

Managing complaints online - A survey of bank websites and best practice guide

Executive summary

Banking Ombudsman Scheme (BOS) participants are obliged, under the scheme's Participation Agreement, to ensure customers have access to both internal and external complaints resolution.

BOS has traditionally tested compliance with this obligation by conducting mystery shopper exercises in branches. This year, however, we reviewed websites as customers are increasingly choosing to make complaints online.

Conducted in May 2015, the review evaluated the websites of 16 banks (the three Chinese banks were not included as they do not yet provide retail banking services). Online complaint forms, as well as the information provided on websites, were assessed against 25 best practice dimensions.

We defined best practices as those that made it easiest for customers to make a complaint and that reinforced a bank's commitment to valuing and addressing complaints. They were typically taken from what we considered to be the best of surveyed banks' practices but were also informed by research.

The results show that many banks, especially the major trading banks, provide effective links and a high level of information about complaints on their websites. Other banks, however, have information gaps, making it harder for customers to work out how to complain and, in particular, to make a complaint online.

The best performing bank had ticks against 21 of the 25 dimensions (84%); the poorest had only nine (36%).

We also found that:

- All banks have complaint pages that are accessible from the homepage via a quick link, tab or search engine
- Almost all banks use reasonably intuitive terms for quick links such as "feedback", "customer support", "contact us", "email us".

Once on the relevant page, banks performed very well on the following:

- Inviting or welcoming customer complaints (100%)
- Giving customers more than one avenue for making a complaint (100%)
- Mentioning BOS (94%).

The areas for greatest improvement were all associated with the online complaint form:

- Asking customers if they would like a response from the bank (13%)
- Asking customers for their preferred method of contact (19%)

- Providing a separate online form for complaints (25%)
- Providing a form that is responsive for mobile phones (25%).

We have provided a checklist for banks to use in evaluating their own sites (attached) and have suggested the following future developments:

- Provide links to the scheme's guidance on key banking issues and complaints
- Add the BOS logo to complaint pages
- Report on the impacts of complaints
- Accommodate a wider range of users, especially those who speak foreign languages or have disabilities
- Develop a tool to enable customers to track complaints.

Introduction

Customers are changing how they interact with their banks. With the convenience of “anywhere, anytime, any device” banking, at least half of customers now prefer to complete routine tasks online, such as bill payments/transfers, balance enquiries and administrative tasks¹. When it comes to reporting a problem or obtaining a status, Ernst & Young's global survey showed half of customers prefer to use either the bank's call centre (30%) or website (20%) rather make complaints in branch (40%)². This percentage may well be higher in New Zealand, which has adopted internet and mobile banking at high rates.

Since 2001 BOS has undertaken annual mystery shopper surveys assessing how frontline staff in branches help customers with their complaints. This year we looked at how banks provide information on their websites about making a complaint and how they enable customers to make complaints online.

This report sets out our findings and what the scheme considers to be best practice.

Methodology

In May 2015 we reviewed the information available about complaints on the websites of 16 participant banks. Three banks which have recently joined the scheme (Bank of China NZ, China Construction Bank NZ and ICBC NZ) were excluded as they have either not yet created a New Zealand website or developed a complaint page within it.

The bank websites were compared on 25 different factors, covering five main areas:

- Accessibility of information about making a complaint
- Information provided about banks' internal complaint processes
- Availability of online forms for making a complaint
- Information provided about BOS
- Compliance with Code of Banking Practice (“Code”) requirements, which all banks have agreed to abide by in accordance with the scheme's Participation Agreement.

The level of online information provided by the banks was rated, by giving them a ‘yes’, ‘no’ or ‘n/a’ (not applicable)³ for each of the 25 factors. The ‘yes’ responses were converted into percentages. A table showing the overall survey results is attached as Appendix 1.

¹ Ernst & Young (2014) *Winning through customer experience: EY global consumer banking survey 2014*.

² Ernst & Young (2014) *Winning through customer experience: EY global consumer banking survey 2014*.

³ Responses are recorded as n/a for banks that don't have a search engine, have no online form, don't mention the Banking Ombudsman Scheme or don't mention the Code of Banking Practice.

Best practice for making complaints on websites and online forms

This section outlines what the scheme considers to be best practice for providing information about making complaints on bank websites and what is best practice for the complaint forms. It then evaluates how well banks meet these standards.

Best practices were identified by surveying all websites and identifying those practices we considered were most likely to enable customers to make a complaint and to give them the confidence the complaint would be treated seriously and addressed in a timely way. We also considered whether the practices would have created the perception that the bank valued and invited complaints, and that it had a culture of continuous improvement and customer service.

