



BY BILL DEE

Bill Dee is convener of the ISO technical committee ISO/TC 176 Subcommittee 3 working group on complaints handling which is developing International Standard ISO 10018, with inputs that include experience with national standards in Australia, Argentina, Japan, the United Kingdom, and Zimbabwe.

Bill Dee, Principal, Compliance Solutions, PO Box 283, Yarraville, Victoria, Australia 3013.

Tel. and fax + 61 3 9645 4666.

Mobile 0419 210 379.

E-mail [compliance@ozemail.com.au](mailto:compliance@ozemail.com.au)

## State-of-the-art complaints handling

It is now accepted fact that from quality and customer service points of view, companies operating in a competitive environment need to have a responsive complaints handling system in place.

Complaints provide feedback on how a company's products and services are performing in the market-place and, as such, are part of a company's quality system. Handling complaints effectively is also recognized as a way of maintaining customer loyalty.

For government agencies and monopoly utility suppliers, responsive complaints handling is seen as part of the minimum service standards which the public can expect to receive from such organizations.

Just as the Australian Standard on Complaints Handling AS4269 was the first national standard in the world to set some agreed benchmarks on complaints handling, the draft ISO 10018 – which, hopefully, should be published as an International Standard in early 2003 – should bring state-of-the-art, internationally agreed benchmarks to this area.

Its publication will be timely, particularly as there is an increasing trend for goods and services to be bought through the Internet. The standard will provide reputable Net traders with an effective means of handling complaints when things go wrong.

ISO 10018 is being developed by a working group of ISO technical committee ISO/TC 176, *Quality management and quality assurance*, Subcommittee 3, *Supporting technologies*. The impetus for the standard was a recommendation from the Working Group on Global Market Standards of ISO/COPOLCO, Committee on consumer policy.

### Principles

Any worthwhile complaints system has to have certain basic features. These include:

- **Visibility:** the public has to know where to complain. It might be obvious with a small, one premise operation, but not in the case of a large multi-site organization.
- **Accessibility:** the public must know how to complain. As a rule of thumb, the more formal the system for lodging complaints, the less accessible it is to consumers.
- **Responsiveness:** complaints need to be dealt with quickly. The quicker the complaints are dealt with, the higher the customer satisfaction.
- **Fairness and objectivity:** the complaint should be judged on its merits and there should be fairness to all concerned.
- **Customer-focused approach:** an organization that adopts a customer-focused approach invites complaints and indicates commitment to resolving complaints by its words and actions.
- **Accountability:** someone in the organization has to take responsibility for complaints handling

Complaints provide feedback on how a company's products and services are performing in the market-place and, as such, are part of a company's quality system

- **Continuous improvement:** this is about looking at root causes and fixing them.

## Framework

The draft ISO 10018, having looked at the basic principles, then addresses the issue of what sort of infrastructure or framework an organization should have to “drive” complaints handling.

It goes without saying that there has to be *commitment* to the process. This has to be top driven and reflected in adequate resources and a genuine culture of fixing problems. Selling complaints handling to top management can be done by explaining its role in the quality process and maintaining customer loyalty – two vital ingredients in the competitiveness of any modern company.

The company also needs to have a customer-focused *complaints handling policy* and staff must be made aware of both the policy and the procedures for implementing it.

Someone having *responsibility and authority* is critical to the success of the process. The standard makes some suggestions on the respective roles of top management, the complaints handling management representative and the employees who are in contact with a customer.

## Design

Having set down some principles for the infrastructure, the standard then looks to *policy and design*.

The standard points out the importance of having *policy, objectives and targets* established and the need for these to be measurable.

Planning of the *process* is needed in order to maintain customer satisfaction.

A critical part of the planning process is to determine what *resources* are needed for the effective operation of the system. Resources in this context could

include personnel, training, procedures, documentation, specialist support, material and equipment, and computer hardware and software.

## Operation

Having identified the infrastructure needed and the planning required, the standard then looks to the day-to-day *operational requirements*. This basically looks at the requirements from the moment a complaint is received until it is dealt with.

