

Alternative SIM - Quantitative Measure

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Quantitative SIM Background and Context



Objectives

- Confirm and clarify the option(s) for how the SIM measures might change over the course of the next regulatory planning period
- Identify and assess the impacts of the option(s), including their fairness and effectiveness as comparative incentive measures
- Establish a practical testing and implementation plan that takes due account of any concerns that exist in relation to the current SIM
- Develop a set of outputs that can help to inform company responses to the SIM consultation

Current Quantitative SIM (2010 to 2015)

- Calls abandoned
- All lines busy
- Unwanted telephone calls
- Written complaints
- Escalated written complaints
- CC Water complaints
- Written and telephone complaints have a different weighting

UKWIR SIM Project 2012

Recommendation for Quantitative SIM

- Recommendation that a single metric replaces the six metrics which make up the current SIM score
- High level count of the total number of complaints for all household customers* from all contact routes
- By all contact routes, we include:
 - telephone complaints
 - All written complaints (post, email, webpage, SMS text, social media)
 - Complaints made in person at a company's offices
- Same weighting for all complaints

* As a result of retail separation, SIM no longer applicable to non household customers

Quantitative SIM Findings and Conclusions



Responses

- 8 companies provided data and feedback (6 WASCs, 2 WOCs)
- One other company made observations
- Our written report responds to specific queries and clarifications

Telephone and written complaints reporting

Company feedback:

- Four out of eight companies believe that overall definitions are fit for purpose
- More clarification sought on guidance around social media complaints and complaints made in person
- Other companies raised issues about the level of consistency in applying the guidance and the reliability of the reporting across the industry, especially relating to telephone complaints

Telephone and written complaints reporting

UKWIR Response:

- More guidance provided to clarify reporting for social media complaints and complaints made in person
- Despite some concerns raised, no strong evidence to suggest telephone complaints are not a reliable or effective indicator
 - Telephone complaints important part of the current wanted/unwanted call categorisation
 - Many companies demonstrated that it is possible to report within a high level of accuracy (+/- 5% accuracy, with some demonstrating accuracy levels to within +/-1%)
 - Primarily a training issue

Reporting complaints through social media

Company feedback:

- All companies who responded use social media channels to communicate with customers
- None of the eight companies direct customers to complain via social media
- Three companies respond to customers who have complained via this channel
- One company stated that it had systems and processes in place which allowed it to log data against a customer account

Reporting complaints through social media

UKWIR response:

- No justification for excluding complaints which are dealt with by companies through social media
- Emphasis less on whether an advertised channel and more about actual company practices:
 - there are companies responding to complaints received via social media and both volume of contact and number of companies using this channel only likely to increase with time
- Companies would need to develop systems and processes where logging and reporting capability not already in place

Complaints made in person

Company feedback:

- Four companies currently capture complaints made in person
- Two of the other companies did not perceive any issues with reporting this data while others questioned the cost versus benefit given the low numbers involved as well as seeking more clarity on definitions of what should be reportable

Complaints made in person

UKWIR response:

- There is no compelling case to exclude complaints from this channel
- If companies choose to receive and manage complaints made in person it should be relatively simple to capture and report them for the proposed metric

Weighting

Company feedback:

- Five out of eight companies supported equal weighting for telephone and written complaints
- Two companies stated different weighting should be retained BUT also argued email more akin to telephone complaints and should be weighted in line with telephone not written complaints
- Other company stated that its view on weighting depended on the final definition of telephone and written complaints

Weighting

UKWIR response:

- Objective is to identify complaints rather than the way customers choose to submit them so there does not appear to be a case to retain a different weighting
- All complaints should count equally

Operational impact of current and new approaches



Operational impact of current and new approaches

- Companies requested to quantify the resources required for the current SIM methodology compared with the UKWIR recommendation.

Operational impact of current and new approaches

Company feedback:

- For the qualitative component, one company reports a significant increase in resource requirements, one company reports no change and four companies report a reduction in activity, which is a significant reduction in two cases
- For the quantitative component, one company reports a significant increase in resource requirements, four companies report relatively stable inputs and two companies report a significant reduction

Operational impact of current and new approaches

UKWIR response:

- Findings suggest the level of inputs appears to vary significantly across companies and difficult to draw any meaningful conclusions whether UKWIR recommended approach would significantly reduce the regulatory burden
- Appears operational impact of SIM reporting linked as much to the processes, procedures and systems at a company as to whether reporting against current SIM methodology or the UKWIR methodology

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Thank You.

Any Questions?

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