



# Recommendations for handling misdirected customer calls

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## 1 Management summary

In the transition to a fully open postal market Postcomm wants to ensure that the common operational issues that arise in a multi-operator postal market do not adversely affect users of postal services, both senders and receivers, do not obstruct the development of effective competition and promote efficiency on the part of postal operators.

The purpose of this report is to analyse and make specific recommendations for the handling of misdirected customer service calls by licensed postal operators in deregulated market. A misdirected call is one where the caller mistakenly contacts an operator who is not responsible for handling their complaint or query. The specific issue is how that call then gets transferred to the correct operator.

Experience in other deregulated industries suggests the majority of misdirected customer service calls are likely to fall on the incumbent operator (i.e. Royal Mail). However, all licensed postal operators are likely to receive some misdirected calls and it is important from a customer services perspective that misdirected calls are handled in a fair and consistent manner by all operators.

Our research suggests two major licensed postal operators are currently handling misdirected customer service calls in a way consistent with customer expectations, other competitive industries, UK and European regulations, and the volume of misdirected calls. However, Postcomm's concern (and the experience in many other industries) is that the volume of misdirected calls is likely to increase in moving to full competition.

Our recommended approach for dealing with misdirected calls is guided by best practice in similar industries and is consistent with relevant UK and European industry standards and the likely volumes of misdirected calls. In relation to the latter point, we estimate Royal Mail may receive around 4,850 calls a year (about 19 a day) relating to other licensed operators.<sup>1</sup> We anticipate other licensed operators will receive smaller volumes of misdirected calls.

This level of misdirected calls lends itself to an approach that simple, transparent and does not impose unnecessary costs on the postal industry. Taking all these factors into account we propose the following procedures for handling misdirected calls:

- the call handler agrees to establish as early as possible during the call whether the complaint concerns another licensed postal operator; and

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<sup>1</sup> The assumptions underlying this estimate are outlined in Chapter 6.

- if it becomes apparent that the complaint concerns another licensed postal operator then the caller is provided with a telephone number for the correctly identified licensed postal operator.

This recommendation should not preclude licensed postal operators offering higher levels of customer service for handling misdirected calls. For examples, licensed postal operators could agree, on a bilateral or multi-lateral basis, to develop a call transfer system (cold or warm) or a call centre.

Should the scale of misdirected call volumes increase substantially over time, we recommend a more cohesive solution to the problem (e.g. a central call centre) may provide a more effective and efficient solution.

## 2 Background

In the transition to a fully open postal market Postcomm wants to ensure that the common operational issues that arise in a multi-operator postal market do not adversely affect users of postal services, both senders and receivers, do not obstruct the development of effective competition and promote efficiency on the part of postal operators.

Examples of common operational issues include misdirected mail: where mail enters another operator's network in error; and misdirected customer services calls: where a customer calls the wrong mail operator and needs to be redirected. Postcomm's view is that establishing robust arrangements for common operational issues is vital for the future success of the postal market and that this is best achieved through the development of an industry Code of Practice.

In this report we analyse options for the handling of misdirected customer services calls. Whilst these calls may be fairly low volume, poorly handled customer complaints or queries can be a very sensitive area and cause substantial damage to the reputation of an organisation and associated stakeholders.

Experience in other deregulated industries suggests the majority of misdirected customer service calls are likely to fall on the incumbent operator (i.e. Royal Mail). However, all licensed postal operators are likely to receive some misdirected calls and it is important from a customer services perspective that misdirected calls are handled in a fair and consistent manner by all operators.

Our recommended approach for dealing with misdirected calls is guided by best practice in similar industries and is consistent with relevant UK and European industry standards and the likely volumes of misdirected calls. In relation to the latter point, we estimate Royal Mail may receive around 4,850 calls a year (about 19 a day) relating to other licensed operators.<sup>2</sup>

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<sup>2</sup> The assumptions underlying this estimate are outlined in Chapter 6.

### 3 Approach

Our approach to this work involves benchmarking procedures for handling misdirected calls across several relevant industries; reviewing two licensed postal operators' current procedures for dealing with misdirected calls; and reviewing broader postal industry regulations to ensure proposals are consistent with regulations.

