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## QUALITY SERVICE

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### Topics covered in this chapter:

- What is quality service?
- How is quality service measured?
- Codes of practice
- Standards of excellence
- TQM
- CRM
- Customer loyalty
- The customer charter
- What is a mission statement?
- Operational standards

Now that everyone has realised the importance of customer care, the standards have risen considerably. Every large supermarket gives you a trolley, labels their aisles, prices their products and bags your groceries. These things have now become part of customer expectations. In order to win more customers, organisations are now forced to exceed customer expectations. They do this by offering more than their competitors.

Quality service can be defined as service to the customer that is of a consistently high and dependable standard. Three different features make up quality customer service:

- the environment
- the system
- customer staff interaction.

The *environment* is the surroundings and the atmosphere in which customer contact staff deal with customers. If we take the example of a restaurant, the environment could be divided into the dining room and the kitchen. The dining room has to be clean and attractive. If it isn't, people will not want to eat there even if the food is good. Even though the kitchen is not generally seen by the external customer it does affect the customer environment. It has to be clean and well organised. If it isn't, the staff (or internal customer) will be stressed and this will affect the atmosphere of the entire restaurant. A customer may not be able to enjoy their meal if there is tension between the staff.

The *system* is basically the method used by an organisation to provide their goods or services to their customers. For example, the standard practice of your milkman may be to

pass your house at 5am, take your empty bottles and replace them with three pints of semi-skimmed milk as per your standing order. Systems can vary from organisation to organisation. So you might have two organisations providing essentially the same service, but the system they use to provide it can be completely different. For example, compare the system used at Argos with that of other stores selling similar products. In most stores, you go in, examine the product and take it yourself to the checkout. You pay for it and it is wrapped by the cashier and handed back to you. At Argos you make your selection from a catalogue either at home or in the store itself. You then go to Argos, type in the product code and a computer will check if that product is in stock and confirm the price listed in the catalogue. You then fill in a form and take it to the checkout where you pay for the product and get a receipt. You then proceed to a collection point where your purchase comes up from the store room and is given to you.

*Customer staff interaction.* Quality service depends on the way in which the customer contact staff deal with their customers:

- Is the receptionist hostile when you make a query and does she immediately get on the defensive when you make a complaint?
- Are you interrupting the sales assistant's social life when you walk up to the cash register?
- When you phone a company to make an enquiry, are you passed around like a hot potato from extension to extension?
- In a restaurant, is your meal placed carefully in front of you by the waiter smiling pleasantly, or is it slammed down in front of you? Either way, you are getting the same meal and just as quickly but in the latter case you are certainly not getting quality service.

## How is quality service measured?

Many goods and services now have grading systems. These can help the customer make an informed choice. A trustworthy grading system is a handy guide to what a customer can expect to get for their money. Here are some examples.

### Q Mark

This means 'quality mark'. It is an Irish mark but it is not used on Irish products only. It is granted to products that have reached a satisfactory standard in the Irish market.

### ISO (International Standards Organization)

The ISO 9000 system is concerned with setting, evaluating and maintaining the level of quality in systems and procedures, from initial design to after-sales care, and is divided into three sections: ISO 9001, ISO 9002 and ISO 9003.

- *ISO 9001*. This deals with the design and development of a product, its production, installation and servicing. It is used by organisations involved in design and manufacturing.
- *ISO 9002*. This is more specifically concerned with production and installation and would be used by organisations involved in manufacturing.
- *ISO 9003*. This quality assurance system is concerned with the final inspection and test. It is also used by organisations involved in design and manufacturing. However, this is used less frequently than the other two systems as it focuses on products whose conformance to the ISO standards can only be tested in the final inspection.

There are many other organisations that set standards in the area of design and manufacture. This can make the customer very confused; what one standard will accept, another will reject. In the 1970s an attempt was made to create a global standard in the form of the International Standards Organisation. Nowadays a company may apply for accreditation as an ISO standard company. They will be inspected and will have mounds of paperwork to do but, if accepted, the company will have certain advantages over non-accredited competitors.

