agencies also examine lessons learned from complaints at a national level. At a local level there have been some small-scale process improvements as a result of complaints. **Box 5** provides examples of national and local improvements.

BOX 5

Changes made as a result of complaints by customers

Following a complaint from a customer about the facilities available for her baby, all Jobcentre Managers in one district were advised to be more responsive in offering breastfeeding facilities to customers who need them.

One pension centre tracked a high volume of complaints made about its housing cost team, which advises pensioners on the implications of their pension on housing benefit and rent costs. This is a particularly complicated area requiring this dedicated team to deal with these queries. The pension centre's complaints handling staff provided feedback to the team about the issues customers had complained about. The team then revised its guidance and corrected inaccuracies so that further complaints were avoided and customers were able to access and understand the guidance correctly.

One pension centre has run a three-month pilot asking for staff to make suggestions based on complaints they have had from customers. It generated 42 suggestions which have been followed up centrally within the centre. Another pension centre has formed a Business Improvement Group which plots trends in complaints in order to find areas for improvement. It involves junior staff as well as managers in order to get commitment to make changes. Early findings so far show there are inconsistencies in the way processes are carried out and so room for improvement.

Following a number of customer complaints, all staff in one pension centre received training on the procedures to follow when a customer is admitted to residential care.

In 2006, the Disability and Carers Service stopped combining payment of Disability Living Allowance with Jobcentre Plus benefits due to customer complaints about the process.

As a response to complaints, the Disability and Carers Service re-issued a circular to all staff on what to do when a customer dies.

Source: National Audit Office

5.16 The Agencies can also learn lessons from past complaints to anticipate dealing with future ones. This sort of proactive work can be useful to help Agencies prepare for expected new volumes or types of complaint and enable them to respond quickly to customers' concerns. For example, one Jobcentre Plus office has put in place a member of staff able to respond specifically to calls made by customers about the soon to be introduced Employment and Support Allowance.

Sharing good practice on complaints handling

5.17 There are few opportunities for the Agencies to share good practice in complaints handling either within or between themselves. Central teams in each Agency provide performance data to all local offices on complaints received and cleared, but there are no mechanisms to gather and share localised good practice more widely. **Box 6** shows examples of some internal good practice we examined during our visits.

5.18 A good practice network that used to exist to discuss issues around complaints at a national level no longer exists. Many of the good practice activities undertaken by local offices would be simple, quick and easy to apply more widely across the Agencies and would contribute to a more consistent standard for the customer and a faster and higher quality response. The Department is hoping to improve services by implementing a wider programme of initiatives to understand the customer journey, making use of LEAN techniques¹², and including information from customer complaints.

BOX 6

Some local offices spread good practice in complaints handling amongst staff

One Jobcentre Plus district held a staff workshop to help develop a consistent response to customer complaints and enquiries. The workshop covered the complaints process, the elements that should be included in replies and quality assurance.

A series of workshops were held in one Jobcentre Plus district to improve customer service by increasing awareness of customer feedback handling processes and improve the standard of written correspondence. Workshops were held throughout the district and included staff from Jobcentre Plus offices, Benefit Delivery Centres and the Fraud Investigation Service.

A regional communications team in Jobcentre Plus noticed from analysis of Tier 3 complaints that staff were incorrectly signposting customers if they wanted to escalate the complaint. The team produced a quiz for all staff to help raise awareness of the complaints procedure and improve complaints handling.

One operational unit in the Disability and Carers Service ran a complaints masterclass, which included writing responses using examples of good practice letters.

One pension centre trains staff who sort the daily post to help them identify written complaints in the first place and then direct them to the appropriate staff member to respond.

Source: National Audit Office

¹² LEAN is a set of 'tools' that assist in the identification and elimination of waste to improve workflow.

APPENDIX ONE

Evaluative Framework for assessing value for money

We have assessed the value for money of the Department's complaints handling against this evaluative framework, based on good practice. There is no one definitive good practice checklist for handling complaints and so we have developed this framework from key principles from the Parliamentary and Health Service Ombudsman, the Scottish Public Services Ombudsman, the British and Irish Ombudsman Association, the Public Administration Select Committee, Ofgem, and the New South Wales Ombudsman.

