

Energy & Water Ombudsman Queensland

Customer Satisfaction Research 2011

Prepared for Ilona Cenefels, EWOQ.

CB Contact Meredith Daoud, Research Director

Phone (07) 3026 3000

Email Meredith.Daoud@cbr.com.au

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www.cbr.com.au

Executive Summary.

Introduction

The Energy Ombudsman Queensland was established on 1 July 2007 as a free and independent dispute resolution service for Queensland's energy consumers. On January 1st 2011, the Energy Ombudsman Queensland was restructured into the Office of the Energy and Water Ombudsmen (EWOQ). The core goals of the relatively newly formed EWOQ, however, have remained and are to provide a free, fair, accessible, accountable, effective and independent dispute resolution service that meets the diverse needs of all domestic and small business electricity, water and reticulated gas customers and energy and water suppliers in Queensland.

At the establishment of the scheme in 2007 there was a requirement that the performance of the scheme be assessed within the first three years of operation. In 2010, Colmar Brunton Research was commissioned to conduct a performance review, some of the results of which will be interspersed when appropriate throughout this report. While the EWOQ made a commitment to conduct a performance review every two years the decision was made to revisit the customer satisfaction component of this research in 2011. The decision to bring the survey forward was due to there being a need to assess how well the Referral to Higher Level (RHL)* process was working. Introduced in July 2009, this process had not been the subject of a customer survey.

Again, Colmar Brunton Research (CBR) was commissioned to conduct this independent review.

The purpose of this research was to understand how well the EWOQ is performing both against industry standard benchmarks and in comparison to the last wave of research.

This quantitative research was conducted using a Computer Assisted Telephone Interview (CATI) survey of customers. The research was conducted between 24th of October and 6th November 2011 and was designed to include residential and business customers of EWOQ for the period 1 January 2011 to 30th June 2011. This method was consistent with the 2010 wave of research to ensure historical comparability.

This document presents an overview of the research findings.

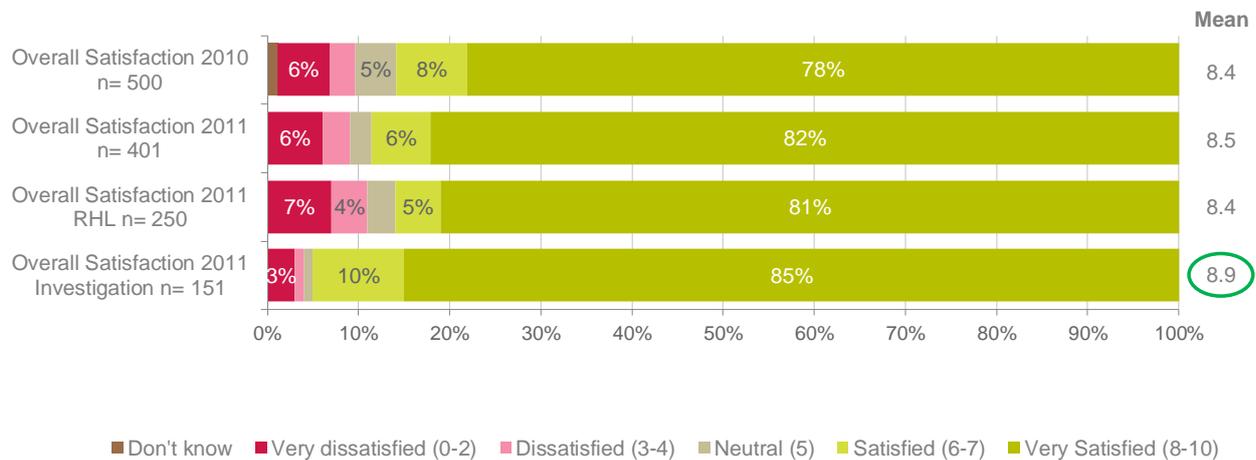
*The RHL process gives customers the option to escalate routine problems to a higher level within energy or water suppliers before EWOQ begins an investigation. If a customer remains dissatisfied with the outcome, the customer is at liberty to make a complaint to EWOQ again.

Key findings

Customer satisfaction for the EWOQ is very high with 82% very satisfied with the service that is provided. This satisfaction is an increase on the level of satisfaction in 2010 (78% very satisfied).

Q22. Now taking everything into consideration, how satisfied were you overall with the service you were provided with during your contact with the EWOQ?

Base: Total respondents (n= 401 “don’t knows” excluded for mean)



There are some differences in overall satisfaction depending on customer type but all customer types still reported high levels of satisfaction (even if at a lower level than other customers):

- Customers who have had their case investigated are significantly more likely to be satisfied with the service provided (85% very satisfied) than those who were referred to a higher level (RHL) (81% very satisfied).
- There is a large difference in the satisfaction between energy vs. water complaints customers. Whilst satisfaction among customers with energy complaints is high (86% very satisfied; 4% very dissatisfied), satisfaction among customers with water complaints is at significantly lower levels (51% very satisfied; 23% very dissatisfied). *Note: a relatively small sample of water customers was included in this research as these customers currently represent 5% of all customers since January 1st 2011.*
- Similar to 2010, satisfaction is lowest for billing (81% very satisfied) and for those cases where multiple case workers handled the complaint (42% very satisfied).