1. Some customers will only deal with ISO-accredited producers and all customers will recognise them as quality producers. ISO is a globally recognised standard of quality.
2. The ISO offers guidelines that help companies understand how they can begin to operate to a higher quality.
3. Because of all the documentation involved and the fact that members must sign it, those involved in design and manufacture are forced to think more deeply about what they are committing themselves to during every stage of development.

There are some problems with the ISO system, however.

1. Some consultancy firms might be owned by people involved in organisations seeking ISO accreditation and they may therefore be tempted to grant ISO status where it might not be deserved. Similarly, they may thwart a rival's plans to get the same accreditation.
2. As the people who inspect and award ISO status vary, so too does the standard they expect. The ISO standard in Pakistan and the ISO standard in France may not mean the same thing, though they should if the ISO is to be a truly global standard.
3. Once an organisation has achieved ISO accreditation, there can be very little incentive to continue improving. An organisation might even let its standards slip though it still retains ISO accreditation. Also, it is the organisation and not the product that gets the accreditation. So an ISO company could start supplying a product that does not conform to the ISO standard and the customer might not realise the distinction. So as usual remember *caveat emptor*, 'buyer beware!'

## **CE (Certification Europe)**

This sets quality safety standards for products to be used in Europe.

## **Hotel star ratings**

The ratings ☆, ☆☆, ☆☆☆, ☆☆☆☆, ☆☆☆☆☆ give the consumer an idea as to the cost and quality of accommodation within a hotel. Not all hotels that sport stars have had them awarded to them by any organisation and standards may vary from place to place. A global hotel star rating system has yet to be established.

## **Michelin Guide**

This guide was started by the French tyre manufacturers Michelin. It gave motorists information about the best places around France to eat and stay in. It also included a road map. This guide has become highly respected and has extended its range beyond France. A Michelin star is a recognised and much-sought-after mark of excellence within the catering trade. There have been occasions where hotels that have lost one of their stars have had their chefs resign in shame.

## **Egon Ronay guide**

Egon Ronay was an epicure who started compiling guides to good eating. His range now covers many countries, and restaurants hope to be acknowledged in his guide as places where a high standard of food is available.

## **Fáilte Ireland-approved**

Fáilte Ireland deals with hotels and guesthouses. It assesses the overall standard of accommodation, food and service. A bed & breakfast, guesthouse or hotel that fails to reach a satisfactory standard will not be included in Fáilte Ireland's approved catalogue which is widely on sale for the use of tourists and travellers.

## **Skytrax**

This is an airline review website that rates airlines from five stars down. It is an interesting site for anyone studying customer service because it not only rates airlines, but it also explains the methodology it uses for arriving at its scores and includes customer reviews.

## **Good Salon Guide**

This is a rating system that covers hairdressing and beauty salons in the UK and Ireland. Salons are rated as R (registered) and given three, four or five stars. A similar system is used by the Good Barbers Guide.



## **What are codes of practice?**

A code of practice is a document that outlines the standards of excellence of an organisation. It offers guidance on all aspects of the company's customer care as well as on strategies for dealing with complaints and returns.

## **What are standards of excellence?**

Standards of excellence are goals set out by the organisation for itself. For example, a gas company might set itself the standard of dealing with 80 per cent of its complaints within 24 hours of being called. A supermarket might set as a standard of excellence the goal of there never being more than three customers queuing at a till at any given time.

## **What does TQM stand for?**

TQM stands for Total Quality Management. This was a buzzword in the customer service world of the 1990s. It was felt that the key to customer acquisition and retention was to provide them with a product of the highest quality from start to finish, including after-sales service. While TQM still holds true, it is now taken for granted. In order to be at the cutting edge in the competition to win customers you have to do more than just provide a high-quality product and service. This leads us on to CRM.

## **What does CRM stand for?**

CRM is the abbreviation of Customer Relationship Management. It looks at the requirements and wants of customers and focuses on the need for customers to feel that the company regards them as individuals and that their custom is valued. So instead of pigeon-holing each customer into anonymous target markets, each individual is seen as a segment market of one and dealt with accordingly. At its most basic, CRM is the collection of all relevant information about your customers and the recording of all transactions the company has with those customers.