Best practice was also informed by research, in particular one directly relevant academic article⁴.

Homepage

A bank's homepage should:

- Have the complaint page and online complaint form easily locatable from the homepage via a quick link and a search engine
- Have a search engine which returns complaint information and/or an online form when searching the word 'complaint'.

Clearly visible link

Almost two-thirds of banks (63%) have this, and so complaint information and/or an online form is typically only one click away.

Some banks make it even easier for customers to find the quick link by using large text and/or a highlighted colour. No bank uses the word "complaint" on its home page. Rather, quick links have labels such as: "*customer support*", "*feedback*", "*contact us*" and "*email us*". We consider these labels are sufficiently intuitive to help customers get to the right place on the website.

Other bank websites, which don't have these quick links, have a variety of ways of getting to a complaint page or structured online form. The usual first step is for customers to click on a tab on the homepage labelled "*Contact Us*" or similar. From there it can take one or more further clicks to find information about the complaint process and a way of making a complaint. We consider it best practice to have a clearly visible quick link on the homepage.

Search engine

Most banks (88%) have a search engine that gives complaint information and/or an online form as the first result when searching 'complaint'. We expect this will increase to 100% as the remaining banks include search capabilities on their websites.

⁴ Rosário Durão (2011) *The Design of Online Complaint Forms: A Comparison of American and Portuguese Examples*. *Information Design Journal* 19(2), 122-141.

Internal complaint process

The complaints webpage should clearly explain to customers that:

- The bank wants to know about customer complaints so it can improve customer service and satisfaction
- The bank offers several avenues for making complaints, including a toll free number
- The bank will acknowledge all complaints within a specified and reasonable period of time
- Unresolved complaints can be escalated within the bank and to BOS

Inviting complaints

All banks invite or welcome customer complaints on their website. Good examples include:

“If you have a problem or concern, we want to know so we can fix it.” (ANZ)

“If you do have a problem, let us put things right.” (Westpac)

“If you think we’ve made a mistake or that our service isn’t up to scratch, please tell us.” (BNZ)

Mentioning the importance of customer service or satisfaction can help a customer understand why their complaint matters. Of the 81% of banks that do this, a few go further by explaining that complaints can *help improve* customer service or satisfaction. The following quote from HSBC is a good example:

“There may be times, however, when you feel we’ve let our high standards slip. When that happens, we want to know about it. This will allow us to respond appropriately, meet your expectations, and enable us to enhance the standard of service we deliver to all customers.”

Complaint pages typically state, or imply, that banks take complaints seriously. NZCU Baywide takes a novel approach with light-hearted phrases, such as: *“We’re friendly and caring with a GSOH”* and *“Pull us up by our boot straps”*. This light-hearted approach can work well as long as the webpage includes factual information about the complaint process (which it does).

Avenues for complaint

Customers may wish to interact with their banks in different ways, so banks should give them a choice of avenues for making complaints. All 16 banks give customers more than one avenue and most list three to five options. ASB leads with six options: branch, telephone, an online form, internet banking message, post and social channels.

Banks should list a toll free number (0800 or 0508) so customers are not charged when making a complaint. Two-thirds of banks (69%) already do this.

Acknowledging complaints

As BOS participants, all banks agree to comply with the Code irrespective of whether they are members of the New Zealand Bankers’ Association (NZBA). The Code obliges banks to acknowledge complaints within five business days (paragraph 1.3bi). In today’s trading environment, five business days is too long and we will recommend the NZBA addresses this in its upcoming Code review.

Only 38% of banks mention a timeframe of five business days or less on the complaint page. Banks should specify a reasonable period of time so customers do not have to contact their bank for status updates. HSBC demonstrates this well by telling customers:

“Whichever avenue you choose, we will personally endeavour to acknowledge receipt of your complaint within 24 hours.”

Escalation process

Under the Code, banks also need to make their complaints procedures available on their websites (paragraph 1.3d). However, the complaint page should tell customers both how to make a complaint and how to escalate that complaint if they feel their concerns aren't being addressed or haven't been fully resolved. Escalation should cover the process within the bank and to the BOS. Two-thirds (69%) of banks do this. Procedures can be clearly explained to customers by:

- Using a bullet point list, flowchart or diagram to set out the steps
- Sequencing steps by using words like: 'first', 'then', 'if', 'next' and 'finally'
- Setting customer expectations about what they will receive from the bank and when.

Online complaint form

The website should have an online form which:

- Is for complaints only
- Asks whether the customer would like a response
- Asks for two or more contact methods and the customer's preferred method
- Allows customers at least 2,000 characters to outline their complaint
- Is encrypted or warns customers not to provide account-specific or confidential information
- Is responsive (ie is readable/usable) for mobile phones and tablets.