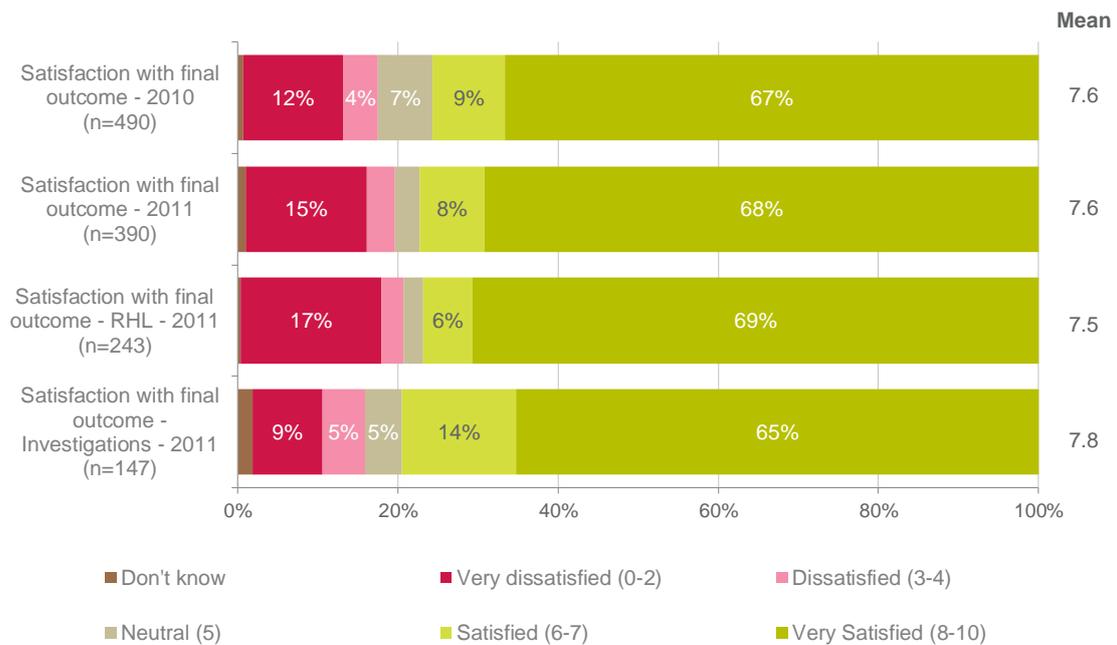
Of those respondents who were overall 'dissatisfied' or 'very dissatisfied' (9%), the main reasons for dissatisfaction is that the issue was not resolved or nothing was done. A third reason leading to dissatisfaction is when the result outcome is not in the customer's favour.

Satisfaction with the outcome of a complaint remains relatively stable in 2011 with over three quarters being either 'satisfied' or 'very satisfied'.

- Notable differences in satisfaction are observed between RHL cases and those that undergo investigation. For RHL cases, 20% of customers are either 'dissatisfied' or 'very dissatisfied' with the outcome, compared to only 14% of customers whose cases undergo investigation.
- Water customers are also more dissatisfied with the outcomes. Half (51%) of water complaint customers are 'very dissatisfied' compared to only 10% of energy complaint customers.

Q12. How satisfied were you with the following aspects of your case? Please rate your satisfaction on a 0 to 10 scale.

Base: Total respondents (n min=400, "don't knows" excluded for mean)



Consistent with 2010, almost all customers (94%) would recommend the EWOQ to their friends if they had a complaint with their energy or water company they could not resolve. This is a slight increase of 1% point and continues the positive improvements in advocacy noted since 2008 (91% - research conducted by OESR).

Accessibility

Overall this **benchmark has been achieved** from a customer perspective.

Most customers (86%) find it easy or very easy to find the EWOQ's contact details. Ease of finding contact details is closely linked to overall satisfaction with 'very dissatisfied' customers (13%) reporting more difficulty in finding contact details compared to those that were 'very satisfied' (3%).

Most customers (86%) also described the process of making a complaint as 'very easy'. Understandably the ease of making a complaint is strongly related to overall satisfaction with the EWOQ with 94% of 'very satisfied' customers describing it as 'very easy' to make a complaint, compared to only 42% of 'very dissatisfied' customers.

Almost three quarters (74%) of customers believe that they do not require any extra assistance in presenting their dispute to the EWOQ. This is a significant increase on 2010.

Independence

Overall this **benchmark has been achieved** from a customer perspective.