## **What is the purpose of CRM?**

The purpose of CRM is to build up an entire picture of your customer in order to serve the customer as best you can at present and enhance customer loyalty, to target the customer for cross-sales and to develop future products in an intelligent way that will appeal to that customer.

## **What are 'cross-sales'?**

Here 'cross-sales' means targeting an existing customer of one product and selling them another product. For example, if you sell a customer a digital camera, you may also be able to sell them a digital photograph printer at a later date. Likewise, if you use CRM you may

learn that this customer loves to upgrade their technology on a regular basis and so you might be able to target them later and sell an even more advanced digital camera.

### How does CRM work in practice?

The salesperson, or whoever makes first contact with the customer, collects relevant details about the customer. Then each time an e-mail, visit, letter or phone call is received from or sent to the customer, that information is added to their details. All business transactions are recorded and, very importantly, integrated into one easily accessible file on each specific customer.

This information is stored using dedicated software, which allows the sales and marketing staff to analyse and use their information more easily. A full picture of the customer is developed and from that the staff learn when to target the customer and, more importantly, when *not* to.

When a customer rings up a company that they have dealt with previously and identifies themselves, the staff member would type in the person's name and call up a profile of that customer on the screen. Staff can then personalise the conversation as well as dealing more efficiently with the caller without having to ask basic questions.

For example: Mr Brown walks into the car showroom where he bought a car three years ago. He also has his annual service performed there. The salesman has made it his business to get to know his regular client. He strides quickly over to Mr Brown.

*Salesman:* Jim, it's good to see you again. How are you?

*Mr Brown:* Fine, and you?

*Salesman:* No complaints. How's Sheila?

*Mr Brown:* Very well, thanks. We've just had another child.

*Salesman:* Congratulations! That's three, isn't it?

*Mr Brown:* Yes.

*Salesman:* A girl or a boy?

*Mr Brown:* A girl.

*Salesman:* Fantastic, Sheila must be thrilled to have a girl at last.

*Mr Brown:* Yes, she was beginning to feel outnumbered.

*Salesman:* Well, I guess you're here looking for a bigger car this time?

*Mr Brown:* Well, I suppose so.

*Salesman:* Well, Jim, why not take a look around with me and see if I can show you something that you and Sheila will like.

### Who are the CRM providers?

At the moment three of the most popular products in this area are by Peoplesoft, Oracle and SAP. Sage aims its products at smaller firms. Sugar CRM is free but consequently doesn't offer a lot of customer support. It has no real after-sales service, nor does it offer upgrades. As with a lot of things in business, you get what you pay for. Other specialist

CRM packages include Siebel Call Centre, Siebel Field Service and Siebel Sales. It is very important to shop around and pick the CRM product that best suits your company. (See Chapter 12 for more on CRM technology.)

### **How to use CRM**

The purpose of CRM is outlined above and all the data you accumulate should serve to attain that purpose. Do not burden the system with superfluous information that might come in handy. Most of it won't and any information that does eventually become useful can be collected again at the time.

### **Advantages of CRM**

It is a clean and efficient way to develop a total view of your customer. It allows you to target customers at specific times with specific products rather than continually harassing them by blanket bombing them with information about new and existing products they have no interest in.

In this way:

- You save money on unnecessary communication.
- The customer isn't put off by the company's 'hard sell' and will be more likely to take an open-minded approach to any product or upgrade suggestions your company does make.
- It will help you keep existing customers, making them feel more important.
- It will also allow you to deal carefully with them, especially if there have been problems in the past.
- It allows the marketing department to track more accurately which marketing strategies generate the most sales. Return on investment (ROI) is crucial to any business and CRM can help them gauge that.

### **Disadvantages of CRM**

It costs money to install, implement and maintain. The installation of CRM software can cause a lot of extra work and disruption initially. All this money and effort will be wasted if the staff is then reluctant to use this new CRM technology.

The collection of information on members of the public by companies is strictly governed by the Data Protection Commission. A company who uses CRM without fully understanding their legal requirements could easily get into legal difficulties.

### **Easing the cost and disruption of introducing CRM into the company**

Some companies offer CRM as one part of various inter-linked packages. Thus CRM becomes part of an enterprise resource planning (ERP) solution. This makes the installation process less disruptive as all your packages can come from the same vendor

and are cheaper too, especially if you already use some products by that vendor.

