

# CAM<sup>20</sup> 20

CONSUMER ACTION MONITOR

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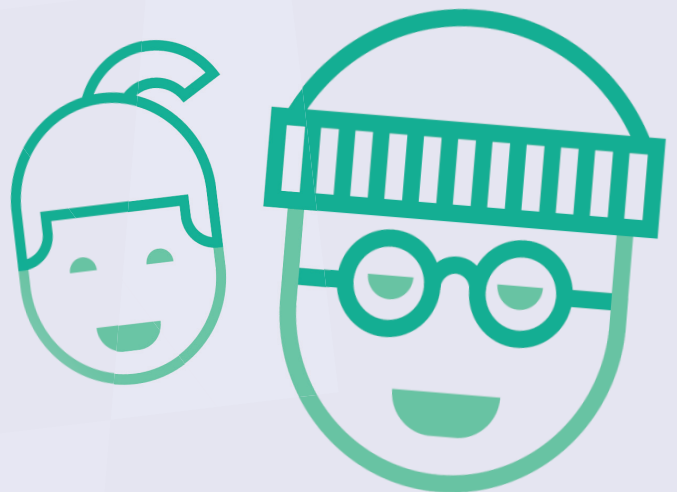


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# Foreword

Over the last 12 months, energy and telecoms services have become even more important as consumers' day-to-day lives changed dramatically.

When faced with the challenges of the Covid-19 pandemic, consumers needed more than ever to feel confident and reassured that they were in safe hands.

Consumers continue to rely on their providers to ensure crucial services are delivered effectively and efficiently not just now, but as we work towards a sense of normality in a post-pandemic world.

But the challenges don't end there. Looking to the future, policymakers have set several ambitious targets for meeting key infrastructure challenges around net zero, full fibre broadband and 5G.

If these challenges are to be met, it's vital that consumers have trust and confidence in the energy and telecoms sectors. We hope this report sets out some interesting ideas as to how that trust can be built, maintained and embedded beyond.



A stylized, handwritten signature in white ink, appearing to read 'M Vickers'.

**Matthew Vickers** | Chief Executive, Ombudsman Services



# Introduction



This report comes at a crucial point in our journey here at Ombudsman Services.

Despite a challenging 12 months, work has gathered momentum as we continue to reshape and restructure our organisation to meet the future needs of the people we serve.

People are at the heart of our business, and whether it's consumers, energy and telecoms providers, colleagues or regulators, our mission is to deliver improved services that are equally inclusive and accessible to all.

The insight we've gained through this year's CAM report will help us understand the issues that matter most to consumers. Now we must all work together to take that learning and use it to deliver more effective services in the future.

A stylized, handwritten signature in black ink, appearing to read 'Simon'.

**Simon Palmer** | Managing Director, Ombudsman Services



# Section 1: How effective complaint handling can build consumer trust and loyalty in energy and telecoms

Along with consumer rights organisations, regulators and of course providers themselves, Ombudsman Services has a role to play in building consumer trust and loyalty in the energy and telecoms sectors. It's a role we're determined to fulfil.

The Consumer Action Monitor (CAM) 2020 allowed us to delve into the psyche of the British consumer to understand their attitudes and behaviours when it comes to complaining.

