

COMPLAINT HANDLING

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This article looks at some ground rules in handling complaints, the value of complaints and turning complaints from negatives to positives. It discusses the causes of complaints, ways of handling them, recording them and using the information to your benefit. This is the second report in the back-to-basics series which aims to review some of the fundamental business principles which will help companies to keep the loyalty of their customers and to grow despite the political and economic vagaries of the market. The March 2003 edition of *Insights* (A-137) featured David's report on the basic rules of customer service and his advice on how to apply them.

“A complaint is a gift”

What is your first thought when you get a complaint? Fear (of conflict)? Disappointment? Anger (how dare they)? Defence (it can't be our fault)? Opportunity? Opportunity? How on earth can a complaint be an opportunity? Simple – someone once told me “a complaint is a gift” and if you can understand this concept you'll almost welcome complaints in future.

What causes complaints?

Complaints arise for a number of reasons:

- . **the failure of service delivery** (something didn't happen that should have happened or happened that shouldn't have);
- . **over-promise of expectation** (the customer feels the product was not as good as the offer);
- . **mis-sale** (the customer was sold the wrong product in the first place);
- . **a genuine error or failure** (which can obviously happen in the best run organisations but will still need a remedy).

Sometimes, but fortunately not a common occurrence, it can be a difficult customer who 'looks out' for any chance to complain in order to get compensation. The obvious way to avoid complaints is to 'get it right first time'. Simpler said than done but still worth having as your goal.

However you feel about them, complaints have to be handled carefully. They may not always be justified, but they still have to be dealt with. Someone who is dealt with promptly and properly will often become an 'ambassador' and tell people how well you dealt with them. Someone who continues to believe, rightly or wrongly, that they were not treated fairly, properly or to their complete satisfaction, will become a constant irritant who will tell everyone who will listen just what a bad company you are.

Justified or unjustified, the customer has brought something to your attention about which they feel aggrieved. If they are wrong, tell them. But tell them in a polite and informative way. They may be wrong because you did not make something clear – in which case they are still wrong in the true sense of the word, but you need to apologise for them not having all the information. So (in this case they were wrong but it's your fault) one obvious comment here is that if the information they did not have led them to make an incorrect purchase, you'll need to do more than apologise. Every case has to be judged on its own merits, but you can't breach the Trade Descriptions Act lightly!

The customer is always right?

Is the customer always right – well no, not always. We all know of cases where a complaint is clearly an attempt to get a refund. In an instance known to the author, a Programme Manager of a tour operator actually sat behind a client on an aircraft outbound to their holiday and listened while they meticulously planned the way they were going to get some money back. They had already started a list and they hadn't even arrived at their destination! Needless to say, they received a very different kind of response to that which they expected!

Perhaps they were an extreme case, but these people do exist and even when their complaint is justified they can ruin their chance of any sympathetic hearing by pushing the 'C' word (compensation) too vigorously. A complaint that got out of hand? No, an example of where in the case of an unreasonable complaint you should not be bullied or threatened by an unpleasant customer. A reasonable person would have either accepted the explanation and apology or accepted the offer when it was made.

Thank you for bringing this to our attention...

Having disposed of the awkward and 'unreasonable' customer, let's turn our attention fully to those others who bring something to our attention. A word about that phrase, "Thank you for bringing this to our attention". What may have sounded OK ten years ago now sounds patronising – avoid it if you can! First of all you need to have a procedure (written is best) for complaint handling:

Response times. Unless you are going to respond right away, acknowledge all complaints on the day you receive them and say when you expect to have an answer for them.

Log them. Create a complaint log which not only records the dates that communications are sent and received but also summarises (one word if possible) the root cause of the complaint and records the remedy (e.g. how much was refunded). This is very important for future identification of weak areas in your operation or marketing.

Example:

A short break promotion contained a genuine omission in that there should have been a clause to the effect that rooms allocated to the promotion were limited or that the offer was subject to availability. When Mr A complained, it was politely explained that the magazine offering the deal had left this out. Needless to say, the magazine washed its hands of the complaint. The explanation was not good enough for Mr A, who demanded (in not particularly pleasant language) that he be given a weekend free of charge. The holiday company offered the same rate for another weekend outside the validity period of the offer, even though they would have to pay the hotel the normal rate; not ungenerous seeing as it wasn't entirely their fault. Mr A said no, he demanded a free weekend. The company pointed out that when he responded to the offer the weekend would have cost him £99 for each of the two nights he wanted to book. He was, therefore, prepared at the time of responding to the offer to pay £198 for his weekend. They were offering the same rate even though the offer had now expired. Still not good enough for Mr A.