To avoid getting into legal hot water, a visit to the Data Protection Commissioner's website at [www.dataprotection.ie](http://www.dataprotection.ie) is recommended.

Some companies, by reason of the nature of their service, collect personal details of a highly sensitive nature, such as health history, criminal background or religious beliefs. They consequently have to register with Digital Rights Ireland. All Internet service providers are obliged to register. You can visit their website at [www.digitalrights.ie](http://www.digitalrights.ie)

## Past, present and future CRM

CRM is nothing new; it has been around since the 1990s. However, Irish companies were slow to take an interest; that has now changed. Companies realise that the amount of customers out there is finite and new customers are expensive to attract. They see the potential of CRM in minimising customer attrition and in using it to develop new customer strategies. A simple example would be a customer loyalty card in a supermarket. If 65 per cent of your customers are buying nappies today, that means that in the next 3 to 5 years they will be in the market for buying school stationery, sports gear and backpacks. Also, governments are taking an interest in CRM, seeing its potential in being better able to cater for their citizens' needs now and in the future and also to be able to more accurately revise their legal and taxation structures.

## Customer loyalty

Customer loyalty is when a customer repeatedly uses the same organisation for goods or services. It is built by consistently providing value for money and by providing an excellent after-sales service. To achieve customer loyalty, you need to treat the customer as an individual and know the customer's needs and cater to them. Customer loyalty can be rewarded with Christmas cards, clubcards and preferential treatment.

For example: there was a global oil crisis in the 1970s and petrol was very strictly rationed. In Ireland, as elsewhere, there were enormous queues at petrol stations. Many petrol stations gave their long-standing customers preferential treatment. One petrol station did not. It was simply a case of first come, first served. When the petrol shortage ended, that petrol station found that they had lost their loyal customer base. The customers resented the fact that they were treated as strangers while other customers at other stations had their loyalty rewarded. They also feared that if another petrol shortage was to occur they had better have established themselves as loyal customers somewhere else.

Customer loyalty is the idea that a customer will support a certain product, company or service because they feel allegiance to it.

As we know, it is easier and cheaper to keep a customer than to try and win a new one. It is even better if you can develop a customer base that will stand by you through thick, thin and fashion changes. But how can you get loyal customers?

## What influences customers loyalty?

- Location
- Family connection
- The owners are friends/neighbours
- Racial/religious ties
- Value for money
- Atmosphere
- Service
- Tradition
- Memory
- Fairness
- Snobbery
- Fashion
- Rewards.

*Location:* A customer will visit the shop around the corner and support it because it's convenient even though it may not be the cheapest. Customers may even support it more if they fear that it might close.

*Support your own:* A customer will support a family enterprise even if its product is dearer or inferior. Likewise they may support a company or service where they have strong ties. Immigrants and *racial or religious minorities* will often band together and will support their own products or services. There is empathy within these groups, as well as particular practices that only they might fully understand, for example a kosher butcher.

A customer will remain loyal to a company that consistently offers *value for money*, but will that loyalty remain if prices rise?

A restaurant would be an example of a business that could maintain loyal customers through *atmosphere*. This atmosphere might supersede considerations such as price, service or quality.

A customer will remain loyal where they get consistent high-quality *service*. When there is an occasional glitch and it is dealt with positively, then their loyalty will only increase.

How many people buy the same washing powder that their parents used to buy? If there is no discernibly superior product on the market then we tend to *remain loyal to the products we are used to*. This is very apparent in food sales. The brown sauce on the table of our youth is the brown sauce we will most likely stick with. We develop eating habits as children that we generally maintain, unless we make a very conscious decision to change. This is why some fast-food outlets are so keen to recruit children as customers.

A product that was effective in the past will be *remembered* and recommended in the future. Likewise a company that exploited customers during a period of high demand will find that customers will remember that and support other companies when the market changes.

If a customer knows that a company will accept responsibility for its mistakes when it is to blame and will always treat its customers *fairly*, then he/she will be loyal.

Some customers shop in certain shops and keep the shopping bags and use them later. This allows them to send the message that they are the type of person who has the money and taste to shop there. *Snobbery* or image is very important in customer loyalty. Consider how many people buy expensive cars in order to present a certain image of themselves, either real or inspirational.