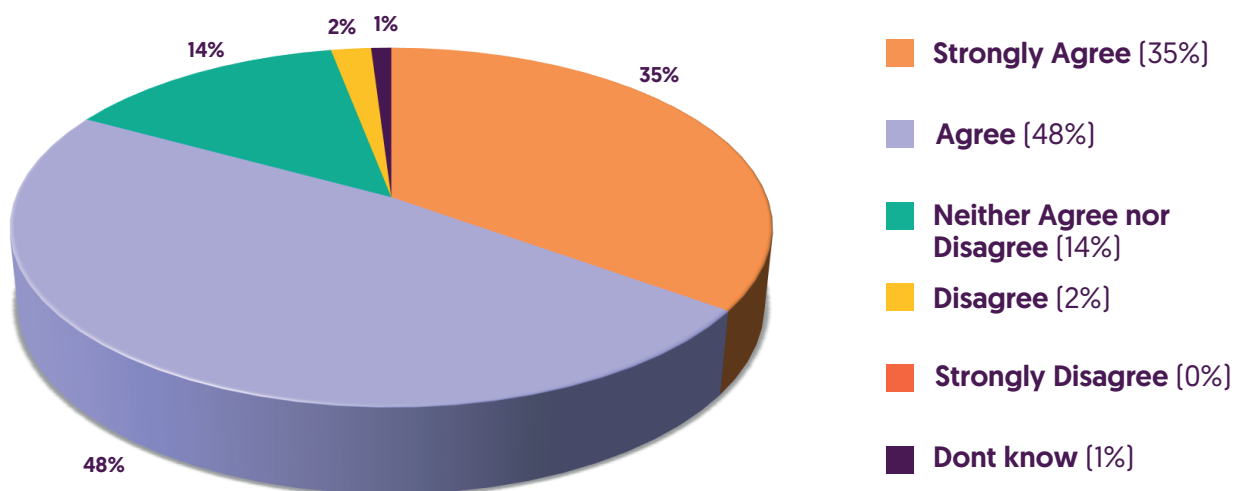
The message that came back is clear. In the eyes of the consumer, an effectively handled complaint doesn't just mean fixing the issue. It also means showing empathy, acting fairly and taking the time to understand the consumer's situation.

If energy and telecoms providers are willing to invest the time and effort into getting to know consumers, those efforts will likely be rewarded with increased loyalty.



83% of respondents said 'a well-handled complaint increases my loyalty to a provider'

**A well-handled complaint increases my loyalty to a provider**



# 1a. Why getting to know consumers is central to resolving disputes

With the use of cluster analysis, we were able to identify four overarching consumer complaint personas from our CAM 2020 research. The personas are characterised by the different emotions, attitudes and behaviours that consumers within those groups are likely to display in a complaint situation.

Only time will tell if the personas we've identified are a product of 2020's unique circumstances and therefore essentially 'pandemic personas', or whether they will stand the test of time.

Nevertheless, we hope our research in this area will be useful for providers, regulators, consumer rights organisations and other stakeholders.



## Key finding

CAM 2020 revealed four different types of complainer:

The Pessimist

The Determined

The Ally

The Shoulder Shruger



# The Pessimist

Representing **24% of respondents**, the Pessimist dreads the thought of complaining and fears they will be treated unfairly in a complaint situation.

## Attitude to complaining:

- 90% described complaining as 'overwhelming and intimidating'
- 88% felt they wouldn't be listened to
- 85% thought their complaint wouldn't be taken seriously
- 77% believed a complaint would leave them short-changed
- 71% would retract a complaint if it caused stress.

**91%**  
of Pessimists said 'a sympathetic response' to a complaint would **increase their loyalty**

## How can Ombudsman Services/energy and telecoms providers ensure a Pessimist's complaint is handled effectively?

- Treat them with sympathy and understanding
- Provide reassurance that a satisfactory resolution is the main priority
- Offer a sincere apology for any distress caused
- If appropriate, explain that they may be entitled to financial redress.



# The Ally

Representing **19% of respondents**, the Ally will work with a provider to reach a fair and appropriate outcome.

## Attitude to complaining:

- 83% said they expect a positive outcome when they complain
- 69% believed their complaint would be taken seriously
- 68% felt they would be fairly compensated
- 67% thought their provider would listen to them
- 55% said stress would rarely distract them from the task at hand.

**78%**  
of Allies said 'making things right' would **firmly embed their loyalty** with a provider

## How can Ombudsman Services/energy and telecoms providers ensure an Ally's complaint is handled effectively?

- Treat the consumer with respect
- Invite them to work with you to resolve the complaint
- Provide reassurance that a fair outcome is your top priority
- Apologise for any inconvenience caused.





## The Determined

Representing **21% of respondents**, the Determined consumer will seek retribution in a complaint situation.

### Attitude to complaining:

- **94%** wanted to hold their provider to account
- **85%** said 'kicking up a fuss' was the only way to get a result
- **80%** felt complaining should be unnecessary in this day and age
- **71%** said complaining is 'a game worth winning'.