Good Practice	NAO assessment of the Department for Work and Pensions	Further work to be done
<p>Definition of a complaint</p> <p>There is comprehensive, clear and wide definition of a complaint.</p>	<p>The Department has a commonly held definition of a complaint that encompasses any expression of dissatisfaction (paragraph 1.7).</p>	
<p>Accessibility</p> <p>Complaints system is visible and easily accessible to customers.</p>	<p>The Department's complaint system is visible and easily accessible to the customer through a number of channels (paragraph 2.3).</p>	
<p>Customers are told how to make a complaint. This includes:</p> <ul style="list-style-type: none"> ■ Information/brochure on the complaints system ■ Feedback/complaint forms ■ Complaint 'hotline' or free phone number is available ■ Complaint information is on the Department's website ■ Complaint handling information is available in other languages and formats (e.g. Braille and textphones) 	<p>Each Agency has a leaflet on how to make a complaint that is also available in other languages and formats. Only the Jobcentre Plus leaflet provides a form on which customers can make their complaint. All Agencies provide a telephone number to make a complaint, with The Pension Service and the Disability and Carers Service also offering a designated helpline available for Members of Parliament. All Agencies have information on how to make a complaint on their websites (paragraphs 2.4–2.7).</p>	<ul style="list-style-type: none"> ■ The Pension Service and the Disability and Carers Service should consider including a complaint form within their leaflet on how to make a complaint.
<p>Customers are able to lodge complaints: in writing; by letter/email; by fax; by telephone; and in person.</p>	<p>The Department has a wide range of channels through which customers can make complaints. There are practical barriers for some customers making a complaint using the telephone as it can be costly (paragraphs 2.8, 2.16).</p>	<ul style="list-style-type: none"> ■ There is currently no facility for customers to contact the Agencies using text messaging. The Department should consider this as it might help to limit the cost to customers making telephone calls.

Good Practice	NAO assessment of the Department for Work and Pensions	Further work to be done
<p><i>Accessibility continued</i></p> <p>Customers are provided with assistance by the Department to make complaints where needed.</p> <p>Customers are advised of external avenues to get assistance with their complaint (such as advocacy groups).</p>	<p>Customers are advised that they can get assistance from advocacy groups in order to make a complaint (paragraph 2.9).</p> <p>Leaflets advise customers that they can get assistance from advisory groups such as Citizens Advice Bureaux. Work is also being done within the Agencies to make it easier for Members of Parliament and advocacy groups to make complaints (paragraph 2.9–2.11).</p>	<ul style="list-style-type: none"> ■ There is scope to improve the quality and adequacy of local level responses (Tiers 1 and 2) in order to reduce further the number of cases escalated to Tier 3 and the Independent Case Examiner and/or Ombudsman. ■ Where practical, adopt a caseworker approach for complaints.
<p><i>Responding to complaints</i></p> <p>A tiered/stage approach to complaint handling is in place, enabling a review and resolution of the complaint.</p>	<p>All Agencies use a three-tiered internally managed complaints procedure with a further two independent tiers, the Independent Case Examiner and the Parliamentary and Health Service Ombudsman. Day to day complaints handling for Tiers 1 and 2 is delivered in different ways across and within Agencies (paragraphs 1.10–1.11, 3.3–3.6).</p>	
<p>The model aims to resolve the majority of complaints at the first tier (the front-line).</p>	<p>The tiered approach aims to resolve complaints at the front-line, however there are different ways across and within Agencies as to how this is done. For example, some offices are centralised and others are decentralised (paragraph 3.4).</p>	
<p>Adopt a caseworker approach to complaint handling so that complainants have an identifiable person to deal with.</p>	<p>There is no consistency to a caseworker approach within the Department for Tiers 1 and 2. For Tier 3 complaints there is more consistency as central teams deal with the complaint (paragraphs 3.5–3.6).</p>	
<p>Customers have recourse to an independent review of their complaint where they feel their complaint has not been resolved by the Department.</p>	<p>The Independent Case Examiner and the Parliamentary and Health Service Ombudsman are two independent tiers for customers to escalate their complaint (paragraphs 1.10–1.11).</p>	
<p>Customers are appropriately signposted to the next stage of the complaints procedure so that the complainant is clear about what to do next if they remain dissatisfied.</p>	<p>Agencies advise the customer of the next steps to take if they are not satisfied with the response or how the complaint has been dealt with. Customers are signposted to the next tier (paragraph 1.10).</p>	