Customers are loyal to products that are in *fashion*. If a product remains fashionable over a long period of time, this can be construed/misconstrued as customer loyalty.

Customers will remain loyal to companies that reward them. A second-hand car dealer who will always throw in a free tank of fuel will gain loyalty from customers that far outweighs the costs. However, some customers in certain areas will only remain loyal as long as they are getting the rewards, for example buying a certain chocolate bar in bulk until all the golden tickets are won. Loyalty cards are fairly common nowadays and as with all new customer service innovations they lost their effectiveness as they became commonplace. Most of us have more than one supermarket loyalty card so we shop in the same ad hoc manner and merely whip out the appropriate card when we reach the till. In fact we are more likely to go to a particular shop because we mislaid the loyalty card for the other shop rather than out of a strong sense of loyalty.

### How can you win customer loyalty?

The first thing is to analyse what customer loyalty is and what makes customers loyal, and then ask how you can apply it to your own company, product or service.

## Customer-oriented organisations

A customer-oriented organisation will have a customer-oriented policy incorporating a policy of listening to customers and acting on their suggestions. This will lead to the formation of a policy statement that again is focused on the customer. The standard operational procedures will also have customer-focused bias.

For example: as its mission statement, a bank might express its intention to make a greater amount of money than its competitors. It will therefore streamline its policies and operational procedures to save money. This might mean having as few bank clerks working on the counters as possible in order to save money. The customer waiting area will be small, as for the majority of banks, customers generate the smallest amount of profit for the organisation. Operational procedures will then encourage clerks to devote most of their time to customers who have the greatest amount of money in the bank.

In contrast, a customer-oriented bank would have a policy that seeks to recognise the value of customers, no matter how small their accounts are. The bank's mission statement would reflect that; for example, 'We will welcome all savers, great and small.' Operational procedures would make customers a top priority, so staff might be taught to open another counter whenever there are more than four people queuing.

### What is a mission statement?

A mission statement outlines the basic function of a business or organisation. It shows us how the organisation sees itself now and how it hopes to be seen by its customers in the future. It maps out the vision the company or organisation aspires to and sums up some of the main principles put forward in the customer charter in just one sentence.

For example: a company might have a customer charter that emphasises value for money. Its mission statement might be:

*Smiths, the cheapest around or your money back.*

Mission statements can emphasise different things:

*Browns, for the finest things in life.*

*Jones Plumbers, at your door before you put your phone down.*

A mission statement might be aspirational in nature:

*Sullivans will be the biggest name in home furnishings by the year 2030.*

### Sample customer care policy – The Brown Thomas Group

The Brown Thomas Group issues these guidelines to their employees:

*Customer care standards.* Our customer care standards are based on our interacting with customers in a professional and consistent manner. Our professionalism includes presenting ourselves at work in accordance with business dress standards and maintaining our work area in perfect condition using the housekeeping check list and visual merchandising standards. The customer care standards are as follows:

- *Acknowledgement.* The customers must be acknowledged with a smile or eye contact or a greeting within one minute of entering a department.
- *Approach.* The customers should be approached in a professional and courteous manner using open-ended questions to determine their needs.
- *Product knowledge.* Customers should be provided with all product information they require and other information, for example, department location, or additional services, for example, gift wrap and delivery service.
- *Closing of sale.* Once the sale has been finalised the customer should be brought to the nearest cash point, thanked for their custom and provided with a business card where appropriate.
- *Cash point.* Customers should be acknowledged and thanked for their custom at the cash point. Sales transactions, that is, register procedures and

documentation, should be completed within three minutes.

- *Services.* Customers should be advised of the wide range of services provided throughout the store, for example, Mailing List, BT MasterCard, Personal Shopping and Wedding List Services.
- *After-sales service.* Outstanding queries, special orders, alterations, etc., must be followed through to the satisfaction of the customer.
- *Confidentiality.* Customer transactions should be treated in the strictest confidence and never discussed outside the store.
- *Telephone techniques.* All calls should be answered within six rings. All calls should be answered by using one of the following greetings: 'Good morning', 'Good afternoon', or 'Good evening'. Identify your department, give your name and say, 'How can I help you?' For example, 'Good morning, Menswear, John speaking, how can I help you?'