**94%**

of Determined consumers would 'think more highly' of a provider that handled their complaint **efficiently**

### How can Ombudsman Services/energy and telecoms providers ensure a Determined consumer's complaint is handled effectively?

- Thank them for highlighting the issue
- Offer a sincere apology for any inconvenience caused
- Assure them you'll do everything possible to resolve the issue
- Accept full responsibility.



## The Shoulder Shrugger

Representing **36% of respondents**, the Shoulder Shrugger thinks complaining isn't worth the stress.

### Attitude to complaining:

- **49%** would withdraw a complaint if the process caused them stress
- **42%** would accept whatever outcome their provider offered
- **34%** 'couldn't be bothered' complaining in the first place.

**56%**

of Shoulder Shruggers would 'think more highly' of a provider that handled their complaint **effectively**

### How can Ombudsman Services/energy and telecoms providers ensure a Shoulder Shrugger's complaint is handled effectively?

- Keep their involvement to the bare minimum
- Resolve the complaint as quickly as possible
- Apologise for any distress caused.





## Key takeaway

There's no 'one size fits all' solution to effective complaint handling. Taking the time to get to know consumers, and improving our understanding of their unique circumstances, will lead to better complaint handling and improved consumer loyalty.

## Next steps: Ombudsman Services will...

- Carry out further research to improve our knowledge and understanding of consumer attitudes and behaviours to complaining
- Collaborate with partners in the energy and telecoms sector to establish whether or not the CAM 2020 personas were 'pandemic personas'
- Share any further knowledge, learning and insight gained for the benefit of those operating in the energy and telecoms sector and the consumers they serve.

## 1b. Consumer awareness of complaint timescales



### Key findings

- With just 3% of respondents correctly stating that energy and telecoms providers **currently** have eight weeks to resolve a complaint before it can be escalated to an ombudsman, the message is clear - there is a lack of consumer awareness around the timescales associated with access to independent redress
- When informed of the eight-week timescale, two in three consumers (64%) said it was unfair
- When asked how long energy and telecoms providers **should** have to resolve a complaint before it can be escalated to an ombudsman, only 2% of respondents said eight weeks - most consumers (63%) thought providers should have two weeks or less.

Ombudsman Services believes access to independent redress is a key factor in building consumer trust. Consumers should feel confident that if a complaint can't be resolved by an energy or telecoms provider, they have somewhere to turn for fair and independent redress.

In the interests of fairness, however, providers must have the opportunity to resolve consumer issues wherever possible. At present, they have eight weeks in which to do so.

If, after eight weeks, the issue remains unresolved, consumers can escalate their complaint to an independent Alternative Dispute Resolution (ADR) provider, such as Ombudsman Services, for further investigation.

CAM 2020 revealed that the vast majority of consumers are unaware of the current eight-week rule on accessing independent redress.