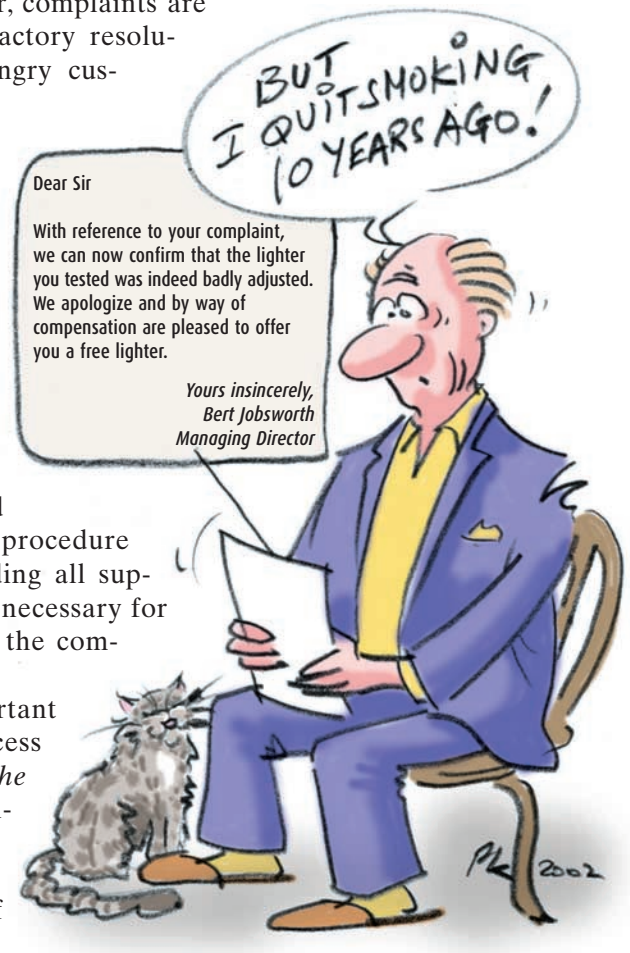
Obviously, to invite complaints or problems (remember, complaints are a “gift” since satisfactory resolution can turn an angry customer into an enthusiastic supporter), an organization needs to have some accessible material explaining the complaints process in plain language.

The first and obvious step is receipt of a complaint. The standard suggests a reporting procedure that involves recording all supporting information necessary for effectively handling the complaint.

It is then important to have some process in place to *track the progress* of the complaint so that an up-to-date status report is available of its handling.

*Complaint acknowledgement* is then necessary, along with an assessment of the complaint in terms of its severity, complexity, impact, the need for and availability of immediate action, and the likelihood of compensation.

The next step involves investigation of the complaint and, following



that, resolution. If the complaint is not resolved to the satisfaction of the complainant, then the standard recognizes the need to refer the matter for *external resolution*.

The remaining issues are the need to communicate the company's decision to the complainant and the complainant's response, i.e. the need to record his/her response and the need to inform the complainant of external recourses available.

### Maintenance

Having dealt with the day-to-day operation of complaints handling, the standard then turns its attention to *maintaining the system* in good working order.

*Information collection* is seen as important in order to have a record of the short and long term performance of the organization's complaints handling process. A related issue is the need to classify and analyse complaints to identify systemic, recurring and single incident problems and to eliminate the underlying causes of complaints.

The draft ISO 10018 also recognizes the need for an organization to undertake a survey of satisfaction with the complaints handling process.



Furthermore, it recognizes the need for ongoing monitoring of the process and for its performance to be evaluated.

*Auditing* is also seen as important to provide information on:

- conformity with the complaints handling procedures, and
- suitability of the process to achieve complaints handling policy, objectives, and targets.

The standard has an annexe which gives guidance on auditing.

The standard also suggests the need for top management to review the complaints handling process regularly. Finally, the standard recognizes the need for continual improvement of the complaints handling process and suggests ways of doing this.

One of the features of the standard is the inclusion of helpful annexes. Apart from the one on auditing mentioned above, there are also annexes on:

- fairness
- guidance for small businesses
- escalation flow chart
- remedies
- a form for a complainant
- complaint follow-up
- on-going monitoring

In summary, the standard recognizes the advances made in this important area and offers real guidance for all of those who operate in this area. A particular important aspect of ISO 10018 when it is finally published is the international recognition it should bring to the importance of organizations including complaints handling in their quality management and customer service processes.