



Dermot Nolan
Ofgem
9 Millbank
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31 August 2015

Dear Dermot,

Open letter – ScottishPower – customer satisfaction with suppliers' complaints handling

Thank you for your letter of 10th August 2015. ScottishPower has made steady progress in delivering improvements for our customers. Let me outline 7 specific initiatives that have been put in place to improve how we look after customers and resolve complaints.

1. Delivering better service for our customers

This year we have been answering our customer calls quicker. At the end of July 2015, our average speed of answering customer calls into our Customer Service Centres was 40 seconds. We believe this to be amongst the quickest in the sector.

We have also been improving our response to customers' emails and letters, with over 93% customers receiving a full response within 48 hours (as at the end of July 2015).

2 out of 3 complaints (68%) are now resolved at time of contact with our customers, with a total of 85% of all complaints resolved within 14 days of the complaint being raised (as at the end of July 2015).

Here's how this compares to our performance back in November 2014:-

| Customer concern | End July 2015 Performance | November 2014 performance |
|---|---|--|
| Prompt response to customer calls | 40 seconds on average to answer customer service calls | 177 seconds on average to answer customer service calls |
| Resolve my complaint quickly | 68% of complaints resolved at time of contact | 45% complaints resolved at time of contact |
| | 85% of complaints by Day 14 | 58% complaints resolved by Day 14 |
| Prompt response to customers letter and email queries | 93% of customers received a full response within 48 hours | 68% of customers received a full response within 48 hours. |

Improvements have also been made to our online account management tool, with customers now able to change their direct debit amount online, review their consumptions and bills and utilise our improved customer information service, 24/7.

We continue to update our customers on our key service improvements (<http://www.scottishpower.co.uk/about-us/performance/customer-service-performance>) and our complaints handling performance (<http://www.scottishpower.co.uk/about-us/performance/customer-satisfaction>) .

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2. Improving our systems to ensure better complaint handling for our customers

Our new IT system continues to improve, with customer complaints due to system issues reducing by 30% since November 2014. We guarantee that no customer is left out of pocket as a result of any system issues.

We remain focused on continuing to reduce the number of system related issues and preventing these from arising in the future. This includes on-going identification and resolution of recurring root causes of system issues associated with customers' complaints.

3. Putting things right, quicker for our customers when things go wrong.

We have increased the number of full time employees ("FTE") working with customers to help to resolve complaints and provide satisfactory outcome to customers, by 76%.

We are committed to continue to resolve issues quicker for our customers if things go wrong.

4. Increased training of our Customer Service Advisors to ensure better management of customer complaints to satisfactory resolution.

We have continued to focus on training and have delivered enhanced complaints refresher training for our Customer Service Advisors ("Advisors"). This training reinforces the key issues in recognising, recording and resolving complaints.

Complaints updates are now included in weekly communication ensuring that Advisors and Managers have an ongoing opportunity to reflect on their performance. This acts as both a motivation, but also a constant reminder of the need to ensure individual and collective performance is as good as it possibly can be.

We created visual aids for all Advisor desktops to ensure that complaint recognition and satisfactory resolution remains top of mind when working with our customers to resolve complaints. Further enhancements were made to our desktop reminders for Advisors in light of observations made by the formal review last year.

5. Maintaining focus on customer engagement

We are providing customers regular updates on the progress of their complaints, with reassurance that we are working on a full and satisfactory resolution. Meeting customer promises on agreed updates is now at close to 100% (compared with 93% in November 2014).

We agree the frequency and method of these updates with each customer (for example, customers may wish to be contacted by email, letter or telephone). Customers receive an update letter at day +1, 10, 28 and 56 to keep them informed of progress.

We have also implemented further system controls to improve our signposting of complaint handling procedures to our customers, where complaints remain unresolved by end of the next working day.



6. Improvements to the quality monitoring of our handling of complaints

We have increased quality monitoring by Team Managers. More complaints are monitored and we now undertake more quality checks per complaint. This is improving our recognition, recording and resolution quality.

A new programme of random spot checks has also been introduced to review our handling of complaints with feedback direct to Advisors and Managers. These checks are independent of the Team Manager and are helping improve feedback on quality and performance.

7. Updating our complaints policies and procedures with clearer definitions and guidance for customers and staff

Our complaints handling procedures have been updated to make our definition of a resolved complaint clearer.

We have also expanded on potential means of redress for all customers who complain and set clearer expectations for keeping customers informed of progress of their complaint.

These improvements have been discussed and highlighted to our operational teams and are reflected in our internal processes and training documentation.

All of these initiatives are as a direct result of feedback from our customers and our formal review of our complaints handling standards that was completed in 2014. We are continually trying to improve. To provide reassurance that our initiatives are delivering improved service, we have recently completed an extensive internal review. Over the coming months we will also be undertaking research with our customers, to monitor their satisfaction with our complaint handling and identify further improvements. These results are due in Q4, 2015 and we will act upon the outcomes of that research .

Delivering the best service to our customers is a key part of restoring trust with the industry. We recognise there is no room for complacency and we continue in our efforts to ensure that ScottishPower customers receive the highest possible standards of customer service.

Yours sincerely,

Neil Clitheroe
CEO, Retail & Generation