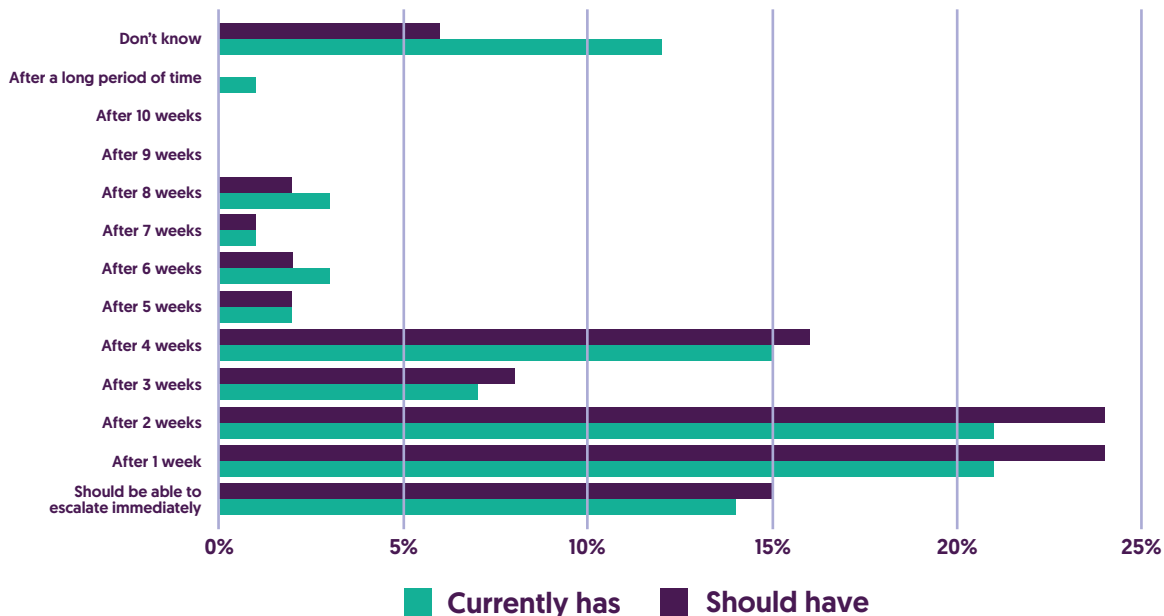


In fact, most consumers [78%] think providers currently have four weeks or less to resolve complaints. The most popular answers were one or two weeks, with an equal proportion of respondents [21%] choosing each of these options.

When informed of the current eight-week rule, the majority of consumers [64%] felt it was unfair.

With this in mind, how long do consumers think energy and telecoms providers **should** have to resolve complaints? The consensus: either one week or two weeks.

**If you have an energy or telecoms complaint, how much time do you think your provider has to resolve the issue before you can escalate the complaint to an ombudsman or ADR scheme?**



## Key takeaways

- There is an opportunity in 2021 for Ombudsman Services, regulators, consumer advice organisations and energy and telecoms providers to do more to inform consumers about the current timescales involved with access to redress
- Improving consumer awareness of the eight-week timescale may also prove effective in better managing consumer expectations by helping to reduce feelings of anger and frustration
- Any future efforts to reduce the eight-week timescale must be:
  - Based on a collaborative approach within sectors (involving Ombudsman Services, regulators, consumer advice organisations and energy and telecoms providers)
  - Underpinned by operational readiness across all parties.



# 1c. Awareness of where to take unresolved complaints



## Key findings

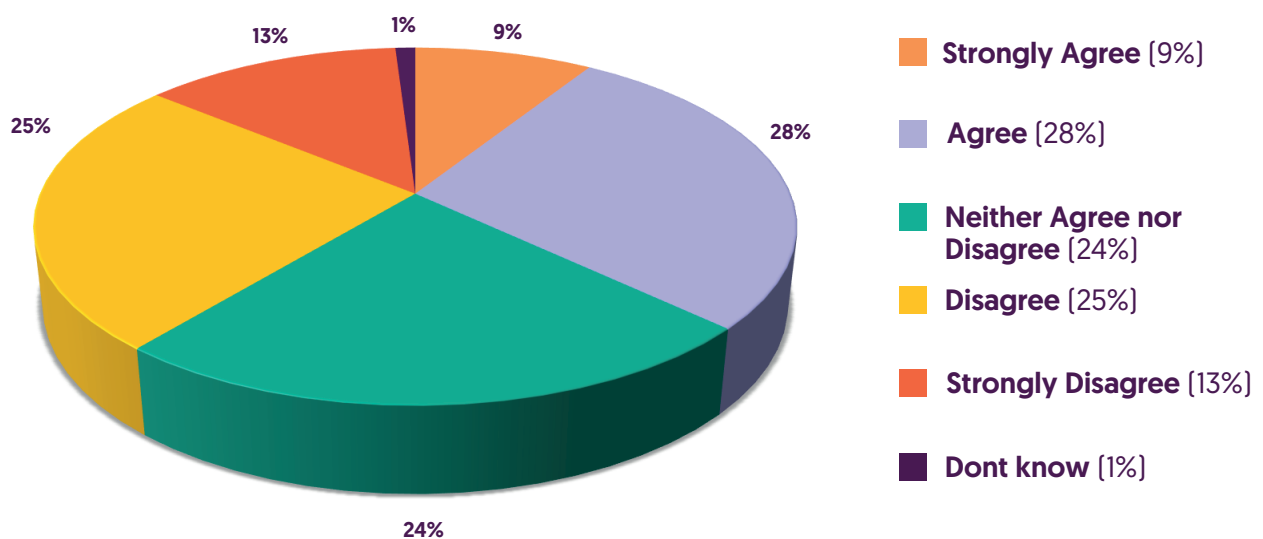
- Consumer opinion varies widely on the issue of how and where to go
- Although 25% of respondents knew exactly where to escalate an unresolved complaint about their energy or telecoms provider, 28% did not (24% didn't express a view either way).