Almost all customers (84%) perceive that the EWOQ adequately explains its role as an independent dispute resolution service at the beginning of the dispute handling process. Customers who go through the investigation process are more likely to recall being told of the EWOQ's independent role (88%) compared to customers referred to a higher level (82%). Customers with water related disputes and customers who had to deal with multiple staff are also more likely to believe the EWOQ did not adequately explain their independent role (18% and 21% respectively). Consistent with 2010, customers dissatisfied with the service provided by the EWOQ, are also more likely to believe (32%) the EWOQ did not adequately explain their independent role.

Satisfaction with the independence of EWOQ remains strong in 2011 with 83% of customers indicating they are satisfied or very satisfied with this element.

Customer Servicing

Overall, customer satisfaction regarding the staff of the EWOQ is high and consistent with its performance in 2010. The level of courteousness and helpfulness are the strengths of note in 2011 with a slight increase in the proportion of 'very satisfied' customers on these elements.

The vast majority of customers (89%) believe the EWOQ gives them a clear indication of the processes they need to go through in order to make a complaint and resolve an issue.

- A significantly higher proportion of customers who had their case investigated report a clear indication of the processes involved (95%). However, a significantly lower proportion of customers making water related complaints (69%) believe the processes involved are made clear to them. This contributes largely to overall satisfaction, with 'very dissatisfied' respondents reporting that they were not made aware of the complaint process (25%).

Ease of contacting staff is the slightly weaker component of customer service, although still quite good with 86% being either 'satisfied' or 'very satisfied'. There has been a slight drop in the proportion of customers who were 'satisfied' or 'very satisfied' with the frequency of updates this year (66%) compared to 2010 (77%). Customer satisfaction with the level of knowledge, skills and expertise of staff is high, with 87% being either 'satisfied' or 'very satisfied'.

Customers whose disputes were investigated, had a higher average rate satisfaction than those whose complaint was referred to a higher level. Specifically, those with investigated complaints rated staff courtesy and helpfulness, the effort made to understand the complaint and the knowledge, skills and expertise of staff significantly higher than those whose cases were RHL.

Fairness

Overall this benchmark has been **achieved** from a customer perspective.

There was a slight increase in satisfaction with the effort that was made to understand the complaint, with 89% of customers being either 'satisfied' or 'very satisfied'. Again, customers with water related cases (63%) are significantly less likely to be 'very satisfied' with this compared to those with energy related cases (81%).

Despite the improvement in effort taken to understand the complaint, the level of satisfaction with the assistance given to present the customer's side of their case received slightly lower levels of satisfaction in 2011 compared to 2010. This was only slight with a decrease in the proportion of customers that were 'satisfied' or 'very satisfied' from 90% in 2010 to 87% in 2011.

Efficiency

Overall this benchmark has been **achieved** from a customer perspective.

A significant improvement has been observed in the proportion of 'very satisfied' customers regarding the time taken to resolve a complaint, going from 63% last year to 71% in 2011.

Much of this improvement can be attributed to the introduction of referral to a higher level into the process options. The proportion of customers who feel it took 'longer than expected' dropped significantly by 9% points to 20%, whilst the proportion of customers whose dispute took shorter than expected rose significantly by 16% points to 43%. Referral to higher level processes are thought to be significantly shorter than expected compared to those whose case was investigated. Conversely, a higher proportion of customers whose cases were investigated (26%) reported that their case took significantly longer to resolve than those whose case was referred to a higher level (18%).

In 2011 fewer contacts are required with the EWOQ in order to resolve a complaint. Overall 66% of cases were resolved with one or two contacts; this is up considerably from last year (40%). Conversely, the proportion of cases requiring multiple contacts dropped from 58% to 33%. Almost three quarters of RHL cases (73%) are resolved with one or two contacts, compared to just under half of cases that are investigated (47%).

The majority of cases are handled by the one person the whole time (61%), whilst a quarter of cases are handled by the one person 'most of the time'. This is consistent with data from 2010.

Effectiveness

Overall this benchmark has been **achieved** from a customer perspective.

Satisfaction with the explanation of the outcome has dropped slightly in 2010 with 70% of customers being either 'satisfied' or 'very satisfied'; compared to 74% in 2010. Notably, more customers whose case was investigated report being either 'satisfied' or 'very satisfied' (81%), compared to those whose case was referred to a higher level (65%).

Recommendations

Half (49%) of customers do not feel that any improvements are required to the service provided by the EWOQ. The main improvements suggested from customers are the provision of clearer communication from the EWOQ on the process (8%) and what to expect (particularly for RHL customers), having greater power to drive outcomes (7%), and to be more active in promoting the services of the EWOQ (6%).

While there appear to be a number of benefits to the referral to higher level process there are slightly lower levels of satisfaction with these customers. It is hypothesised that this is due to a small degree of confusion regarding this new process. It would appear that the explanation of the referral to higher level process could be further refined to be clearer to customers.

There is also a need to refine the process related to water complaints. Again communication with customers having a water complaint may assist to improve overall satisfaction levels. It is also hypothesised that with the new function of water being added to the EWOQ's responsibilities that both staff and water providers have had to deal with new processes initially which may be related to lower levels of customer servicing.