

A consumer advocate's view on effective internal dispute resolution



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Who is Consumer Action?

- Campaign focused casework and policy organisation
- 18 staff
- Assist 1000s of Victorian consumers each year

Overview of presentation

- What is internal dispute resolution (IDR)?
- Regulation of IDR
 - Australian Standard – voluntary
 - Code of conduct – mandatory
 - Regulatory underpinning and oversight of IDR
- Business benefits of IDR
- Think like a customer!

What is IDR?

- IDR refers to providers' own complaint handling processes.
- What is ineffective IDR?
 - Consumers complain about not getting through to the right person
 - Consumers complain to us of delays, adversarial approaches and failures to inform consumers about EDR
 - Case studies

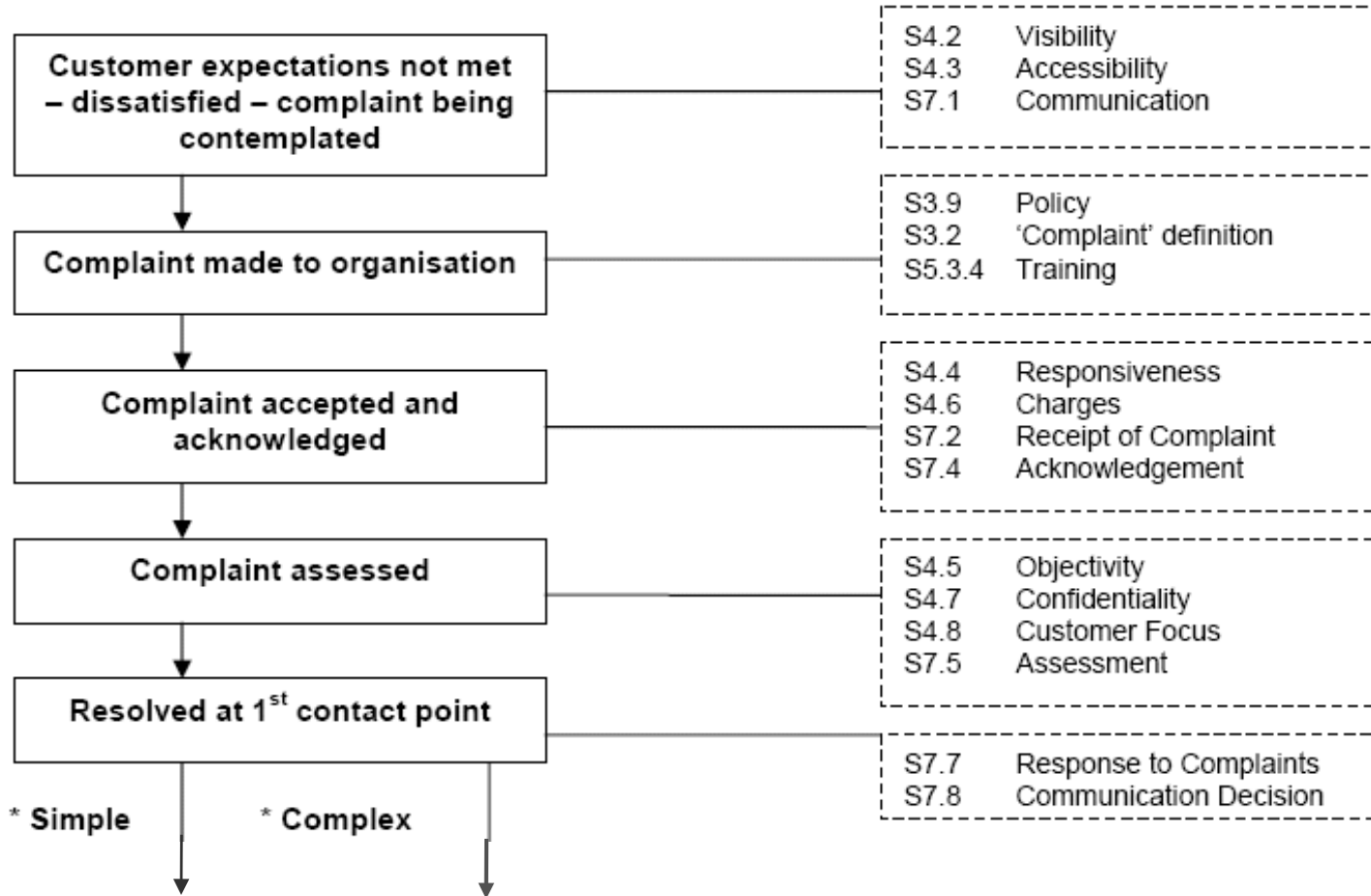
ISO AS 10002-2006

- Customer satisfaction – Guidelines for complaints handling in organisations
- Supersedes AS 4269-1995
- Approved by Standards Australia in February 2006
- Standard is outcomes focused
 - provides a degree of flexibility to achieve outcomes based on size and nature of the organisation

ISO AS 10002-2006, cont.