As a 'gesture of goodwill' the company then offered a 50% discount – really quite generous but this was still unacceptable to Mr A, who demanded a totally free weekend break. At this point the holiday company said that this was their final offer and subsequently withdrew it. A Director said (not to Mr A) that quite frankly they didn't want clients like Mr A staying in their hotels! Mr A threatened to contact the BBC, "Watchdog", Trading Standards and the Advertising Standards Authority.

The Director offered to provide Mr A with all the relevant addresses!

Agree who writes (or at least signs) the letters. The more senior the better as the customer will appreciate being dealt with at a high level. However, there is a good argument for this NOT to be the most senior person in the company. Sometimes things need to be 'referred up' and if you have the MD signing and, therefore, being seen to be handling the complaint, there is no higher court of appeal!

If you are making an offer which you hope will satisfy the customer, it is useful to head the letter "Without prejudice" as this safeguards you against this being used in any future legal action. Similarly (as in our example) making an offer as a "gesture of goodwill" is a neat way of providing a remedy without admitting liability. One other useful phrase is "in full and final settlement", which means that you are clearly not going to consider increasing your offer and that the customer can not subsequently ask for more.

It is possible to write a letter that apologises, sympathises and offers redress without accepting liability. Admitting fault is not always a good idea as there might be legal implications. Sympathise with the fact that they have cause for complaint without accepting the blame.

Use the impersonal 'we', 'us' and 'our' rather than 'I', 'me' and 'my' – it de-personalises the situation. The complaint is against the company or organisation, not against the individual (even if an individual is responsible).

Using the telephone

In recent years more and more people dealing with customer complaints have adopted the direct approach of telephoning the customer to try and resolve things. Often the 'shock' of getting a call one or two days after writing a letter of complaint is enough to close the issue. It's not unknown for the customer to actually thank the caller and to apologise for complaining! More often it gives the customer the opportunity to release their feelings and that is also often enough.

Your tone of voice is obviously very important – pitch it wrong and it will cost you, get it right and you can save money and time. If you agree anything which might be important later, write it down at the time of the call and write to the customer immediately. Don't be afraid to use phrases such as "we agreed that..."; it's important to show that you not only confirmed the call in writing but that you did this without the intervention of time. Tell a judge that you wrote the letter within ten minutes and your view of the call will be believed; if it took you two days to write, it can be suggested that the passage of time could have affected your interpretation of the call.

Analysing complaints has a number of benefits:

- ◆ You can identify areas of your operation that are below standard;
- ◆ You can identify suppliers who are letting you down;
- ◆ You can look at systems and processes that may be failing to meet customer expectations and make the necessary changes;
- ◆ You can identify individuals who are below standard!
- ◆ You can identify marketing material that may need revising or terms and conditions that may be misleading or have a loophole you may want to close.

This is how complaints can become opportunities.

Understand their position

Whilst there are 'professional complainers' about, who aim to get as much back as possible from every company they deal with, in truth, for most people, making a complaint is a major event. The cause of the complaint will have already caused them a lot of grief and now they have to summon up the courage to complain.

Many people are genuinely concerned about complaining and know that it will cause them a certain amount of stress. This is why many start off by appearing to be aggressive. Once you have listened and allowed them to get it off their chest, there's a good chance that they will have calmed down sufficiently to enable you to deal with the issue quickly and calmly.

Some basics

Back to basics for a moment and a few more ground rules:

