

Mystery Shopper 2012 Public Report

Why we do the survey

Our annual mystery shopper survey helps us measure how well Banking Ombudsman Scheme participants are helping their customers deal with complaints. This includes informing customers about their own internal complaints process as well as how and when to come to us.

Our survey focuses on frontline staff as they are best placed to inform customers about the complaints process. It looks at what information participants are providing customers through leaflets about their internal complaints process, the Banking Ombudsman Scheme and the Code of Banking Practice.

The survey also helps us understand participants' attitudes towards our scheme and provides independent information to participants on customer experiences.

This year's survey

The twelfth mystery shopper survey was completed in early 2012. This year's survey covered 14 participants, five of which were surveyed for the first time. It excluded three participants because they have too few branches to survey.

In total, 30 students visited 336 branches.

Changes to the survey

This year was the first time we expanded our survey beyond banks to include non-bank deposit-takers. We also reduced the number of large participant branches surveyed and increased the number of small and medium-sized participant branches. This was because:

- having increased the number of large participant branches surveyed in 2011 we found the results were remarkably similar to previous years – the larger sample size did not seem to improve the reliability of the data
- it let us improve the reliability of the results for smaller participant branches surveyed, at no additional cost.

To enable a fair comparison between the 2012 and the 2011 surveys, we have weighted the "all participants" results (that is, the average) according to assets. If we had not done this, the results would have been overly influenced by small participants. The 2011 results discussed in this report therefore differ slightly to those previously published.

What we found

We are particularly concerned to have found a decline in branch staff willingness to help customers with complaints this year. This is a measure of the quality of participants' customer service and must influence perceptions of the banking industry.

While we are heartened to find the number of branches providing leaflets about making a complaint (both internally and to us) had increased this year, this is tempered. Where leaflets were available, some were out-of-date and often weren't clearly on display. It was also surprising to find that many branches displayed our leaflets, but not their own. Participants need to ensure customers understand that they should first try and resolve their complaints with their banking service provider before coming to us.

We are disappointed that year on year only four mainstream banks showed a general improvement across our range of measures. That said, mainstream banks generally performed better than our new non-bank deposit-takers. There were exceptions. One new participant scored very well across our range of measures while one original bank participant performed particularly poorly. I expect this participant and the other new participants will aim to improve on this year's benchmark.

We did find a number of examples of best practice. The best performers and their branch staff:

- had leaflets on their own internal complaints process and the BOS in every branch
- had the Code of Banking Practice available in over 75% of branches
- were knowledgeable about the internal complaints process and the BOS
- mentioned the BOS in every branch
- excelled in their willingness to help customers with complaints.

We hope to see more participants coming up to this standard in the coming year.

Overall results

Information about the internal complaints process

The good news is that mystery shoppers found leaflets on participants' own complaints process in 80% of branches, up slightly from 76% the previous year.

The bad news is that this means 20% of branches surveyed had no leaflets available. What's more, where leaflets were available, some were outdated and some participants displayed two or three different leaflets.

Of those mystery shoppers who found a leaflet, around one third had to be assisted by branch staff, who either directed mystery shoppers to a leaflet or retrieved the leaflet from behind the counter or a back room. If leaflets were clearly displayed within branches, this added step would be unnecessary.

Year on year we have seen an improvement in staff knowledge of resources available for customers with complaints. This year, we saw an increase in the number of instances where mystery shoppers were given leaflets to take away (77% compared with 65% in 2011) and given a telephone number to call (60% compared with 47%).

On the other hand, mystery shoppers rated only 26% of branches as having staff with excellent knowledge (ratings of 9 or 10 out of 10) of the internal complaints process, down

from 35% in 2011. This decrease is disappointing as, at the very least, staff should be able to inform customers of who to complain to within their own organisation.

Information about the Banking Ombudsman Scheme

Mystery shoppers found leaflets on the Banking Ombudsman Scheme in 87% of branches, up from 79% in 2011. This improvement is very encouraging, however we also found a number of branches had outdated versions of our brochures.