## Designing operational standards for front-line staff

When designing operational standards for front-line staff, be sure to consult the staff. They are the people who have the experience in this area and can point out to you what can realistically be done. Without contacting them, they could be resentful, seeing your input as an intrusion, and will be reluctant to put your suggestions into practice.

Start off with just a few operational standards. Too many will overstretch the staff and make them feel that your ideas are unworkable. A few smaller goals will give them an opportunity to quickly master the new ideas and these can then be added to while the staff's confidence grows.

Here is an example of operational standards for a takeaway restaurant:

1. Answer the phone within five rings.
2. Give the name of the restaurant, your name and ask, 'What would you like to order?'
3. Have the menu near you so that you can answer any questions.
4. Make sure you can always give them the correct price over the phone.
5. Make sure you have the customer's correct name and address.
6. Make sure that the meal is ready within 10 minutes for collection.

## The customer charter as a quality assurance mechanism

The purpose of a customer charter is to inspire trust. The charter tells customers what they can, at the very least, expect from the organisation. If the organisation fails to meet that expectation, customers know that they can complain and that their complaints will be dealt with competently. In this way, the customer charter encourages complaints from customers who are unhappy but who do not generally complain, feeling that it would be pointless or unpleasant to do so. This policy does not generate complaints, it just means



that more complaints are heard by the organisation and can be dealt with. This leads to better customer service and to happier customers who know that their custom is appreciated.

### **Sample customer charter – ESB**

The ESB has issued a customer charter setting out 12 guarantees of customer service:

*Guarantee 1: Network repair guarantee*

If you contact the ESB when you lose power and you are not reconnected within 24 hours you can claim back €40 from your bill or €100 if you are a business customer. For every subsequent 12 hours that you are without power, you can claim back an extra €20.

*Guarantee 2: Planned supply interruption guarantee*

If the ESB plans to interrupt electricity supply they will give at least two days' notice or else you can claim €20 if you are a domestic customer or €100 if you are a business customer. Very short interruptions and interruptions caused by sources other than the ESB are not covered by this guarantee.

*Guarantee 3: Main fuse guarantee*

If you inform the ESB within four hours of losing power and that call is made between 8.30am and 11.30am, the ESB will deal with your complaint before 12.30pm the following day.

*Guarantee 4: The meter connection guarantee*

The ESB guarantees to install electricity meters in businesses within five days and domestic meters within three days.

*Guarantee 5: Supply quotation guarantee*

If you are starting a small business, you must send relevant details to the ESB. If they need to visit you, they guarantee a quotation within 20 working days. If no visit is necessary, they guarantee a quotation within 10 working days. If they fail to meet these targets, they will pay you €40.

*Guarantee 6: Voltage guarantee*

If you contact the ESB with concerns over voltage, they guarantee to investigate the matter and to contact you again within 10 days. If they fail to do this, they will pay you €20.

*Guarantee 7: Meter accuracy guarantee*

If there has been a mistaken meter reading taken, contact the ESB. They will reply within five days or else pay you €20.

*Guarantee 8: Account guarantee*

If you want to change your payments, the ESB will contact you within five

days or change the payments within that time. Otherwise they will pay you €20.

*Guarantee 9: Appointment guarantee*

If the ESB fails to keep an appointment with the customer, they will pay them €20.

*Guarantee 10: Reconnecting supply guarantee*

When outstanding bills have been paid, the ESB will reconnect power the following day or else €20 will be paid to the customer.

*Guarantee 11: Refund guarantee*

If the ESB fails to give a guaranteed refund within seven working days they will pay you €20.

*Guarantee 12: Payment guarantee*

If the ESB has failed to live up to one of their guarantees and payment is due to you under the terms of their charter, the ESB will pay you or credit your account within 10 working days. If they fail to do so, they will pay a further €20 to the customer.

In 1998 ELCOM was set up to provide an independent voice for ESB customers. If a customer feels unhappy about the way in which a complaint has been dealt with by the ESB, they can use the services provided by ELCOM.