We then analyse four options for handling misdirected customer services calls. Each option is assessed against four criteria, including:

- fit for purpose from a customer perspective;
- likely acceptability to carriers;
- ease of monitoring and measurement; and
- flexibility to adapt to a rapidly changing industry.

The output of analysis is a recommended option for handling misdirected calls.

This report is being undertaken in parallel to Postcomm developing a Code of Practice for common operational procedures. This requires us to make the following assumptions:

- There will be a postal identifier on every item delivered that will allow the identification of the primary carrier (hence this does not include handling customer complaints associated with **lost items** – although this is the single largest source of customer queries and complaints);
- That the end-to-end postal delivery process is sufficiently transparent to allow any complaint/query to be directed towards a specific, responsible organisation;
- That all licensed carriers will have some level of call handling capability; and
- That the complaint/query is to be handled by the organisation identified as responsible (except for where specific commercial agreements apply, for example, central call centre jointly funded by carriers).

## 4 Research findings – experience in other industries

Our research of other industries was designed to benchmark:

- industries that share similar challenges to the postal services industry or have been through a similar process of fundamental change; and
- industries that are recognised for telephone-based customer service and support.

In some respects the postal services industry is unique (for example, in the way that the service provider contracts with the sender but the receiver is also a customer). However, we feel that the following industries form a useful research base from which many lessons can be drawn:

<b>Industry/company selected</b>	<b>Reason for selection</b>
<b>Gas and Electricity</b>	<ul style="list-style-type: none"> <li>• Relatively recent deregulation</li> <li>• Substantial opportunity for customer confusion and therefore misdirected calls</li> <li>• A highly competitive commodity marketplace</li> </ul>
<b>Passenger rail transport</b>	<ul style="list-style-type: none"> <li>• Relatively recent changes in the industry requiring the effective interaction of separate private sector organisations to deliver customer service</li> <li>• Shared routes leading to potential passenger confusion and complaints/queries directed at the wrong organisation</li> </ul>
<b>British Telecom</b>	<ul style="list-style-type: none"> <li>• Large, federalised organisation that can provide different services to the same customer and needs to behave as “one” organisation when dealing with those customers.</li> <li>• This places a priority on the effective handling of customer queries and complaints, in particular, transferring customer calls from one part of BT to another</li> <li>• A leading organisation in the use of telephony to provide excellent customer service</li> </ul>
<b>Airline industry</b>	<ul style="list-style-type: none"> <li>• Highly complex and competitive industry requiring interaction between carriers, airports and other service providers (i.e. holiday companies)</li> <li>• Potential for customer confusion and high likelihood of misdirected calls</li> </ul>
<b>Nectar cards</b>	<ul style="list-style-type: none"> <li>• Recently developed marketing initiative requiring collaboration across several</li> </ul>

	private sector organisations <ul style="list-style-type: none"> <li>• Customer service built from the ground up, therefore should reflect best practice</li> </ul>
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## 4.1 Energy industry – gas and electricity

### 4.1.1 Why misdirected customer service calls happen

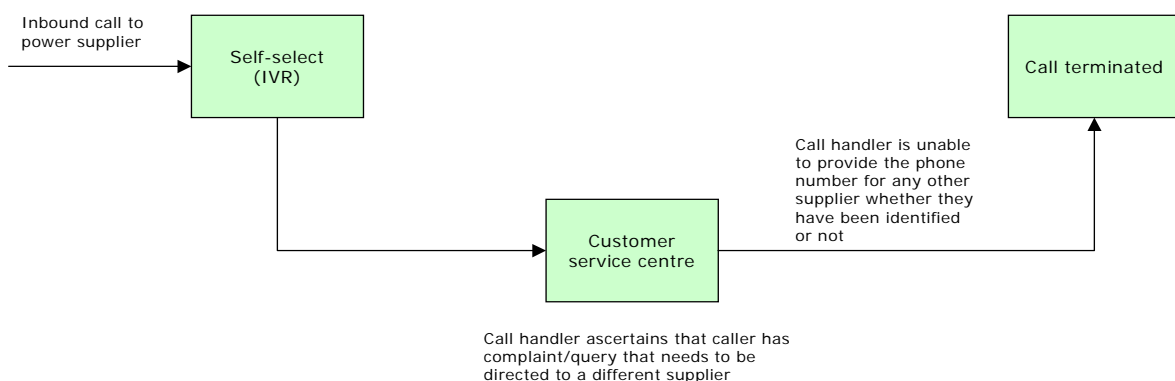
The deregulation of the domestic energy marketplace means that suppliers no longer have a monopoly position in a given geography and thus any given domestic consumer is likely to be able to choose between several different energy companies for their gas and electricity supply.