When we asked consumers if they knew where to take an unresolved complaint about their energy or telecoms provider, their responses were mixed.

For 25% the issue was clear cut – they knew exactly where to take a complaint if it wasn't satisfactorily resolved. On the other hand, 28% wouldn't know where to take an unresolved complaint.

This indicates confusion among a significant proportion of consumers around where to go if they have an unresolved energy or telecoms complaint.

### I wouldn't really know where to take a complaint if something wasn't sorted out to my satisfaction by the product or service provider





## Key takeaway

There is an opportunity in 2021 for Ombudsman Services to work collaboratively with energy and telecoms providers to improve consumer signposting, awareness, accessibility and inclusion.

## Next steps: Ombudsman Services will...

- Ombudsman Services will seek to bring together energy and telecoms providers and stakeholders to discuss how we can increase consumer awareness around the complaints process.

# Section 2: COVID – How did consumer attitudes and behaviours to complaining change during the pandemic?

## 2a. Complaining declined



### Key findings

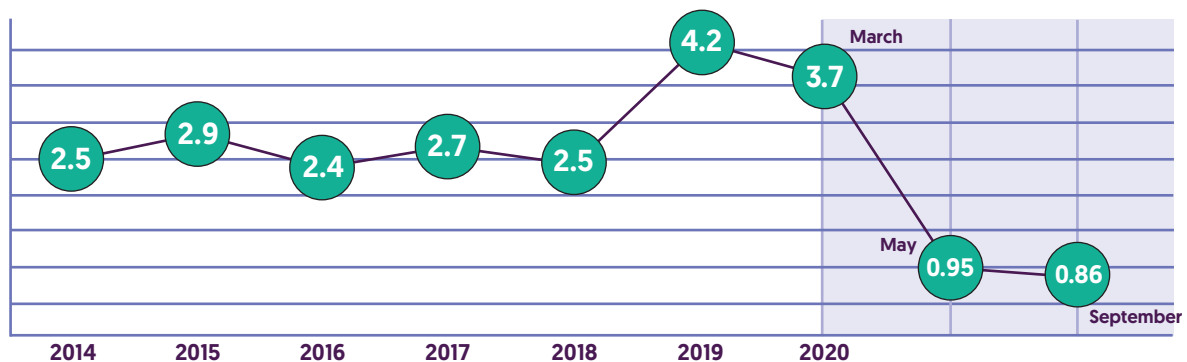
- Complaints fell significantly during the UK-wide lockdown in spring 2020 and remained at low levels through to the autumn
- Four in 10 (41%) consumers said they became more tolerant of poor service during lockdown, with only one in ten (10%) saying the opposite
- Nearly a quarter (24%) of consumers who were unhappy with a product/service during lockdown, but chose not to complain to their energy or telecoms provider, did so because they were more willing to be lenient during a uniquely challenging time
- The proportion of consumers that reported feelings of anger, stress, exasperation and anxiety about a complaint also fell significantly during lockdown.

In the six years prior to CAM 2020, our annual reports revealed an emerging trend of rising complaint numbers, peaking in 2019 with 4.2 complaints per person.

While CAM 2020 saw a slight reduction – down to 3.7 in March 2020 – the long-term trend of higher complaint levels remained clear.

But as the world changed in spring 2020, so did the trend around consumer complaints. The average number of complaints per person plummeted to just 0.95 in June and stayed at low levels through to the autumn.

