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Accident Compensation Corporation: How it deals with complaints

Progress in responding to
the Auditor-General's
recommendations



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Contents

Introduction	4
Our 2014 audit findings and recommendations	4
Following up on our 2014 audit	5
Summary of progress since 2014	6
ACC's broad approach to improving the way it manages complaints	6
Progress against our recommendations	7
Related work – following up on our report about ACC's case management	11

Introduction

- 1.1 The Accident Compensation Corporation (ACC) is one of New Zealand's biggest customer-service organisations. In 2016/17, ACC received more than 1.9 million claims and paid out about \$3.7 billion in claims.
- 1.2 In August 2014, we published a report on how well ACC managed complaints – *Accident Compensation Corporation: How it deals with complaints*. We focused on:
- how easy it was to complain to ACC;
 - how ACC recorded and handled complaints;
 - how ACC responded to complaints; and
 - whether ACC used information from complaints to improve services.
- 1.3 We focused on how ACC handles complaints because it is a useful way to measure an organisation's commitment to customer service. Data from complaints can also provide valuable information on how to improve services and systems.

Our 2014 audit findings and recommendations

- 1.4 Overall, we found that ACC's complaints system was not effective and needed improvements. There were some positive aspects. Frontline staff were quick to deal with complaints, and staff acted professionally and informed people who had complained of the next steps in the process.
- 1.5 However, there were several issues that needed to be addressed. These included:
- relatively low levels of satisfaction from complainants with how ACC handled their complaints;
 - a lack of consistency throughout ACC's complaints system;
 - limited lessons being learned from complaints because there was a lack of co-ordination between the different parts of ACC's complaints system and inconsistent recording of complaints;
 - staff needing better skills, knowledge, and tools to handle complaints; and
 - a need to do more to understand people's experiences of the complaints system and why some people do not complain.
- 1.6 For our 2014 audit, we surveyed and interviewed a sample of people who had complained to ACC. Only 22% of the people we surveyed were satisfied with how ACC had handled their complaint.

- 1.7 Our 2014 report had five recommendations for ACC. These were to:
1. periodically seek suggestions and implement solutions that would make it easier for people to complain;
 2. periodically look into, understand, and remove any barriers that prevent or discourage people from complaining;
 3. define, record, and respond to complaints appropriately and consistently throughout the organisation;
 4. measure, monitor, and report on performance in handling complaints, including financial costs, complainant satisfaction, and the implementation of remedies; and
 5. provide senior leadership, the Board, and the public with accurate, reliable, and appropriately detailed information about complaints and how the organisation has learned from complaints to make service improvements.

Following up on our 2014 audit

- 1.8 To follow up our 2014 audit, we:
- had ACC complete a self-assessment of progress against our recommendations;
 - reviewed documents that ACC provided to support its self-assessment; and
 - interviewed managers responsible for managing complaints and frontline staff who receive and respond to complaints.

Scope of our work

- 1.9 Since our audit in 2014, ACC has carried out significant work towards its vision of transforming outcomes and experiences for people dealing with ACC. Most of this work has considered all types of feedback, including positive feedback. ACC has created a Customer Insights and Experience team, which works with all people who use ACC's services (including business levy payers¹ and its service providers²) to understand their needs better. The team also collects and analyses information about the feedback ACC receives. Other things that ACC has done are mentioned in the relevant sections of this report.
- 1.10 For this follow-up report we have looked at how well ACC has responded to the five recommendations in our 2014 report. Those recommendations were about how ACC responds to complaints from people who have been injured and have

1 Levies are paid by businesses, motor vehicle owners, and employees for injury cover that is funded by ACC. Disputes about levies (that is, how much a business should pay) are handled through ACC's business service centre.

2 Examples of service providers are doctors and medical centres that treat injured people who are covered by ACC. Disputes about the relationship between a service provider and ACC should, in the first instance, be discussed with the service provider's relationship manager at ACC.

made a claim with ACC. We have not looked at the broader changes ACC has made or at how ACC responds to complaints from other people and organisations that it deals with or to other types of feedback.

Summary of progress since 2014

- 1.11 ACC has made some good progress since our 2014 audit, but has yet to assess whether its changes have improved its complaints management and complainant satisfaction. However, ACC is continuing to improve how it manages complaints as part of its ongoing work to transform its customers' experiences. In our view, ACC needs to continue this work to realise the full benefits from the changes it has been making, which will allow it to use complaints information to improve its systems and services.
- 1.12 In responding to our recommendations, ACC has made a range of changes to the way it manages complaints. In particular, ACC has:
- promoted a more "customer-centric" culture throughout the organisation that welcomes feedback, including complaints, and understands the benefits of feedback;
 - improved its website and the information it sends to people;
 - established a team that deals with complaints; and
 - made it easier to record complaints through its claims management system.
- 1.13 However, ACC has not yet:
- asked people how they want to complain;
 - made sure that all complaints are recorded;
 - introduced meaningful reporting about how it handles complaints; and
 - reported to the ACC Board and the public about the complaints it receives and what it has learned from them.