- ◆ Act promptly – deal with complaints immediately.
- ◆ Don't throw written complaints away as soon as they arrive on the assumption that serious customers will write in again (it happens!).
- ◆ Keep calm whatever the provocation. Never get angry or aggressive, the customer's anger is not aimed at you personally.
- ◆ Give them the chance to get their anger off their chest. Sometimes that's a quick way towards resolution.
- ◆ If the caller is very angry, say you will call them back in five minutes to give them the chance to cool down – but make sure you do call back or they will be even angrier! If they are abusive, calmly suggest that you can't help them until they have stopped being abusive. If they won't calm down refer to a supervisor.
- ◆ It's OK to interrupt if it will help to move the discussion forward, but give them a good chance to vent their wrath first. You have to learn to judge when the moment is right. Do it gently though, and calmly.
- ◆ In face-to-face situations, watch your body language isn't either defensive or aggressive.
- ◆ Use the customer's name – it personalises your relationship, shows you are interested and shows you are listening.
- ◆ Don't patronise (whenever I hear, "Naturally, I understand your situation completely....", I reach for my gun!).
- ◆ Don't lie.
- ◆ Don't say anything like, "You're the first person ever to complain about this...".
- ◆ Don't admit liability.
- ◆ Do sympathise without taking any side, "I am sorry this has happened" or "I am sorry you feel we haven't done a good job...."
- ◆ Show empathy (imagine how you feel in similar situations when you are the customer).
- ◆ Make sure that they understand that you want to help them to get the matter resolved.
- ◆ Take notes – this is also very important in face-to-face instances. It helps to record all the salient points, starts to show that you are taking notice and also helps you to focus on the issues rather than the emotions.
- ◆ If a complaint raises a number of different points, make sure you deal with all of them – otherwise the customer will come back again, possibly even with additional ones.
- ◆ Summarise what you understand to be the real issue(s), and get agreement that this is correct. This avoids misunderstandings.
- ◆ Confirm things you agree in writing.

- ◆ Don't blame someone else – the customer doesn't care. "It's not my fault" is a definite no-no.
- ◆ Don't excuse matters with a sob story – the customer doesn't care.
- ◆ Don't jump to conclusions – give yourself the opportunity of hearing the other side.
- ◆ Stay impartial – even if the department or outlet 'accused' is notorious for errors, adopt the 'innocent until proven guilty' attitude.
- ◆ Don't make promises you can't be sure of keeping.
- ◆ Be honest about how long it will take to deal with the complaint. It may be that you have to contact a number of different offices/departments – in the travel business it is often necessary to get reports from overseas. If it is going to take a week or longer to sort out the matter then make this clear but keep them informed with progress reports.
- ◆ If something is agreed to be done by a certain date, you must check it has been done. Don't wait for the customer to come back asking why it hasn't happened.
- ◆ Whilst you must not make light of a bad situation, it doesn't mean that you have to have a humour bypass.

What does the customer want?

Some customers will be after blood! They will want someone fired, divisions closed down, compensation and your company dragged through the courts and media. Happily, these are rare!

The more reasonable will want an apology and possibly a refund of what they believe is due to them for the loss or inconvenience they suffered. Some people genuinely complain, so that other people don't have the same experience.

If you need to, there is no harm in asking the customer what they would like to happen, what they would like done. This is particularly helpful if there is clearly going to be a financial settlement. It helps set their expectations. You might be thinking one figure and they may be thinking of a completely different one – their expectations may even be lower than you are prepared to offer. And if their expectations are unrealistic, this can be flushed out too by this open approach.

Make positive suggestions to avoid future problems. For example, if the complaint was about the time it took for a telephone call to be answered, suggest times when you know call volumes are lower and it's easier to get through, so that next time they call they may not have to wait.

The customer is not always right...

...but they are always the customer! Be diplomatic if you have to explain that the customer is wrong. "You may wish to have a look at the brochure where it says...". "I may not have made it clear; shall I run through it again?" "I think there's been a fairly simple misunderstanding here."

Sometimes you just have to say 'no'!

On occasions (especially if the customer is wrong), what they want is just not possible or an alternative may not be feasible. In these instances: – Explain why there's a policy, not just "It's company policy...". Don't just say no, give the reason(s) why.

- ◆ Remind a customer, if appropriate, how you have looked after them in the past.
- ◆ Suggest ways you might be able to help in future (as above, regarding calling when it is quieter).
- ◆ Diplomatically point out their 'error', for example: "I'm sorry but the offer ended at the end of last month, would you like us to notify you of our future offers?"

To sum up

Even the best-run organisations get complaints. The skill is to deal with them quickly and effectively, reducing the financial and PR impact and turning complainers into ambassadors and complaints into opportunities.

Golden rules of complaint handling

- ◆ Listen – hear and note all the details of the complaint.
- ◆ Empathise – your first response should be sympathy.
- ◆ Ask questions to get all the relevant information you'll need.
- ◆ Stay impartial – don't immediately justify or apportion blame.
- ◆ Agree a course of action.
- ◆ Confirm points in writing.
- ◆ Follow up to ensure the actions are carried out to completion.
- ◆ Say 'thank you'.