Online forms are an important channel for complaints as they allow customers the convenience of making a complaint at any time and to do so in writing if this is their preferred mode of communication. Almost all banks (88%) offer their customers this facility.

Reassuring customers the bank will respond

Banks typically have one online form which covers complaints, compliments, feedback and enquiries. Customers who use these forms to make a complaint will typically expect more than an acknowledgement from the bank.

Best practice is for banks to have a separate online form for complaints. At present only 25% of banks surveyed do this. Further, only 13% of banks ask those filling out the online form whether they want a response.

Contact methods

To ensure banks can respond to customer complaints, online forms should ask customers for two or more contact methods. Three-quarters of banks ask customers for their phone number and email address. Some also ask for a postal address.

Customers like to interact with their banks in different ways and some customers find certain forms of communication challenging. For example, telephone contact may not be appropriate for customers with hearing difficulties. So banks should ask customers for their preferred contact method. Only 19% of banks currently do this.

Outline of complaints

All banks that provide an online form allow their customers to complete a free-form box in their own words, but the amount of space allowed varies. We consider 2,000 characters (equivalent to around 20 lines of Arial font size 10 text in Microsoft Word) sufficient for most customers to outline their complaint without being onerous for banks. Almost two-thirds of banks (63%) allow more than 2,000 characters or don't specify a limit.

Security of information

Providing a secure online complaint form isn't necessary as banks typically offer customers other secure means of communication such as sending a message via internet banking. But banks should inform customers about the security of their online form so customers can make an informed choice about the information they include. Over half (56%) of banks tell customers about the security of their online form by:

- Warning customers not to include account specific and confidential information
- Displaying a lock icon and https address so customers can see the page is encrypted.

Responsive forms

Customers are increasingly interacting with their banks through their mobile phones and tablets. Bank online forms should therefore be easy to read and use on these devices. The small size of most mobile phones can make this difficult if forms are viewed as standard webpages. Responsive online forms adjust to the size and orientation of the screen so the text is generally large enough to read without zooming in. Only a quarter of banks currently offer responsive online forms.

Banking Ombudsman Scheme

The complaint webpage should:

- Mention the Banking Ombudsman Scheme
- Inform customers that the scheme helps resolve disputes, is free of charge and independent
- Tell customers how they can contact the scheme
- Provide a link to the scheme's website.

Mentioning the scheme

Scheme participants must abide by the Code of Banking Practice which obliges banks to provide details of their dispute resolution scheme to customers (paragraph 1.3e). Bank complaint webpages are a logical place to do this.

Almost all banks (94%) mention BOS on their website complaint page as their dispute resolution provider. None displays the scheme's logo.

Introducing the Banking Ombudsman Scheme

Browsing a bank website may be the first time some customers come across BOS. Banks can help these customers by explaining what the scheme does and how it works. As a minimum, banks should tell customers the scheme:

- Helps resolve disputes between the bank and its customers (44% do this)
- Is free of charge for customers (56%)
- Is independent of the bank (50%).

Good descriptions of the scheme include:

“The Banking Ombudsman Scheme is a free and independent service which helps people sort out unresolved problems they have with their banking service providers.” (ASB)

“The Banking Ombudsman provides free independent help to resolve disagreements between banks and their customers.” (Kiwibank)

“The Banking Ombudsman provides free independent assistance to resolve disagreements between banks and their customers either informally or by making a recommendation which is binding on the bank.” (SBS Bank)

Scheme contact details

To help customers escalate their complaints to BOS, banks should give our contact details.

Over half (56%) of participants surveyed provide the scheme’s freephone number, generic email address and postal address. Three quarters of participants provide a link to the BOS website. This is a useful feature as it enables customers to more directly access the scheme’s online complaint form or obtain more information about us.

Code of Banking Practice

A bank’s website should:

- Mention the Code of Banking Practice
- Attach or link to a copy of the Code.

The Code requires all NZBA members to make copies of the Code available on their websites (paragraph 1.1h). In addition, non-NZBA member banks agree to abide by the Code and should therefore also have a copy available.

Mentioning the Code

Almost two-thirds (63%) of surveyed banks name the Code on their websites and half of these explain what the Code is, for example:

“Westpac New Zealand Limited abides by the Code of Banking Practice, which is a set of formal standards that all members of the New Zealand Bankers Association have agreed to. The Code promotes good banking practices by outlining the minimum

standards that all banks must meet in their relationships with their customers.”
(Westpac)

Non-NZBA member banks would, of course, need to adapt this explanation.

Accessibility of the Code

Just over half (56%) of banks have the Code attached or linked to their website.