This fundamental change has meant that many consumers have switched suppliers and this has led to a considerable amount of regulatory focus associated with how customers are handled as they pass from one supplier to another.

Misdirected calls are most likely at the point of transfer (i.e. when a customer moves from one supplier to another) or shortly thereafter – this is the period when a customer is most likely to direct their query or complaint at the wrong organisation.

### 4.1.2 How misdirected customer service calls are handled

#### Customer queries that are directed at the wrong energy supplier



In this scenario the caller mistakenly calls the customer service line of one energy supplier (for example, Powergen) when their query/complaint needs to be directed at another supplier. The call handler gathers enough information to ascertain that the complaint needs to be directed at a different supplier. In most circumstances the call handler does not have sufficient information to direct the caller to the correct supplier.

### 4.1.3 Are any charges involved?

Operators do not recoup charges for handling misdirected calls.

## 4.2 The Rail Industry

### 4.2.1 Why misdirected customer service calls happen

The delivery of rail passenger services involves different organisations that provide different parts of the overall service, specifically:

- Train Operating Companies (TOC's) run the trains usually on a regional basis but with the added complexity of cross-country operators
- Network Rail maintain the infrastructure – track, signalling, stations etc
- National Rail Enquiries who provide train timetable information on behalf of all TOC's

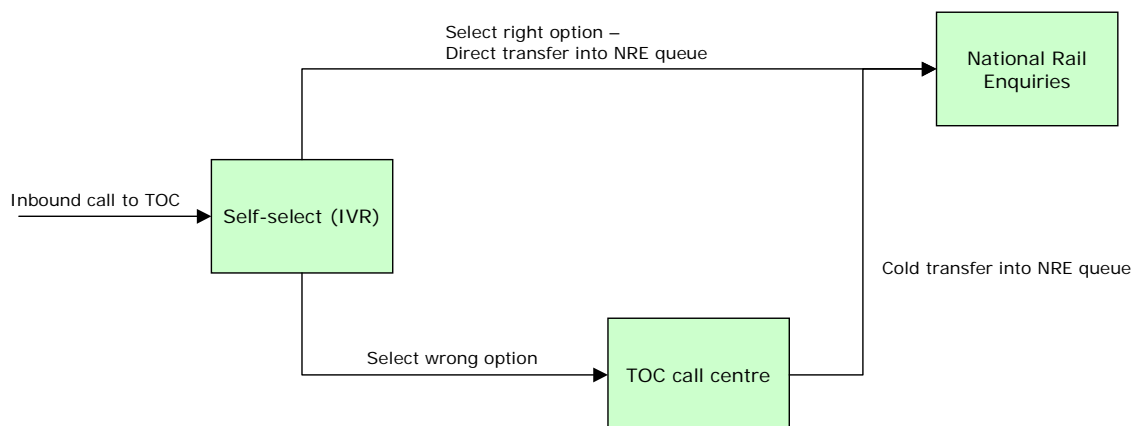
There are three main scenarios where misdirected customer service calls will be received:

- Train timetable enquiries that are directed at the train operating company rather than National Rail Enquiries service
- Customer complaints about a specific journey that are directed at the wrong TOC
- Customer complaints about a specific journey that are directed at National Rail Enquiries

### 4.2.2 How misdirected customer service calls are handled

The analysis below represents the **best** examples of customer service provided across the TOC's.

