

**Postcomm consultation on the
criteria for the approval of redress
schemes in postal services:
Postwatch response**

17th March 2008

CRITERIA FOR THE APPROVAL OF REDRESS SCHEMES IN POSTAL SERVICES

1. *Introduction*

1.1 Postwatch welcomes the opportunity to comment on Postcomm's consultation.

2. *Summary of Postwatch Response*

2.1 Overall Postwatch endorses Postcomm's proposals. We believe that they will provide a sound basis for approval of a redress scheme, however, we recommend that:

- Postcomm consider including a provision to require redress scheme operators to co-operate if more than one scheme is approved;
- the Accessibility criterion about free access should be reviewed and clarified;
- membership of a redress scheme should require postal operators to demonstrate that they have effective and efficient internal complaints handling processes in place, which comply with the complaints handling standards set by Postcomm;
- a redress scheme should have facilities or access to facilities to enable it to handle complaints from customers for whom English is not their first language (i.e. Welsh language) or who are hard of hearing or have impaired vision;
- a redress scheme should have in place a procedure that allows it to recommend changes to a postal operators process and/or policies where systemic failures are identified;
- Postcomm considers how it will identify any breach of a regulatory or licence provision by a postal operator.
- Postwatch recommend that Postcomm should publish a timetable for the approval of the redress scheme.

2.2 These are discussed in more detail below.

Postwatch Response to the consultation Questions

3. What are your views on whether there should be one or more redress schemes in postal services? Please explain your answer. (Postcomm Question 4.1).

3.1 Postwatch supports the Government's view that the consumer will be best served by having a single postal redress scheme.

3.2 With the growth in access mail, multiple redress schemes are likely to add unnecessary layers to the complaint investigation process. Complaints about access mail will typically involve two or more postal operators. If the operators belong to different redress schemes the customer could be confused as to which scheme to use. Any investigation will at best take longer to resolve and, at worse, could be compromised if the redress scheme providers do not co-operate with each other.

3.3 We do understand that the CEAR Act does not limit the number of redress schemes that may be approved in the postal sector and we recognise that Postcomm will have to consider any request for approval on its merits and take into account the consumers' interest.

3.4 However, if Postcomm is minded (at some stage), to approve more than one redress scheme, it should ensure that the approval criteria places a duty on the redress scheme providers to co-operate in cases that involve two or more postal operators and provide for how such cases should be resolved.

4. Do you agree with the proposed criteria for Postcomm's approval of redress schemes? If you do not agree with one or more of the criteria, please state which ones and explain why. (Question 4.2)

4.1 As the proposed criteria are based on that of the British and Irish Ombudsman Association, Postwatch generally believes that they will provide a sound basis for the approval of a postal redress scheme. But we refer to our specific comments in sections 5, 6 and 8 below.

5. Are any changes required to the wording of any of the criteria? Please explain any changes you would suggest. (Postcomm Question 4.3)

Accessibility

5.1 Postwatch supports Postcomm's criteria that complainants should not be required to pay a fee to access a redress scheme. However, as currently drafted, the first bullet point under accessibility "those complaining to the redress scheme operator must be able to do so free of charge" could be interpreted to mean that only free-phone or free-post access would be acceptable.

5.2 We have looked at the contact provisions of a number of current Ombudsman schemes and none provide consumers with free-phone access. The majority provide a Lo Call number or a normal STD dialled number.

Postwatch Recommendation

5.3 Postwatch recommends that the wording is amended to require that:

- the customer must be able to have their complaint investigated, by the scheme, free of charge; and
- the cost to the customer of accessing the scheme, such as the cost of making a telephone call, is minimised.

6. What, if any, other criteria should be included for Postcomm's approval of redress schemes? Please explain. (Postcomm Question 4.4)

Accessibility

6.1 We suggest that an additional criterion is added to provide that the redress scheme should require postal operators to have proper and effective internal complaint handling procedures. This will be particularly relevant if Postcomm do not introduce prescriptive complaint handling standards. It would ensure that a postal operator's internal complaint handling standards are an intrinsic element of the complaint handling process and are monitored, albeit only when a complaint is made to the redress scheme.

6.2 The criteria make no provision for a redress scheme to be able to take complaints from customers that do not speak English as a first language (e.g. Welsh speakers). We suggest that an additional criterion is added that a redress scheme operator should provide or have access to a wide range of translation services for such customers and additional services for those who are hard of hearing or have impaired vision.

Other

6.3 *Effectiveness:* since a redress scheme will investigate complaints related to efficiency and effectiveness of a postal operator's complaint handling processes and performance, Postwatch believes that a redress scheme operator should be required to have in place procedures to enable it to identify failures in the complaints handling process and recommend improvements to a postal operator or, if necessary, Postcomm.

6.4 Postwatch also believes that a redress scheme should be required to have in place procedures to enable it to identify systematic failures in a postal operator's service delivery and quality of service performance. Postwatch regularly undertakes root cause analysis which has helped to identify and tackle

issues such as mis-advice at Post Offices, failure to collect signatures for tracked items, high value items sent by Special Delivery. Postcomm should address whether the role of a redress scheme operator should include the authority to report such failures to Postcomm and/or to new NCC to request that remedial action is taken to improve such services.

6.5 For the same reasons, we question how Postcomm will be able to identify possible breaches of a regulatory or licence requirement (for example, USO failures), as the role of the redress scheme provider is to pursue the complaint, not to liaise with the regulator. Even if a redress scheme has in place procedures to identify a breach of a regulatory or licence requirement and refer these to Postcomm, there will be a considerable interval of time between licence breaches/USO failures occurring, and them coming to the attention of Postcomm, given the time it will take for complaints to reach the redress scheme operator and for a report to be sent to Postcomm.

7. Do you agree with the requirements to meet each criterion? Please explain any changes you suggest. (Question 4.5)

7.1 Postwatch would refer to the comments that are made in 5 and 6 above.

8. Do you agree with the requirements in relation to processes for vulnerable customers? Please explain any changes you suggest. (Question 4.6)

8.1 Postwatch believes that the criterion to require a redress scheme to demonstrate that it has in place procedures and policies that allow all complainants, including vulnerable customers or their representatives, to refer their complaint directly, is adequate to ensure that such customers are protected. However, we refer to the comments made in response to Postcomm question 4.4 above, in relation to accessibility to non English speaking customers and those who are hard of hearing and visually impaired.

9. Are the criteria clear and understandable? If not, please suggest how clarity and ease of use could be improved. (Question 4.7)

9.1 Postwatch believe that the criteria are clear and understandable but could be improved by including the suggestions that we have made in sections 5 and 6 above.

10. Miscellaneous

10.1 In its consultation, BERR stated that it expected that the redress scheme(s) for the postal sector will be approved and operational by 1 October 2008. However, in view of the work that still needs to be done and the time available, the date of 1st October appears to be a quite challenging.

10.2 Postwatch recommend that Postcomm should publish a timetable of the key milestones leading to the approval and operational date of the redress scheme. This will provide clarity to the postal industry and an assurance to consumers that such a scheme will be ready to accept cases by 1st October 2008.