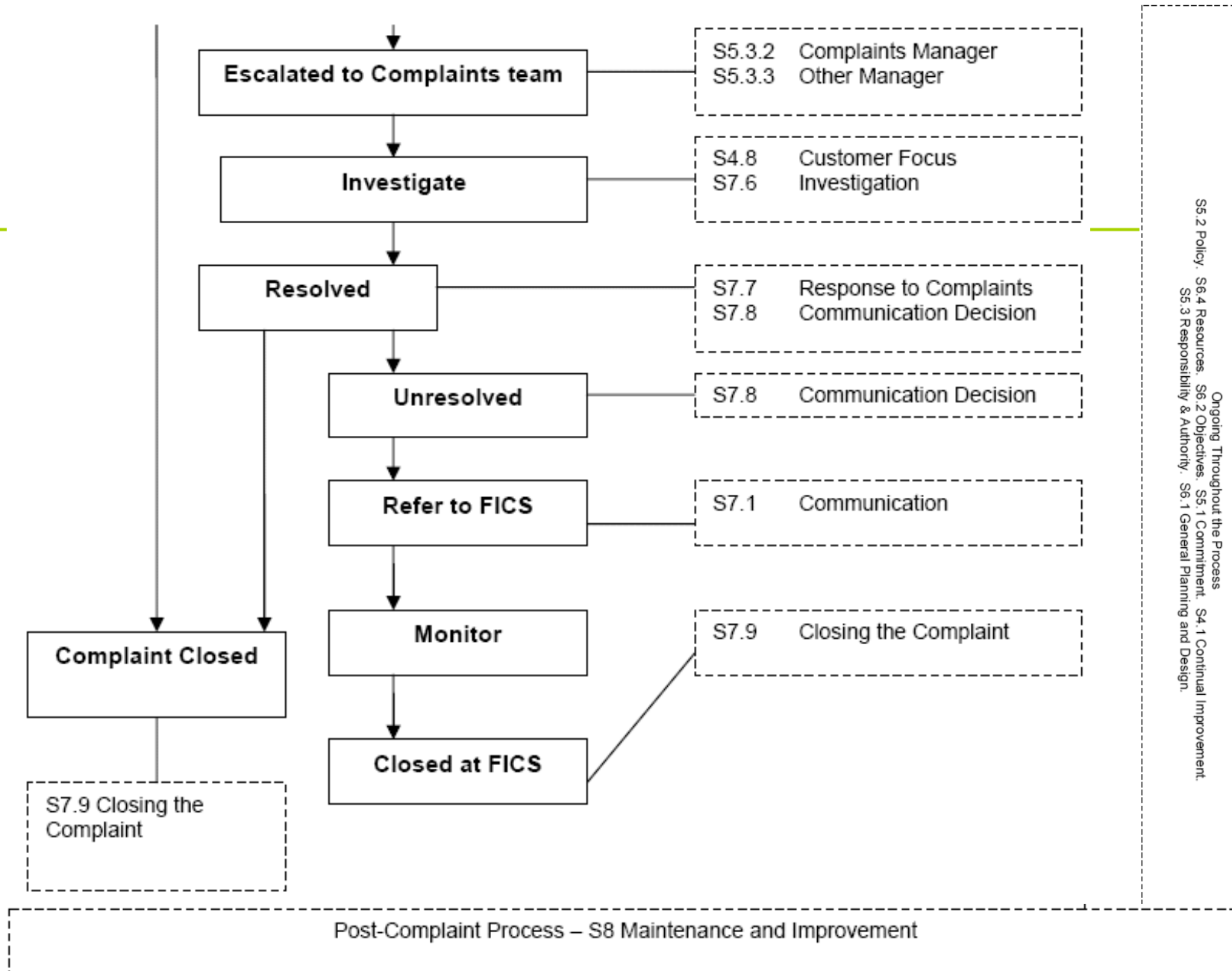
- Involves 9 guiding principles
 - Visibility
 - Accessibility
 - Responsiveness
 - Objectivity
 - Charges
 - Confidentiality
 - Customer-focused approach
 - Accountability
 - Continual improvement

SECTION 5: Complaints Flow Chart with References to Applicable Sections of 10002



Ongoing Throughout the Process
 S5.2 Policy; S6.4 Resources; S6.2 Objectives; S5.1 Commitment; S4.1 Continual Improvement;
 S5.3 Responsibility & Authority; S6.1 General Planning and Design.

Post-Complaint Process – S8 Maintenance and Improvement



Industry codes and charters

- Regulatory underpinning of voluntary standard
- Like other state codes, WA Electricity Code of Conduct includes requirements relating to complaints & dispute resolution
 - Providers required to have procedures in place to handle customer complaints
 - Includes escalation procedures
- WA Code recently amended to include requirement to comply with AS ISO 10002-2006
 - Vic still refers to AS 4269-1995 (and WA gas licence)

Regulatory oversight of IDR

- Regulatory oversight of IDR processes can contribute to good practice
- Audits
 - In Victoria, the ESC requires independent audits of regulated businesses' compliance with obligations
- Complaints reporting
 - Example of the insurance industry
- Reporting of systemic issues
 - ASIC IDR guideline requires that IDR processes enable systemic issues or recurring complaints to be identified and addressed
 - Energy licence obligations

Business benefits

- Customer satisfaction
 - Opportunity to protect company reputation
 - Research has found that “an unhappy customer will tell twice as many people about their negative experiences as a happy customer will”
- Decrease in EDR costs
 - Rights of EDR members to have opportunity to resolve a dispute at IDR
- Identification of systemic issues
 - This can improve business practices quickly and effectively

Think like a customer!

- What does a customer want when they make a complaint?
 - Could be many things! Need to listen.
 - Can be a chance to improve or rebuild a relationship
- Some possibilities
 - Commitments
 - An apology
 - Acknowledgment of error
 - Compensation



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