When discussing the complaints process with mystery shoppers, staff mentioned the Banking Ombudsman Scheme in 78% of branches, down from 85% in 2011. Of these, as in the previous year, only half mentioned our scheme unprompted. It is disappointing that this measure has not improved. Participants need to ensure their staff understand the relevance of the Banking Ombudsman Scheme to their own complaints process.

As our scheme is available to all of our participants' customers, it is important branch staff have a good understanding of what we do and how customers can contact us. Only 10% of branches had staff who were rated as providing an excellent level of detail on the Banking Ombudsman Scheme (ratings of 9 or 10 out of 10).

Information about the Code of Banking Practice

The Code of Banking Practice details the minimum standards of good practice for our participants. Disappointingly, mystery shoppers found the code available in only 52% of branches. I would suggest that the Code should be on display in every branch, so I am frustrated to see a decrease from 61% last year.

Quality of branch staff interaction

Ensuring that customers receive excellent service from branch staff about complaints is an important element of customer service, which may prevent complaints from snowballing. Year on year, however, overall industry standards have slipped with average ratings falling from 8.2 to 7.5 in the last year. Staff in only 44% of branches were rated as showing excellent willingness to help (ratings of 9 or 10 out of 10), down from 57% the previous year.

Unfortunately, the overall verbatim comments revealed many examples of unknowledgeable, disinterested, rude, defensive, and impatient staff who intimidated and rushed mystery shoppers.

On the other hand, one mystery shopper who received superb service commented, "I never thought much of banks before but the help I received was so good that it's really changed my views. They really seemed to care about me."

Our recommendations

We hope to see some big improvements next year. We're encouraging all our participants to:

- ensure their complaints leaflets are current, available at all branches and clearly visible to customers
- provide refresher training for frontline staff on the complaints process, including who we are and what we do

- publish the Banking Ombudsman's Current Account newsletter on their intranets
- ensure links to the Banking Ombudsman site are added to their intranets as a resource or reference site
- include the BOS introductory pamphlet in staff induction packs
- ensure that branches have the Code of Banking Practice on display.

Appendix 1: Summary of mystery shopper results

Measures	Weighted results for all participants	
	2012	2011
Number of branches surveyed	336	310
Branches located in town/city centres	90%	72%

Internal complaints process

Branches in which mystery shoppers found a leaflet on the internal complaints process	80%	76%
Median time taken to find the leaflet	Less than 1 minute	Less than 1 minute
Branches in which mystery shoppers thought that the leaflet was helpful	95%	96%
Average rating of staff knowledge of the internal complaints process (rated from 1 poor to 10 excellent)	6.6	6.8
Branches in which mystery shoppers rated staff knowledge as excellent (ratings of 9 or 10)	26%	35%
Branches in which staff gave mystery shoppers printed information	77%	65%
Branches in which staff gave mystery shoppers a telephone number to call	60%	47%
Branches in which staff directed mystery shoppers to a website	15%	17%

Banking Ombudsman Scheme (BOS)

Branches in which mystery shoppers found a leaflet on the BOS	87%	79%
Branches in which staff mentioned the BOS	78%	85%
Branches in which staff mentioned the BOS without being prompted	50%	51%
Average rating of the level of detail given by staff on the BOS (rated from 1 poor to 10 excellent)	5.3	n/a
Branches in which mystery shoppers rated the level of detail given by staff on the BOS as excellent (ratings of 9 or 10)	10%	n/a

Code of Banking Practice

Branches in which mystery shoppers found the Code of Banking Practice	52%	61%
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Quality of branch staff interaction

Average rating of staff willingness to help (rated from 1 poor to 10 excellent)	7.5	8.2
Branches in which mystery shoppers rated staff willingness to help as excellent (ratings of 9 or 10)	44%	57%