Where to from here?

This survey has revealed that many bank websites provide excellent information and channels for customers with complaints. Banks that fall short of the best performers can use this report and the best practice checklist attached in Appendix 2 to fill the gaps in their website complaint information. To help prevent disputes and extract greater value from complaints, banks may also consider the following suggestions:

Provide links to the scheme’s guidance on key banking issues and complaints

The scheme has a suite of more than 30 easy-to-digest Quick guides on key banking issues. By linking to these guides through their own websites, banks may be able to help customers avoid financial difficulties and problems which lead to complaints before they arise. These guides may also help to set customer expectations about the likely outcomes of complaints.

Add the Banking Ombudsman Scheme logo

Adding the scheme’s logo to the complaint page could help familiarise customers with the scheme’s brand. This may help smooth the escalation of a complaint from the internal complaints process to the scheme.

Report on impacts of complaints

Banks could demonstrate to customers the lessons from complaints by publishing their own case notes or stories. Specifically, banks could outline how they have changed customer service as a result of complaints.

Accommodate a wider range of users

Online complaint processes should enable the widest possible range of audiences⁵ to make a complaint. Banks can make provisions for users with disabilities and users who are not fluent English speakers by:

- Adding buttons to translate questions into other languages or providing a spoken response
- Adding a message stating that the form can be completed in any language and the customer will receive a response in that language
- Giving customers the option to increase the text font size used for form.

Develop a complaint tracking tool

An online tracking tool for complaints would allow customers to quickly and easily track the progress of their complaint. This tool would also reassure customers that their complaint hasn’t been forgotten and is being handled efficiently.

⁵ Rosário Durão (2011) *The Design of Online Complaint Forms: A Comparison of American and Portuguese Examples*. *Information Design Journal* 19(2), 122-141.

Appendix 1: Comparison of complaint information on 16 bank websites (May 2015)

Factors	Total "yes" responses (N)	Total "yes" responses (%)
Homepage		
Complaint page or online form quick link on homepage	10	63%
Website has a search engine	14	88%
Complaint page or online form is listed when search 'complaint'	14	88%
Internal Complaint Process		
Complaint page invites or welcomes complaints	16	100%
Mentions importance of or improving customer service or satisfaction	13	81%
Gives more than one avenue for making a complaint	16	100%
Gives a toll free number for complaints	11	69%
States complaints will be acknowledged (at least) in 5 business days	6	38%
Sets out escalation process, including within the bank	11	69%
Online Form		
Website has an online form for complaints/feedback/enquiries	14	88%
Separate form for complaints	4	25%
Asks whether the customer would like a response	2	13%
Asks for more than one contact method	12	75%
Asks for preferred contact method	3	19%
Free-form box which permits at least 2,000 characters	10	63%
Is encrypted and/or warns customers about information security	9	56%
Is responsive for mobile phones	4	25%
Banking Ombudsman Scheme		
Complaint page mentions BOS	15	94%
Mentions BOS helps resolve disputes	7	44%
Mentions BOS is free of charge	9	56%
Mentions BOS is independent	8	50%
Lists contact details for BOS	9	56%
Page links to BOS website	12	75%
Code of Banking Practice		
Website mentions COBP	10	63%
Copy available on website (as attachment or link)	9	56%

Appendix 2: Checklist for banks

Homepage

- Displays a clearly visible quick link to complaint information or an online complaint form
- Has a search engine which returns complaint information and/or an online form when searching the word 'complaint'

Complaint webpage

- Tells customers the bank wants to know about customer complaints so it can improve customer service and satisfaction
- Explains the bank offers several avenues for making complaints, including a toll free number
- Informs customers the bank will acknowledge all complaints within a specified and reasonable period of time
- Explains that unresolved complaints can be escalated within the bank and to the Banking Ombudsman
- Mentions the Banking Ombudsman Scheme
- Informs customers that the scheme helps resolve disputes, is free of charge and independent
- Tells customers how they can contact the scheme
- Provides a link to the scheme's website
- Links to the scheme's Quick Guides
- Displays the scheme's logo
- Tells customers how the bank has changed customer service as a result of complaints
- Contains or links to a complaint tracking tool

Online complaint form

- Is for complaints only
- Asks whether the customer would like a response
- Asks for two or more contact methods and the customer's preferred method
- Allows customers at least 2,000 characters to outline their complaint
- Is encrypted or warns customers not to provide account-specific or confidential information
- Is responsive for mobile phones and tablets
- Includes provisions for users with disabilities and users who are not fluent English speakers

Website

- Mentions the Code of Banking Practice
- Has a copy of the Code available as an attachment or via a link