#### Timetable enquiries directed at a TOC (e.g. South West Trains)

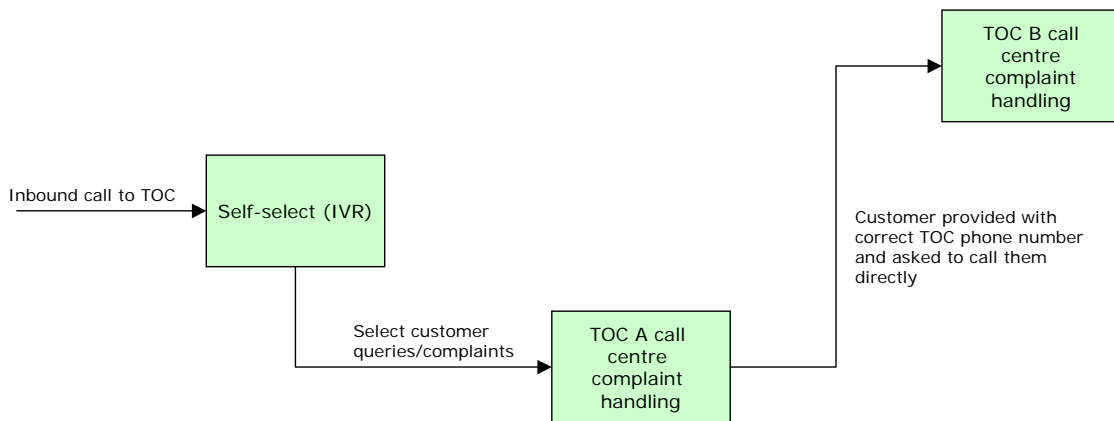


Whilst misdirected timetable enquiries are not complaints they do represent the largest volume of misdirected calls.

In this case the caller will be presented with an automated response that provides a direct connection through to the NRE queue by pressing a specific number on the telephone keypad.

If the caller makes a mistake and goes through to the TOC call centre then the call handler will ascertain quickly that it is a timetable enquiry and cold transfer the call to NRE – this means that the call is put through to the queue rather than a specific call handler.

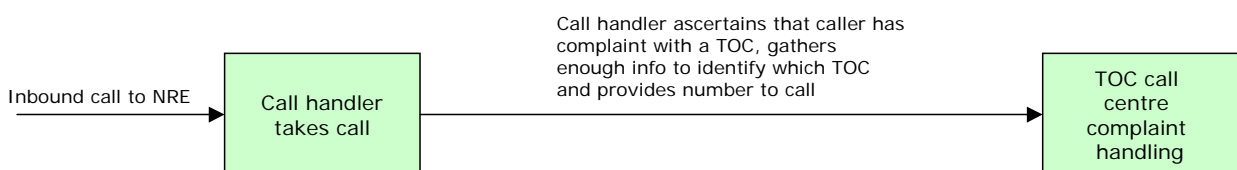
**Customer complaints about a specific journey that are directed at the wrong TOC**



In this scenario the passenger who wishes to complain about a journey will choose to be put through to a TOC complaint handler. In this case, the handler gathers as much information about the problem as possible to see how it will be best handled.

If it becomes apparent that the complaint concerns another TOC (i.e. where cross-country services share the same train lines as local operators) then the caller is simply provided with a telephone number for the correctly identified TOC.

**Customer complaints about a specific journey that are directed at National Rail Enquiries**



In this scenario the passenger has mistakenly called National Rail Enquiries with a complaint about a specific journey. The NRE call handler gathers sufficient information about the nature of the complaint to identify the correct TOC and provides a phone number for the complainant to call.

#### 4.2.3 Are any charges involved?

Operators do not recoup charges for handling misdirected calls.