## ELCOM

### ESB Customer Complaints Commissioner

#### *Terms of Reference*

An independent voice to resolve complaints about electricity service

#### **Summary**

The Complaints Commissioner is appointed by ESB, following nomination by the Director of Consumer Affairs. The Commissioner will operate outside ESB but will have an independent contractual relationship with it. The contract, which has been drawn up in consultation with the Director of Consumer Affairs, guarantees the independence of the Complaints Commissioner.

This initiative provides for an independent voice in reviewing and making recommendations on certain types of unresolved complaints from customers or potential customers about ESB. The Commissioner will adjudicate on complaints about electricity supply connections, billing, metering, distribution network repairs, service levels, etc. Certain complaints, such as those relating to ESB Power Generating Stations, do not come within the scope of the Commissioner's remit.

The Commissioner has the power to issue binding recommendations to ESB Customer Services and may recommend that ESB follow a particular course of action or pay an ex gratia sum.

The service is free to customers and is in no way prejudicial of a customer's legal rights.

A complainant will first go through ESB's internal complaint resolution process in accordance with its published complaints procedure before referring the unresolved complaint to the Commissioner.

The Commissioner will have direct access to the Managing Director, ESB Customer Services and will submit a report annually to the Board of ESB on the incidence, nature and resolution of complaints. This report will subsequently be published. The Director of Consumer Affairs and Chief Executive, ESB, will arbitrate on any issue not mutually resolved between ESB and the Commissioner.

In the event of Government appointing a Regulator/Consumer Council of the electricity supply industry, the Commissioner's role will be reviewed to ensure there is no conflict between respective roles and responsibilities.

### **Customer Complaints Commissioner**

The Customer Complaints Commissioner is a contractually appointed arbitrator of customer complaints.

Appointed by ESB Customer Services, following consultation with and nomination by the Director of Consumer Affairs, the Commissioner is charged with the resolution of complaints about customer services provided by ESB when the complaint cannot be resolved directly with ESB.

### **Reporting arrangements**

Although funded by ESB, the Commissioner is an independent office holder with clearly defined powers to investigate and determine issues in dispute between ESB and customers. The Commissioner will be provided with the necessary resources and facilities to efficiently deal with the level of complaints from time to time.

The Commissioner has direct access to the Managing Director of Customer Services in ESB and presents an annual report to the Board of ESB. This report will be published subsequently. The Director of Consumer Affairs and the Chief Executive, ESB, will arbitrate on any issue not mutually resolved between ESB and the Commissioner.

### **Scope of Commissioner's operations**

The Commissioner deals with any and all complaints relating to:

- The service provided by ESB to the customer, including complaints concerning electrical supply connections, billing queries, metering, network repair service, supply outages, communications with customers and service levels.

- The Commissioner also has power to arbitrate on disputes concerning Customer Charter guarantees of service, including the application of exemptions under the 'small print'.
- Alleged maladministration or unfair treatment.

The areas outside the scope of the Commissioner include the following:

- (a) Complaints already the subject matter of legal proceedings or those which are best addressed through defined legal proceedings (such as planning permission and way leave disputes).
- (b) Complaints relating to the activities of ESB Retail (Appliance Sales), FinancElectric or ESB Electrical Contracts (including Public Lighting). These are separate business lines operating in a highly competitive environment and are the subject of separate complaints procedures. In addition, the sale of electrical appliances is governed by the Sale of Goods and Supply of Services Act 1980. FinancElectric activities are regulated by the Consumer Credit Act 1995.
- (c) Complaints which relate to ESB Power Generation and National Grid (High Voltage Networks) businesses.
- (d) Complaints which have not been processed initially through ESB's internal complaints procedure as published or the complaint was not initially lodged with ESB within 6 months of the action (or lack of action) giving rise to the complaint.

### **The Commissioner's powers and duties**

To receive and act on any complaint referred to the Commissioner by a customer or potential customer which comes within the scope of the Commissioner's Office and which remains unresolved after being through ESB's internal Complaints Procedure.

The Commissioner has discretion in determining whether a complaint comes within the scope of the Office.

The Commissioner will seek to promote a resolution of the complaint, will act impartially and fairly in all the circumstances and may make an ex gratia award in favour of the customer.