Good Practice

Recording

All complaints are recorded:

- Complaints are logged into a database/system and should include: the date received; how the complaint was made; a summary of the complaint; and a summary of the advice given
- Inquiries/suggestions and recommendations are also recorded
- Issues of complaint are easily and consistently categorised
- The type of service and delivery point is recorded.

Handling/responsiveness

There are performance standards in place for the way in which complaints are dealt with:

- Acknowledgement of receipt within a certain time
- Completion/resolution within a certain time
- Interim or progress reports provided to the customer (including reasons for delay)

Point of contact provided to the customer throughout the course of the complaint.

Ensuring good quality responses are given

Reviews are carried out on an appropriate sample of responses before or as they are given, in writing or orally, to check compliance with standards.

Regular follow-up with a sample of complainants to check satisfaction with the process and identify where improvements need to be made.

Internal reviews are carried out where complainants are dissatisfied with the response of the Agency.

NAO assessment of the Department for Work and Pensions

Not all complaints are recorded. There is no Departmental system that records consistent and timely information on complaints. Each Agency has its own database that enables it to report its performance against complaint response targets. There is also no consistency to the way complaints are categorised across the Department although a new typology to record customer feedback is currently being trialled in order to be rolled out to the Agencies (paragraphs 5.3, 5.7–5.9).

All Agencies have time limits for responding to each tier in the complaints handling process. The majority of complaints are processed within target. However, targets have not been reviewed since 2001–02 to determine whether this is in line with other bodies or with customer expectations. Where a delay is going to be unavoidable, Agency staff send a holding response; however, there is some confusion as to what this should include (paragraphs 3.7–3.12)

Response provided to the customer includes the contact details of the case examiner/worker who the customer can contact if they have any queries.

There are no Departmental-wide quality assurance measures in place for complaints resolved at all levels. Quality assurance tends to be arranged at the local office level – there is a lack of consistency between sites around how this occurs and the arrangements and responsibilities differ between offices (paragraph 4.11–4.15).

There is no central monitoring of the quality of responses or follow-up with customers on their satisfaction or dissatisfaction of the complaint handling process (paragraph 4.16).

No internal reviews are carried out within the Department.

Further work to be done

- The Department is not capturing all information on complaints which may allow it to learn about customers' experiences and make adjustments as appropriate. Consideration needs to be given to the way information is collected, collated and actioned keeping in mind that it should not become time consuming for front-line staff.

- Review the response targets for each tier and assess whether they meet customer expectations and are in line with other bodies.

- Review procedures for sending a holding response and keeping the customer informed of progress of their complaint.

- Consider developing Departmental complaint handling standards and quality assistance measures. These standards can then be used to conduct a random sample of responses to customers to assess the quality of the response as well as identify areas for improvement.

- Implement procedures to introduce a random sample of customers to be contacted to discuss their experience with the complaints handling process and whether it has been resolved to their satisfaction.

- As above.

