**How complaints can (and should) change regulatory practice: responses to unanswered questions on sli.do**

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| **Andrew Gavrielatos** |
| Question:  where does intelligence distilled from complaints fit in your broader data/analytics/intelligence strategy? |
| *While regulatory complaints still act as the canary in the coal mine,  and in the past would have been a primary source of intelligence in identifying harms in the market, we now have access to data and intelligence which provides a far greater insight into risk and where we apply resources.*  *By way of example, we receive 3000 - 5000 complaints relating to residential home building annually but have access to 2 billion data points which informs our compliance strategies.* |
| Question: Any tips for translating complaints into changing regulatory practice? Teams that manage complaints normally sit outside of operational parts of the business. |
| *I think it is incumbent upon complaint management teams to be able to effectively ‘ Tell the Story’ about the complaints they are receiving.  Whether these are regulatory complaints being handled on behalf of parties or complaints about your organisation.*  *In our case, we are in the process of changing how we report on complaints. Historically complaints are reported in terms of volumes, turnaround times and other key performance related metrics. We are working to change this story to so our reports better identify the regulatory issues, pain points for consumers and the outcomes being achieved for consumers where there is a regulatory obligation the trader is not meeting.*  *As a team that manages regulatory complaints, we are an operational part of our organisation and we work closely with our compliance colleagues.*  *This ‘story’ will allow us to better identify gaps in regulation and/or compliance.* |
| Question:  Currently, we have a complaints process in development. How would you go about commissioning this process so that regulators buy-in instead of being resistant? |
| *In Fair Trading we have recently developed a risk matrix for our regulatory complaints to measure the consumer harm reported, identify an appropriate level of response or intervention and the pathways for our complaint handlers to follow.*  *I am pleased to say we have achieved a high level of buy-in from our complaint handling teams, other internal business teams and external stakeholders.*    *Importantly, the matrix was developed collaboratively and early input was obtained from our teams and our partners in compliance and enforcement .  The other key aspect to this work was clearly articulating each stakeholders’ pain points or problem we were seeking to solve through the new process.  Finally, it was important to develop a process that was streamlined, fair and provided adequate tools for our complaint handlers to be empowered to make good decisions.* |
| **Nicole Lawless** |
| Question: I notice with new regulators, a complaints process is often the last process established. How do we push that up the priority list in the build process? |
| *Ideally by drawing the Executive’s attention to the benefits of building a complaint handling system from the start. Some key benefits are:*   * *Good complaint handling improves overall satisfaction with service. How a complaint is handled when something goes wrong is often more important to people than the initial failure. As such, a complaint represents a service recovery opportunity.* * *Good complaint handling makes good commercial sense. A key benefit that can be derived includes intelligence that can be captured and fed into continuous improvement.* * *Complaints are a valuable source of external feedback. Organisations that learn generally perform better.*   *Some good resources to start with include:*   * *NSW Ombo complaint handling resources:* [*https://www.ombo.nsw.gov.au/\_\_data/assets/pdf\_file/0018/42228/Effective-complaint-handling-guidelines-Third-edition.pdf*](https://www.ombo.nsw.gov.au/__data/assets/pdf_file/0018/42228/Effective-complaint-handling-guidelines-Third-edition.pdf) * [*http://www.ombo.nsw.gov.au/Complaint-Handling-Briefing-for-Senior-Staff/index.html#/id/co-100*](http://www.ombo.nsw.gov.au/Complaint-Handling-Briefing-for-Senior-Staff/index.html#/id/co-100) * *Cth Ombo:* [*https://www.ombudsman.gov.au/\_\_data/assets/pdf\_file/0019/112276/Better-Practice-Complaint-Handling-Guide.pdf*](https://www.ombudsman.gov.au/__data/assets/pdf_file/0019/112276/Better-Practice-Complaint-Handling-Guide.pdf) * *Return on Investment for effective complaints management:* [*https://www.socap.org.au/public/98/files/SOCAP-ROI-Effective-Complaints-Management-Report-Full-March-2018.pdf*](https://www.socap.org.au/public/98/files/SOCAP-ROI-Effective-Complaints-Management-Report-Full-March-2018.pdf)   *You can also reach out to bodies who are expert in complaint handling for guidance in setting up the system as well as initial and ongoing training.* |
| Question: Complaints are a great early warning system - so why are regulators sometimes so defensive about them and wish they’d go away? |
| *Being defensive is a pretty normal human emotion. When confronted with a complaint, a person may feel that the complaint is unfair, blame someone else or feel indignant that they or their service is being criticised. There are also sometimes practical issues: if a complaint is accepted, you should do something about it but taking action can be constrained by financial priorities, a lack of resources or a lack of expertise. The key is to change the culture of an organisation from the top down so that complaints aren’t seen as personal reflection on any individual but rather as a way of strengthening the organisation’s administration and improving relations with their customers.*  *For staff in an organisation to start seeing complaints as beneficial, the complaints and business improvement strategies must be linked and articulated in strategy and vision. When a complaint shows that a goal is not being achieved, if the organisation’s complaint management system is well integrated with its continuous improvement processes, the complaint can provide the trigger and the motivation for the organisational learning process to take place.*  Question: Some regulators hide their complaints process so well (for complaints about them) I’d be surprised if one ever got through. Can the ombudsman change this? |
| *The NSW Ombudsman has jurisdiction over agencies delivering public services, including some community service providers. Some of our functions include dealing with complaints and public interest disclosures that concern maladministration. We also provide education, training and advice to public authorities so that they can understand complaint handling obligations and best practice. We can also conduct reviews of the complaint handling systems of certain service providers.*  *Providing a regulator fell within the Ombudsman’s jurisdiction, we have some scope to influence how visible and accessible a regulator’s complaint handling system is. The approach might vary though and could range from education and advice through to a review, more formal inquiries being made or, at the pointiest end, a formal investigation.*  *Organisations should also consult the Quality management – Customer satisfaction – Guidelines for complaints handling in organizations IAO 10002:2018.* |