ACC's broad approach to improving the way it manages complaints

- 1.14 In response to our 2014 report, ACC had KPMG carry out a review to compare ACC against organisations that were leaders in complaints management best practice. KPMG's findings were similar to our own.
- 1.15 ACC responded to our recommendations and KPMG's review by establishing a Customer Feedback project. The project led to a Customer Feedback Strategy and a continuing programme of changes. As part of this process, ACC sought input from groups outside the organisation and the people who used its services. For example, in January 2015 ACC asked its Advocates Reference Group for feedback on the Customer Feedback Strategy. The overall objective of the project is to use

people's feedback to create action plans so that ACC could continue to improve how it manages complaints.

- 1.16 As a result of the Customer Feedback project, ACC made several changes. We discuss these changes in more detail below. We note that a recent internal audit found that the Customer Feedback Strategy needs to be updated to reflect the activity that has happened since the strategy was established.
- 1.17 ACC is committed to making further changes. In particular, in May 2018, ACC introduced a new feedback system. This system will support ACC in seeking, receiving, responding to, and reporting on customer feedback. It is intended to operate as a "real-time pulse check of the ACC customer experience across all functions and levels to enable immediate and coordinated action across ACC".

Progress against our recommendations

Recommendation 1 – that ACC periodically seek suggestions and implement solutions that would make it easier for people to complain.

- 1.18 We have not seen evidence of ACC seeking suggestions on how to make it easier for people to complain. However, ACC has made several changes.
- 1.19 There are now multiple ways for people to complain. As well as by phone, email, talking face-to-face, and writing a letter, people can make a complaint through ACC's website or social media. ACC has also created a smartphone application (app) that staff can use to record feedback when they are not at work. ACC told us that it does not get much feedback through social media or the app.
- 1.20 ACC's website and correspondence direct people to make a complaint with the claims manager in the first instance, but also provide information about who else they can contact. Most people use ACC's website or speak to their claims manager to make a complaint.
- 1.21 ACC has improved its website. It is easy to navigate and provides clearly set-out information in plain English. There is now a prominent feedback button on every page. Clicking on this button brings up a form that people can use to submit feedback online.
- 1.22 The "Sort out a problem with your claim" page on ACC's website outlines, in plain English, steps for people to take if they have a problem with their claim. The page has links to advocacy and help services and an email address and phone number to contact ACC with a complaint. People can also download a complaints form on this page, which can be emailed or posted to ACC.

- 1.23 The improvements to the website do not include accessibility options for people with disabilities or non-native English speakers. ACC needs to ensure that accessibility options and translation and advocacy services are available and easy to find on its website.
- 1.24 ACC has told us that it is designing a new service to improve accessibility to all aspects of ACC. The new service will have a particular focus on helping people with diverse abilities, needs, and cultural backgrounds to understand their rights and entitlements and what other support is available. ACC plans to introduce this new service in mid-2019.

Recommendation 2 – that ACC periodically look into, understand, and remove any barriers that prevent or discourage people from complaining.

- 1.25 ACC’s Consumer Outlook Group identified some barriers people faced when giving feedback, including:
- a lack of transparency in the feedback process, resulting in people feeling unfairly or inconsistently treated;
 - ACC staff not actively seeking or welcoming feedback;
 - a lack of clarity about who in ACC to give feedback to;
 - ACC not keeping people informed about time frames for resolving their complaint; and
 - ACC not using feedback to improve services and not sharing what improvements it has made with people.
- 1.26 ACC has addressed these barriers by promoting a more customer-centric culture to all parts of the organisation. This change in culture encourages staff to welcome feedback and understand the benefits of feedback in improving service delivery. ACC provides training for staff on how to handle feedback, including as part of new staff’s induction, and on why feedback is important.
- 1.27 Although ACC has not changed many of its processes for handling complaints, frontline staff we spoke to said that there has been a noticeable cultural change throughout the organisation. Staff are now expected to focus more on each person’s needs so that, from the person’s point of view, interactions appear less process orientated and more personal. Staff also have more power to make decisions and resolve issues themselves.
- 1.28 ACC has also improved the letters and leaflets it sends out. These now include information about how to complain or give other feedback, and contact details for an ACC-funded advocacy service. Providing this information makes it clear that ACC welcomes feedback. This should encourage dissatisfied people to complain.

Recommendation 3 – that ACC define, record, and respond to complaints appropriately and consistently throughout the organisation.