Good Practice	NAO assessment of the Department for Work and Pensions	Further work to be done
Training		
Policy and procedures associated with the Department's complaints handling system are communicated to staff.	Policy and procedures on complaints handling are available on the Agencies' intranet sites (paragraphs 4.17–4.19).	
There is a comprehensive complaint handling instructions manual that is easily accessible.	As above.	
Front-line staff have specific instructions on how to handle/refer complaints.	Front-line staff regard complaints handling as part of their daily job. They receive more specialist training such as dealing with difficult customers during their employment. However, there is little formal training on complaints handling (paragraphs 4.17–4.19).	<ul style="list-style-type: none"> ■ Through discussions with front-line staff, identify areas of concern.
Agency provides training in complaint handling skills for staff.	There is little formal training specific to complaints handling and there is no national complaints handling training offered in any of the Agencies (paragraphs 4.17–4.19).	<ul style="list-style-type: none"> ■ Consider developing and introducing specific training on complaints handling to all staff, particularly those on the front-line.
Monitoring, review and reporting		
Complaints are monitored and analysed in a systematic way in order to inform service delivery.	Agencies examine lessons learned from complaints at a national and local level. At a local level, there have been some small-scale process improvements as a result of complaints. However, there is little opportunity for sharing good practice in how to handle and manage customer complaints (paragraphs 5.15–5.18).	<ul style="list-style-type: none"> ■ Consider developing mechanisms to gather and share localised good practice more widely.
Someone is responsible for identifying complaint trends and underlying causes.	Central teams within each Agency are responsible for collating information on the number of complaints. Some analysis of trends is done but this is not used to its full extent.	<ul style="list-style-type: none"> ■ Consider setting up a network to share good practice in complaints handling between Agencies as well as discussing trends and underlying causes of complaints.
Regular internal reports on complaints are produced for senior management.	Reports are provided to senior management, particularly on Tier 3 complaints. These include information on the number of complaints, number cleared within target and an indication on the type of complaints received.	
Reports about complaints/suggestions received by the organisation are made public.	Agencies do not publish information on complaints received or what action is being taken within the Agency as a result of complaints (paragraph 1.14).	<ul style="list-style-type: none"> ■ Publish information on the type and number of complaints received as well as information on what the Agency is doing with the complaints received and how services have changed as a result.
Reports on complaints/suggestions are included in the annual report.	The Pension Service is the only Agency to publish the number of complaints received and the major reasons for complaints in its annual report (paragraph 1.14).	<ul style="list-style-type: none"> ■ Jobcentre Plus and the Disability and Carers to report on the number of complaints in their annual report.

APPENDIX TWO

Scope and Methodology

1 Following our 2005 report *Citizen Redress: What citizens can do if things go wrong with public services*, which examined a number of government departments, the Comptroller and Auditor General decided to revisit the subject of customer complaints within the Department for Work and Pensions.

2 We used a variety of methods in our examination of complaints handling in order to answer the following key questions:

- Are there clear and accessible complaints procedures?
- Are the processes for complaints effective in order to measure, report and respond to feedback and customer satisfaction?
- Are the internal processes for handling complaints efficient?
- Are lessons being learned from complaints to improve services for customers?

3 We examined the complaints processes within the Pension, Disability and Carers Service and Jobcentre Plus. The majority of our fieldwork was carried out prior to the merger of the Disability and Carers Service and The Pension Service in April 2008. We therefore report on the three Agencies separately.

4 The research for this report is based on six main methodologies:

- i Interviews with key individuals in the Department, Agencies and other stakeholders
- ii Data analysis
- iii Site visits to the three Agencies
- iv Contact with welfare advisers
- v Literature review
- vi Omnibus survey

Interviews with the Department, Agencies and other stakeholders

5 We held eight semi-structured interviews between December 2007 and March 2008 with senior personnel responsible for, or involved in, the Department's or Agencies' complaints policy and processes, including: Head of DWP Viewpoint; Director for External Relations and Communications, Jobcentre Plus; Customer Services Manager, The Pension Service; Head of Parliamentary Business Unit, Disability and Carers Service. The discussions focused on their views of the Agencies' complaints handling processes, areas of progress since we last reported, and further areas for improvement. We analysed the data gathered in these meetings on a matrix of our key questions, and used the data to inform our choice of site visits and to develop an audit framework for the visits.

6 We also consulted with key stakeholders and interest groups over the same period. These discussions took the form of unstructured and semi-structured interviews and focused on the attitudes of key stakeholders to complaints handling in the Agencies and good practice that we could learn from. We used the information from these discussions to corroborate or challenge data provided by the Department and to ascertain the views of external bodies. We consulted with:

- The office of the Independent Case Examiner
- Citizens Advice
- Public Administration Select Committee
- Social Security Advisory Committee
- Public Policy Group, London School of Economics
- Ofgem
- Scottish Power

Analysis of Departmental data

7 We undertook analysis of Departmental data to inform our findings on the scale, nature and response to complaints across the three Agencies. We obtained data from Departmental systems which we had viewed in situ during our site visits. We gathered:

- Number of complaints recorded by Tier in 2007 for each Agency
- Percentage of complaints that were cleared within target
- Full set of case details to calculate length of time taken to complete cases
- Value and number of special payments made in 2007-08

8 We also examined the Agencies' customer satisfaction surveys and compared them with our findings from the omnibus survey (see below).