In assessing a complaint, the Commissioner may seek and be given all relevant documents and information on the matter and can seek such additional material as may be relevant. ESB will amend its registration under the Data Protection Act to include the Complaints Commissioner as a discloser of relevant customer information requested for the purpose of processing a complaint initiated by that customer.

If the complainant is being represented by a person, other than a legal representative, the Commissioner will seek the authority of the complainant prior to the disclosure of any relevant information to that third party.

The Commissioner may also seek and be given access to any ESB staff member involved in the circumstances giving rise to the complaint for the purposes of clarifying aspects of the complaint. ESB management and staff will co-operate fully with the processing of any complaint and will respond quickly to any questions raised by the Commissioner.

It will be a condition of the investigation of any complaint that the complainant will co-operate with the investigation and be available to the Commissioner if necessary.

The Commissioner's recommendation will be binding on ESB.

The Commissioner will not be bound by any previous decision made by the current office holder or any predecessor.

The Commissioner will endeavour to issue a final recommendation to both ESB and the customer within 10 working days of receiving details of a complaint, together with copies of related correspondence between both parties or any other information required by the Commissioner to deal to conclusion with the complaint. If the complaint takes longer to resolve, the customer will be given an initial response within the 10-day period.

### **Limits to Commissioner's powers**

Apart from the complaints (set out under 'Scope') which are outside the scope of the Office, the Commissioner cannot deal with complaints which while coming within the general scope of Customer Services relate to:

- An issue which is best resolved under another process including arbitration and the courts, or the subject matter has been, is or becomes the subject of legal or other proceedings.
- The commercial judgment of ESB relating to tariffs and conditions and terms for supply, unless the complaint relates to maladministration or unfair treatment.

In the event of Government appointing a Regulator/Consumer Council of the electricity supply industry, the Commissioner's role will be reviewed to ensure there is no conflict between respective roles and responsibilities of the ESB Customer Complaints Commissioner and the Regulator/Council.

### **ESB internal complaints procedure**

Before the Commissioner can adjudicate on a complaint, it will first have been referred by the complainant to ESB in accordance with ESB's published complaints procedure and, in particular, must have been the subject of a referral to senior management at ESB. A leaflet explaining the internal complaints procedure, including response times, will be circulated by ESB to its customers and copies will be available at all Service Centres.

That procedure requires the complainant to seek resolution of the complaint with the local ESB Service Centre. If it is not possible to resolve the complaint at this level, the matter should be referred to the appropriate Regional Manager. If still unresolved to the satisfaction of the customer, the matter may then be referred by the customer to the Commissioner.

### **Notification of complaints procedure to customers**

ESB will take steps to inform customers of the Complaints Commissioner's role and to

explain how the complaints resolution process works. Details of the Complaints Procedure will be forwarded to customers. This Procedure will explain ESB's internal complaints procedure including response times together with the Complaints Commissioner's role and how, where and when to refer a complaint to the Commissioner.

### **What does it cost to refer a complaint to the Complaints Commissioner?**

This facility is free to ESB customers. The procedure does not make any allowance for reimbursement to customers of any expenses or cost incurred by them in processing a complaint.

### **Protection of a customer's legal rights**

The complaints procedure within ESB and the role of the Commissioner is an additional facility afforded to customers and is in no way prejudicial of a customer's legal rights (contractual or statutory). Likewise, the procedure does not impact on the legal relations between ESB and the customer under the General Conditions of Supply. Under the complaints procedure, ESB agrees to be bound by the findings of the Commissioner (on a without prejudice basis), while the customer is free to reject the finding and pursue other remedies. However, an award by the Commissioner will be made subject to such an award being in full and final settlement of the customer's dispute.

## **Exercises**

1. Explain the term 'quality service'.
2. What is the purpose of a customer charter?
3. Explain what the following represent:
  - a. ISO
  - b. CE
  - c. Egon Ronay
  - d. Q Mark
  - e. Fáilte Ireland-approved
4. What is a mission statement?
5. What does CRM stand for?
6. Why is customer loyalty so important to business?
7. What are codes of practice for?
8. What is the function of ELCOM?