Average number of complaints (per person)





As the virus impacted every aspect of life across the country, it seems making a complaint to an energy or telecoms provider wasn't a priority for many consumers. In fact, a significant proportion of consumers showed more leniency towards energy and telecoms providers during an extremely challenging time, which likely contributed to the fall in complaints.

It's also important to recognise the role played by providers in the energy and telecoms sector and their respective regulators during this period of widespread crisis. During the first lockdown, a series of industry measures were implemented across energy and telecoms to support consumers, such as:

- Pausing debt collection activity
- Ensuring that those customers in debt did not have crucial services disconnected
- Providing support to customers facing financial difficulties
- Postponing customer payment plans
- Completing urgent work within reasonable timescales.

These measures, coupled with the wider financial support measures introduced by government, mustn't be overlooked as potential contributing factors for the decline in complaints.

The prolonged downward trend in complaint numbers between March and September 2020 isn't unique to our CAM research. In fact, Ombudsman Services' own complaints data for the same period also revealed a decline in complaint numbers. So too did the complaints data published by several energy and telecoms providers.

We'll be carrying out further research in 2021 to gauge whether the decline in complaining was a pandemic phenomenon, or whether Covid-19 was the catalyst for longer-term change in consumer behaviour and attitudes.

## Key takeaways

- There was a marked and significant change in consumer behaviour around complaining during the UK-wide lockdown in spring 2020 and this continued through to September
- Consumers seemingly showed their energy and telecoms providers more tolerance and leniency
- Whether or not complaint volumes will return to normal post-Covid remains to be seen.





## 2b. The vulnerable made their voices heard



### Key findings

- The proportion of consumers who considered themselves vulnerable fell from 30% in March 2020 to 24% in September 2020
- Vulnerable consumers made twice as many complaints as their non-vulnerable counterparts in 2020 (0.41 v 0.19 complaints per person)
- During the UK-wide lockdown in spring 2020, more consumers considered themselves vulnerable for reasons unrelated to the pandemic (16%) than for Covid-related reasons (11%).

At Ombudsman Services we're committed to improving the help and support we offer the most vulnerable in society, and our annual CAM report plays a key role in helping us to better understand their needs.

When we explored the issue of vulnerability and complaining in 2019, a significant majority of consumers (70%) said they would 'rather suffer in silence' than make a complaint to their energy or telecoms provider.

Fast forward to 2020 and the message is quite different. Faced with the challenges of a public health and economic crisis, consumers who identify as vulnerable are no longer willing to suffer in silence.

Initiating more complaints than their non-vulnerable counterparts in 2020, at this crucial point in time the vulnerable are taking matters into their own hands to make sure they get the support they need.

But that's not all. The three phases of our CAM 2020 research also revealed that the proportion of consumers who considered themselves vulnerable gradually decreased.

### **Why, during a pandemic, would fewer people identify as being vulnerable?**

Perhaps the answer lies in the support measures introduced by UK government and the devolved administrations, which may have lessened the impact of the pandemic.

It's likely that the full economic and social impact of the pandemic will only be felt once these support measures come to an end.

When that time comes, Ombudsman Services and its partners in the energy and telecoms sectors may need to prepare for a sudden increase in the number of vulnerable consumers requiring support.



## Key takeaways

- The issues faced by the most vulnerable in society were exacerbated by the pandemic
- It's important that Ombudsman Services and energy and telecoms providers don't treat complaints made by vulnerable consumers in isolation. We need to start seeing the person behind a complaint.
- As government support measures are lifted, the true impact of the pandemic on vulnerable consumers may be revealed. Ombudsman Services will share any learning and insight on the issue of vulnerability as we continue to closely monitor it in 2021 and beyond.

## 2c. Environmental issues climbed the agenda



### Key findings

- An energy or telecoms provider's green credentials were most important to the youngest and oldest in society, with 66% of both 17-24-year-olds and over 65s saying they were important
- Green credentials mattered more to women, with 64% saying they were important compared to 58% of men
- With at least 50% of consumers in all social groups from AB to DE stating that a provider's green credentials were important, there is a clear appetite across society for action on sustainability and the environment<sup>1</sup>
- 65% of consumers felt their energy provider's green credentials were important, compared to 56% for telecoms providers
- 44% of consumers said energy and telecoms providers must start to take the environmental protection agenda more seriously in the post-pandemic world.