Site visits

9 We visited local offices across each of the three Agencies in order to examine first hand how complaints are recorded, dealt with and monitored, and how lessons are learned to improve services.

10 We selected the sites using data provided by the Department about the number of complaints received in 2007 and the percentage cleared in target in order to visit a representative sample of sites. We visited single sites in The Pension Service and the Disability and Carers Service. Due to the large number of Jobcentre Plus offices, we held our site visits at regional offices and drew in complaints handling staff from different district and local offices within that region. This allowed us to gather experiences and attitudes from a wider variety of local offices than would have been possible in the time available had we visited them separately. We also visited the Parliamentary Business Unit for each Agency which deals with Tier 3 complaints.

11 The sites we visited were:

Jobcentre Plus

East of England Regional Office
 East Midlands Regional Office
 North West Regional Office
 South East Regional Office

The Pension Service

Dundee Pension Centre
 Future Pension Centre
 International Pension Centre
 National Pension Centre
 Newcastle (London) Pension Centre
 Seaham Pension Centre
 Swansea Pension Centre
 Warrington Pension Centre

Disability and Carers Service

Leeds Disability Benefit Centre
 West Midlands Disability Benefit Centre
 Disability and Carers Unit Helpline
 Carers Allowance Unit
 Two Disability Processing Units (Blackpool)

12 Each site visit lasted for one full day. We held a semi-structured interview with the operational managers responsible for complaints handling in order to get an overview of the complaints process. We then reviewed a random sample of recent and ongoing complaints case files to examine the types of complaint and gain an understanding of how staff were answering them. The site visit concluded with a workshop with staff involved in handling complaints, facilitated by a member of our study team. This provided us with experiences from the front-line and discussion about ways in which complaints handling could be improved. We estimate that we spoke to 100 front-line staff across the three Agencies.

13 The data gathered during site visits is used throughout the report to inform our findings and to illustrate compliance with and deviation from central guidance on complaints handling.

Contact with welfare advisors

14 We visited Community Links in Newham, east London in December 2007 to talk to policy officers about the difficulties facing customers who want to make a complaint. We also discussed with welfare advisors their experiences of making complaints on behalf of customers and the reasons why customers might ask for help in making complaints.

15 We sought experiences from other welfare advisors of making complaints to the Department and its Agencies. This was largely through the network of Citizens Advice Bureaux and via the National Association of Welfare Rights Advisers.

Literature review

16 We commissioned the London School of Economics Public Policy Group to undertake additional research for us on complaints handling. The project contained four elements: a review of the literature; benchmarking of complaints handling; a review of good practice; and a discussion on merging complaints handling processes. The team involved had carried out the research for the National Audit Office's last report on complaints handling, *Citizen Redress* (2005).

17 The London School of Economics carried out a systematic literature review of the academic and practitioner literature from public and private sectors, reviewing around 80 papers and good practice guides. This included papers from the United Kingdom, the Netherlands, Canada and Australia, largely from the past decade.

Omnibus survey

18 We commissioned Ipsos MORI to carry out an omnibus survey of the general public regarding experiences of making complaints to the Department and its Agencies. This omnibus survey is conducted most weeks of the year through around 2,000 face-to-face interviews with members of the general public aged 16 or over. The sample is based on census super output areas with 210 sampling points across Great Britain. We purchased space in two waves of this omnibus survey in the weeks commencing 4 April and 25 April 2008, with 2,080 interviews in the first week and 2,109 in the second giving a total of 4,189 interviews.

19 The survey was designed to examine customer experiences of making complaints. Respondents were asked if they had complained to any of the Agencies; those that had were asked about their experiences. Those that had not complained, but felt that they had cause to, were asked why they did not complain and what would have made it easier for them to do so.

