



2016 - 2018 Corporate Strategy

Introduction

Established in 2002, The Ombudsman Service Ltd (TOSL) is a not for profit private limited company which runs private sector ombudsman schemes across a wide range of sectors, including communications, energy, property, copyright licensing and trusted traders. During 2015 we launched the Consumer Ombudsman website to take complaints which are not covered by any other dispute resolution scheme. We were also contracted to provide services to the Solicitors Regulation Authority and the British Parking Authority. We are an independent organisation. We help our members to provide independent dispute resolution for their customers and each scheme is entirely funded by its users (participating companies). Our aim is to raise public trust and confidence in the sectors we work with by providing effective independent redress when problems arise. We are committed to providing a service that is accessible to all who need us.

We have in excess of 10,000 participating companies. During the last year we received 215,968 initial contacts from complainants and resolved 62,806 complaints. The company currently employs more than 600 people in Warrington and has a turnover in excess of £27 million.

Our complaints resolution service operates once a company's own complaints handling system has been exhausted, and we have the authority to determine a final resolution to each complaint. Our enquiries department handles primary contacts and makes decisions on eligibility. If a complaint is not for us, or has been brought to us too early, we signpost the consumer and offer assistance. Eligible complaints are then triaged. The simplest can be resolved quickly, usually by phone in two or three hours. Around 10% are dealt with in this way. For the majority of complaints we collect and consider the evidence from both parties, reach a determination and seek agreement; about 55% are settled like this. The most complex cases require a more intensive investigation; they may require more information and lead to further discussion with the complainant and the company to achieve clarification. The outcome will be a formal and binding decision.

Our service is free to consumers and, with the exception of an annual subscription from the Department of Energy and Climate Change (DECC) for the Green Deal, operates at no expense to the public purse. It is paid for by the participating companies under our jurisdiction. Participating companies do not exercise any financial or other control over the company. OS governance ensures that we are independent from the companies that fall under our jurisdiction.

Vision and Mission

Our Vision

Good for consumers - good for business

Our Mission

To provide an affordable path to justice, improve business practice and reduce consumer detriment

Consumer

Resolve individual complaints and reduce consumer detriment without charge to the consumer

Business

Identify opportunities and make recommendations to participating companies to improve their service

Recognise and address systemic industry-wide issues

Justice

Promote the reach, expertise and efficiency which the ombudsman model brings to civil justice

Guiding Principles

- To provide straightforward, high quality independent dispute resolution
- To pursue efficiency, effectiveness and sustainability
- To improve accessibility and encourage greater take up by consumers, businesses and sectors
- To use our unique knowledge of consumer-provider relationships to the benefit of consumers, business and the economy
- To develop as a high performing company through an engaged, empowered, diverse and innovative workforce
- To be socially conscious and environmentally responsible

Professional

Impartial

Accessible

Drivers for Change

The UK consumer landscape has seen major changes with the Consumer Rights Act 2015 and the transposition of the European Directive on ADR. The transposition of the Online Dispute Resolution (ODR) directive heralds a further shift in ADR in the private sector. The Department for Business, Innovation and Skills (BIS) decided to rely on the open market to meet the challenge of providing ADR in areas, which it had previously envisioned as being covered by a residual body. To add to this, consumer behaviour is changing; trust in institutions and brand loyalty is decreasing and technology is supercharging consumer activism with many companies more responsive to a complaint on Twitter than one put through the normal channels. Demographics are also changing with the UK population comprising more older people and growing more diverse. The market is complex. It is governed in part by a matrix of competent authorities. ADR by businesses is not mandatory and the barriers to entry for ADR providers are low, increasing the risk of a race to the bottom driven by price. It is now more important than ever to demonstrate the added value of the systemic and preventative approach of an ombudsman for both consumers and businesses. The review of Ombudsman Services, commissioned by Ofgem, sets out a clear vision of the suitability of the ombudsman model in addressing consumer detriment in regulated industries.

The UK Government is committed to reducing red-tape for business. There is an opportunity to make a compelling case for the benefits of the ombudsman model in unlocking insights which encourage more enlightened businesses to prosper through improved customer service. Our consumer action monitor (CAM) research indicates that consumers are increasingly prepared to assert their rights, yet the pressures on the civil justice system leave it ill-suited to meeting this demand from consumers to be treated fairly. However, there is a challenge in reaching consumers; only some 5% of those eligible to bring their complaint to the ombudsman in the energy and communications sectors do so. If consumer detriment is to be reduced more consumers must find their way to the ombudsman.

There has been recognition from the Secretary of State for Energy and the Minister of State for Skills of the role which Ombudsman Services can play in placing consumers at the heart of business practice. Academics such as Dame Hazel Genn have argued that the work of ombudsmen in providing accessible, affordable and fair determinations should be better integrated into the civil justice system.

Ombudsman Services' approach is founded in independent, impartial and efficient complaint handling which lies at the root of all the company does. However, Ombudsman Services has a more ambitious view of its work, going beyond providing a fair decision in individual cases to develop valuable insights in complaint handling, customer service and customer experience.

We recognise that the most effective way of tackling consumer detriment is to take a more systemic approach which will benefit all consumers, not just those who approach the ombudsman. Research in our core energy and communications sectors demonstrates that only 5-7% of those who can use an ombudsman do so, and this proportion falls amongst the groups likely to be more vulnerable. We plan to increase our accessibility, through awareness raising, through developing our online and digital access and through more effective outreach. Our recent development of the Consumer Ombudsman and POPLA websites is the start of offering much more accessible online access to our schemes.

By working with a wide range of partners, including government, regulators, consumer and advocacy groups, to deepen our insights and enhance our influence in support of our efforts to help businesses understand and respond to their customers better. We are also keen to work with other ombudsmen to ensure the maintenance and demonstration of high standards. The ombudsman model places particular emphasis on understanding the causes of complaints and on identifying trends which can inform business practice which is fairer and hence more competitive. The benefits of this approach are well understood in energy and communications where there are further opportunities for the work of ombudsman and regulator to complement each other in developing competitive and fair markets.

However, the emerging market in ADR is characterised by complexity, by differing levels of maturity in customer service and by the different dynamics and market forces across a variegated host of sectors. Ombudsman Services will focus on our core areas and those sectors which are most likely to recognise and benefit from high quality dispute resolution which is free to consumers. Our intent is to demonstrate to businesses the benefits of not just dealing with complaints but learning from them. Fair and accessible complaint handling is good for consumers and good for business.