In June 2019, the UK became the world's first major economy to pass a net zero carbon emissions law, setting a 2050 target.

But what about consumers? Does the average member of the public take the environment into account when choosing an energy or telecoms provider? CAM 2020 gives us a steer on consumer attitudes and behaviours towards the green agenda – and it's clear that for certain groups in society this issue is becoming more important.

With 65% of consumers stating that their energy provider's green credentials are important and 56% saying the same for telecoms, it's clear that many of us are looking to these sectors to lead from the front on sustainability and environmental protection. Looking to the future, a sizeable proportion [44%] of consumers said energy and telecoms providers must start to take the green agenda more seriously in the post-pandemic world.



### Key takeaways

- With clear evidence of consumer appetite for strong environmental credentials, there is an opportunity for energy and telecoms providers to demonstrate their commitment to the green agenda
- It's important that consumers can trust 'green' claims made by providers on tariffs and other products and services. Consumer protection should be designed with this in mind.

<sup>1</sup> AB Social Group definition: Higher and intermediate managerial, administrative, professional occupations.  
C1 Social Group definition: Supervisory, clerical and junior managerial, administrative, professional occupations.  
C2 Social Group definition: Skilled manual occupations  
DE Social Group definition: Semi-skilled and unskilled manual occupations, unemployed and lowest grade occupations.  
**Source:** Office for National Statistics [ONS] <https://www.ons.gov.uk/>

## Section 3: What we've learned from CAM 2020

### 3a. Reflections on a challenging year

- In 2020, energy and telecoms providers faced the challenge of maintaining effective and efficient service delivery at a time when consumers needed those services the most
- Between March and September, consumers demonstrated greater tolerance and leniency by limiting their complaint activity
- 2020 proved to be a particularly challenging for vulnerable consumers – and while providers worked hard to offer them much needed support, further work remains for those of us operating in the energy and telecoms sector to improve the consumer experience for the most vulnerable
- There is a widespread desire amongst consumers for energy and telecoms providers to demonstrate an ongoing commitment to sustainability and environmental protection
- Consumer attitudes and behaviours around complaining changed during the pandemic, whether those changes will be short lived or longer lasting remains to be seen
- In 2021, is there an opportunity for those of us operating in energy and telecoms to learn from, and build upon, those relationships of mutual understanding between consumer and provider to improve consumer loyalty and trust in the future?

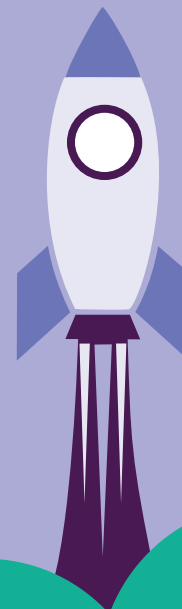
## 3b. Looking forward to CAM 2021

Ombudsman Services will seek to shed more light on a number of key consumer issues in 2021, including:

- Was the Covid-19 pandemic a catalyst for long-term change in consumer attitudes and behaviours to complaining?
- The longer the pandemic continues, will the levels of patience dwindle with consumers?
- Will consumers expect to be rewarded and repaid for their increased tolerance and leniency during the pandemic?
- Will consumers expect their energy and telecoms providers to bring about faster complaint resolutions – and will they expect to be treated with more leniency and tolerance in respect of their own unique circumstances?
- As government support measures are gradually lifted, will consumers start to feel the true impact of the pandemic?
- If so, how will this affect the number of vulnerable consumers and their needs and expectations?
- Will the green agenda gather momentum with consumers in 2021, or will it recede in importance if the full economic force of the pandemic takes hold throughout the year?
- Will the consumer personas of 2020 stand the test of time – or were they, in fact, personas shaped by the pandemic?
- What will consumer priorities look and feel like in a post-pandemic world – and how should Ombudsman Services, regulators and providers in energy and telecoms best respond to meet the future needs of the consumer?

Follow our progress as we seek to answer these questions with further consumer surveys and more crucial insights in CAM 2021....

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