20 Overall, 45 per cent of respondents said that they had had some form of contact with Jobcentre Plus, The Pension Service, the Disability and Carers Service or the Department for Work and Pensions in the last five years. Our analysis is based on the two waves combined, and Ipsos MORI weighted the data to fit with National Readership Survey defined population profiles for sex within age, social grade, region and working status.

APPENDIX THREE

The Department for Work and Pensions and its Agencies

The Department for Work and Pensions was set up in 2001 by combining the Department for Social Security and the Employment Service. Its services cover the whole of Great Britain. It delivers services through: Jobcentre Plus; the Pension, Disability and Carers Service (since April 2008); the Child Support Agency; the Health and Safety Commission; the Health and Safety Executive; and The Rent Service. It administers benefits and programmes that cost £129 billion.

In April 2008 The Pension Service and the Disability and Carers Service were brought together to form the Pension, Disability and Carers Service. The roles of the two separate Agencies, and Jobcentre Plus are set out below.

Jobcentre Plus aims to provide work for those who can and support for those who cannot, through an integrated set of employment and benefit services. Services are delivered through a network of over 800 local Jobcentre Plus offices and over the telephone. Services include:

- paying benefits to customers;
- providing services to employers to help fill vacancies quickly and efficiently;
- helping those in difficulty to compete for jobs; and
- improving the quality and accessibility of services.

The Pension Service (until April 2008) provides a service for those who have retired or are planning to retire, through a network of pension centres supported by local

services. Contact with customers is mostly by phone and email. Visits to customers in their own home are also made. The Pension Service:

- works out State Pension and Pension Credit entitlement as well as paying these; and
- provides information on, and works with, other pension-related services.

The Disability and Carers Service (until April 2008) provides financial support for disabled people and their carers whether or not they work. It is responsible for the administration processes required for the delivery of:

- Disability Living Allowance; Attendance Allowance; and Carer's Allowance.

APPENDIX FOUR

The Independent Case Examiner

Introduction of the Independent Case Examiner

The Independent Case Examiner service was established in 1997 to provide a free and impartial complaints review and resolution service to customers of the Child Support Agency. During 2006, a trial was undertaken within the Department to extend the services to all other front facing business. It was considered that this would reduce the number of cases that were submitted to the Ombudsman, offering a potentially faster resolution for complainants. Each Agency was involved in the trial, offering the service to their customers. During the trial period some 151 cases were referred to the Independent Case Examiner, of which 106 were accepted for further investigation.

In April 2007, the remit of the Independent Case Examiner was extended to consider cases that have been through the three-tier process for all Agencies within the Department. Its purpose remains to act as an independent referee for people who feel that the Agency has not treated them fairly or have not dealt with their complaints in a satisfactory manner. The Independent Case Examiner can only deal with complaints about how a case has been handled, such as: failure to follow procedures, delays and poor customer service. It does not comment on matters of law or government policy and will only deal with complaints to which an Agency has given a final response.

Recent examples of recommendations made to the Chief Executives on systemic issues within the Agencies identified by the Independent Case Examiner

Jobcentre Plus

- Consider reviewing the advice and information given to clients on the work preparation programme so that they are aware of the fact that they need to report any changes to their circumstances, including when and how they can do so and to be warned that such changes may affect their allowance.
- Review the use of the terms 'allegation' and 'query' in progressing fraud investigations, and the terminology used in communicating with clients who are the subject of fraud investigations.
- Review the procedure for recording decisions to excuse clients having to undertake mandatory work placement schemes and review of the literature provided to clients regarding the impact of being excused on a mandatory work place and the impact that would have on their entitlement to training allowances.

The Pension Service

- Review the arrangements in place between the Pension Service and HM Revenue & Customs with regards to timescales for the provision of information in response to enquiries. No agreement was in place which specified timescales for the provision of information in response to enquiries.
- Review the retention of information with respect to client correspondence/communication.
- Review the standard letter sent to clients notifying them of the award of Winter Fuel Payments. The Independent Case Examiner had found that the information was contradictory and potentially misleading.