- 1.29 ACC has defined complaints as “any expression of dissatisfaction made to an organisation, related to its products, services, or the complaints-handling process itself, where a response is explicitly or implicitly expected”. Having a clear definition helps staff know what they need to be recording as a complaint.
- 1.30 The main change ACC has made to improve consistency in the way it manages complaints has been to create the Customer Resolution team – a single team that manages complaints. The team was established in August 2016 and replaced the Office of the Complaints Investigator and the Customer Support Service team. The Customer Resolution team also manages complaints made to the Remote Claims Unit, the Chief Executive, and the Minister for ACC.
- 1.31 Complaints are still dealt with as quickly as possible by frontline staff at the local offices. ACC encourages people to talk to their claims manager first to resolve any problems they have. This is good practice. If local offices are unable to resolve complaints, the complaints can be escalated to the Customer Resolution team. People can also complain directly to the Customer Resolution team.
- 1.32 The Customer Resolution team has produced a guide to support good practice and consistency in the handling of complaints. Instead of a detailed procedures manual, the guide is largely principles-based and includes a “toolbox” of recommendations for resolving issues and links to complaints forms. The Customer Resolution team intends to review its guide against the relevant Australian and New Zealand standard on managing complaints.³
- 1.33 The Customer Resolution team also receives regular training that covers all parts of the role.
- 1.34 Ongoing training for frontline staff, who are likely to receive complaints directly, is less structured. How to handle complaints is covered from time to time as part of their regular training sessions. The Customer Resolution team manager has also visited some offices to provide informal training based on actual complaints that ACC has received. This training has taken place at the offices that receive the most complaints. In our view, more training for frontline staff in handling complaints and related skills, such as how to deal with difficult conversations, would help them handle complaints more effectively and consistently.
- 1.35 To ensure that complaints and other feedback are recorded, and recorded correctly, ACC has added a feedback tool in its claims management system. Feedback can be categorised by staff as a compliment, dissatisfaction (that is, a complaint), or a suggestion. To help staff record feedback consistently and accurately, there is a

³ Standards Australia Limited/Standards New Zealand (2014), *AS/NZS 10002:2014 Guidelines for complaint management in organisations*.

list of feedback categories that staff can choose from, including an “other” option. ACC provided training to all frontline staff on the feedback tool when it was first introduced. This training also covered ACC’s change to a more customer-centric culture.

- 1.36 Staff we spoke to thought this was a useful tool but were doubtful that it was always used to record complaints. The relatively low proportion of complaints recorded by frontline staff compared with all complaints recorded by ACC suggests that complaints are still significantly under-reported. Staff we spoke to thought that use of the tool had decreased since the initial training and some refresher training would prompt staff to use it more.
- 1.37 ACC’s internal audit team is carrying out a series of reviews to assess progress on an improved feedback process. The most recent internal audit noted that there was “evidence of momentum and good progress ... in establishing mechanisms to improve responsiveness to customer feedback” but that it is too early to assess the effect of these.

Recommendation 4 – that ACC measure, monitor, and report on performance in handling complaints, including financial costs, complainant satisfaction, and the implementation of solutions.

- 1.38 Although ACC has made some progress towards reporting information on complaints management, this has been limited.
- 1.39 Some basic data about complaints are reported internally. For example, the number of complaints and what they are about, as well as the time taken to acknowledge and resolve them, is reported. However, this reporting does not include the cost of handling complaints, complainant satisfaction, or what remedies are implemented. The reporting lacks any analysis or commentary and does not include trends or targets to compare results against. We understand there is more detailed monitoring and reporting of disputes (that is, complaints that have escalated into a formal review).
- 1.40 ACC has taken a more thorough and deliberate approach to the way it collects and acts on feedback. Through the Customer Insights and Experience team, ACC now regularly identifies “customer pain points”, which are reported and acted on monthly by a group of senior leaders.
- 1.41 ACC expects to be able to produce better reporting about complaints as part of its new feedback system.
- 1.42 We saw a tendency within ACC to rely on anecdotal evidence about complaints to identify what needed to be improved. Frontline staff did not have line of sight over any changes that were made in response to complaints they have dealt

with. However, this does not mean that improvements have not been made. For example, ACC has introduced an initiative where case managers answer each other's phones if their colleague is away from their desk. This change is in response to a high volume of complaints about people not being able to contact their case manager.

Recommendation 5 – that ACC provide senior leadership, the Board, and the public with accurate, reliable, and appropriately detailed information about complaints and how the organisation has learned from complaints to make service improvements.

- 1.43 ACC needs to do more in its response to this recommendation. The ACC Board receives a weekly report that can include information about significant individual complaints – for example, if a complaint is likely to receive media attention. The Board also receives monthly reporting about disputes. However, there is currently no regular reporting to the Board, or to the public, about complaints and the lessons learned from them. This is a lost opportunity for the Board to understand what aspects of ACC's service might need attention, before complaints escalate and become serious.
- 1.44 ACC does report on feedback information to the senior leadership team, but the reporting is not specifically about complaints. ACC's "Customer Workstream" board updates the senior leadership team every month on the status of the significant issues identified by the Customer Insights and Experience team and how solutions have improved the experience for people. However, this is not currently reported publicly. An example of an improvement is the redesign of letters sent to people to make the content easier to understand and more consistent.

Related work – following up on our report about ACC's case management

- 1.45 In 2014, we also published a report about ACC's case management approach to rehabilitation. We found that ACC needed to make changes to its case management systems and processes and we made four recommendations. ACC has taken some steps towards addressing our recommendations but progress is still in the early stages. The most significant change is a new approach to case management.
- 1.46 It is too soon for us to assess whether this new approach will address our recommendations and achieve the intended results. We will continue monitoring ACC's progress and carry out further assessment when the new approach is more advanced.

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