The Disability and Carers Service

- Review information contained in the general benefits information leaflet to clarify that a customer does not need to be disabled or likely to be within six months in order to claim a benefit payment.
- There is no explicit instruction or guidance for staff about the necessity of offering advice to customers on the potential impact of making a new application for Disability Living Allowance whilst there is an ongoing appeal against the disallowance of a previous application. Recommend reviewing the advice and information given to customers.
- Ensure that staff are aware that a customer does not have to put a complaint to the Chief Executive in writing before the complaint can be addressed.

APPENDIX FIVE

Previous National Audit Office recommendations on complaints, *Citizen Redress* (2005)

NAO conclusions	Department's response	Comment
Each government organisation should:		
i Review how it defines a complaint against the widely used Cabinet Office definition.	The Department reviewed its complaints definition when it expanded the remit of the Independent Case Examiner in 2006.	The three Agencies now use the same definition.
ii Report on their redress procedures for complaints, together with their other measures of the quality of services that they provide as part of their annual report.	The Department's Annual Report contains a section on citizen redress. The new Pension, Disability and Carers Service, formed in April 2008, intends to publish complaints information in forthcoming annual reports.	Jobcentre Plus and the Disability and Carers Service do not report on complaints in their annual report, although The Pension Service does so.
iii Review whether a closer alignment of procedures and the common handling of complaints would be a more cost effective solution.	Complaints procedures throughout the Department were reviewed when the Independent Case Examiner service was introduced and they are broadly similar. All responses to complaints should contain clear signposting explaining where the customer should go to should they remain dissatisfied.	The three Agencies have a similar three-tiered complaints resolution process.
iv Keep under review their web-based information about redress arrangements so that it remains up to date and clear, does not use off-putting language, and provides realistic timetables within which redress action will be completed.	All the Department's Agencies have their own websites and include guidelines explaining complaints procedures in an accessible manner. Customer Charters and complaints leaflets provide timeframes for receiving responses.	The accessibility of complaints information on the Agencies' websites has improved since we last reported.
v Keep under review the arrangements for citizens without web access to ensure that they are not being disadvantaged.	The Department reports that it understands the importance of ensuring that its procedures are accessible to all its customers. All Agencies reviewed their leaflets and websites in 2008 to check that complaints procedures were clear and information regarding the new Independent Case Examiner service was incorporated.	The language used in the Agencies' complaints literature encourages customers to make complaints and is more customer focussed than comparable international social security organisations.

NAO conclusions	Department's response	Comment
<p>vi Take into account the individual needs of different social groups in the design and operation of their redress procedures.</p>	<p>The Department's websites and leaflets inform customers that they can complain verbally or in writing. Text-phones are now available across the Department. The Department also has a dedicated telephone interpretation service to help customers whose first language is not English and will arrange for interpretation services either over the telephone or face to face. The Department aims to translate information into other languages upon request wherever possible. The Agencies also have a complaint scenario as part of their mystery shopping programmes.</p>	<p>Jobcentre Plus research found that ethnic minority customers lacked awareness of the complaints system and anti-discrimination procedures.</p>
<p>vii Regularly secure the views of citizens who complain on the handling of complaints.</p>	<p>Individual Agencies carry out customer satisfaction surveys which include a section on complaints. The Independent Case Examiner's Office seeks feedback from complainants about how their complaint was dealt with.</p>	<p>The Agencies do not routinely collect information from complainants about how their complaint was handled.</p>
<p>viii Collect information on complaints in a regular and systematic way.</p>	<p>The Agencies all monitor their complaints individually.</p>	<p>The Department is taking forward plans to standardise complaints resolution across its Agencies.</p>
<p>ix Seek to improve the quality of the services that they provide in the first place to citizens and also reduce the costs of handling complaints but not at the expense of reducing the quality of the redress procedures that it applies.</p>	<p>The introduction of the Independent Case Examiner has meant that identified issues are shared across the Department and can inform staff training.</p>	<p>Throughout the first year of its operation, the Independent Case Examiner and the Department have put in place a process to inform the Agencies of systematic issues observed through the examination of the complaints cases.</p>

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