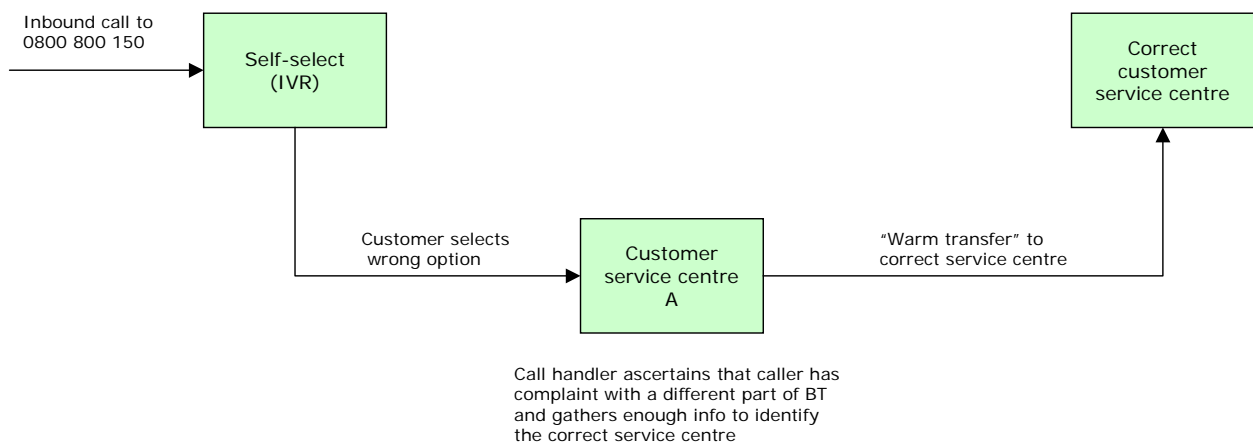
### 4.3 British Telecom

#### 4.3.1 Why misdirected customer service calls happen

Individuals call a central number (0800 800 150) and are then provided with options to be transferred to the appropriate part of BT to handle their complaint or enquiry. However, it is often the case that a customer will request to be put through to the wrong service centre or a service centre that cannot handle the query/complaint without referring to other parts of BT.

#### 4.3.2 How misdirected customer service calls are handled

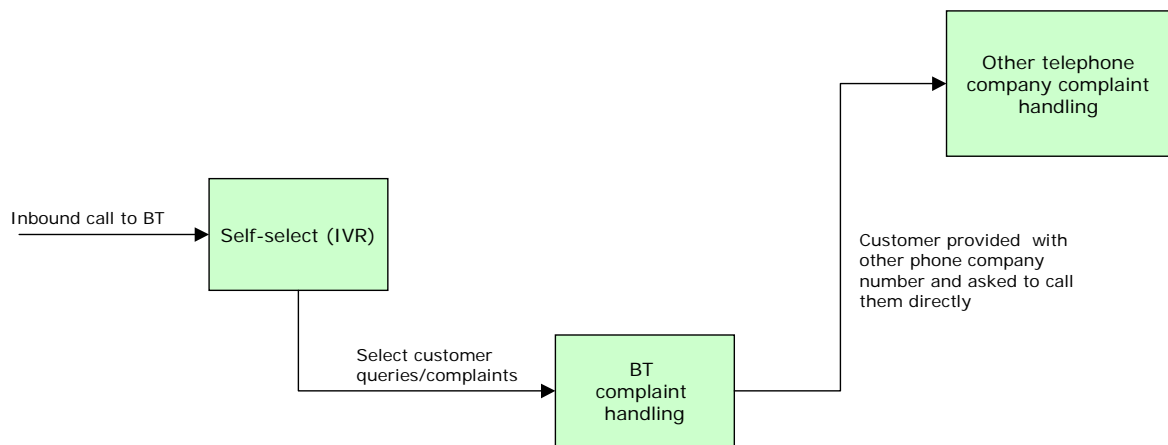
##### Misdirected calls that stay within BT



In this scenario the BT customer mistakenly chooses to be put through to a BT service centre that cannot handle the complaint/query. In this case, the call handler will gather enough information to identify the correct BT service centre and will “warm transfer” the call to that centre.

A warm transfer is where all the customer information gathered by the first (incorrect) call handler is passed on to the correct call handler. In this way, the customer is transferred directly to a specific person (not into a queue) who has all the necessary information to handle the complaint or query. Importantly, the caller will not have to repeat any of the information previously provided to the first call handler.

### Misdirected calls transferred from BT to competitor telephone company



In this scenario the passenger has mistakenly called BT with a complaint that needs to be directed to another telephone company. The BT call handler gathers sufficient information about the nature of the complaint to identify:

- Firstly that BT is definitely not at fault
- Secondly, to identify the phone company that is at fault

If the call handler manages to identify the correct phone company, they will provide a number to call. If not, they will politely suggest that they gather sufficient information together to identify the correct phone company and call them directly.

#### 4.3.3 Are any charges involved?

Operators do not recoup charges for handling misdirected calls.

## 4.4 Nectar Cards Customer Support

### 4.4.1 Why misdirected customer service calls happen

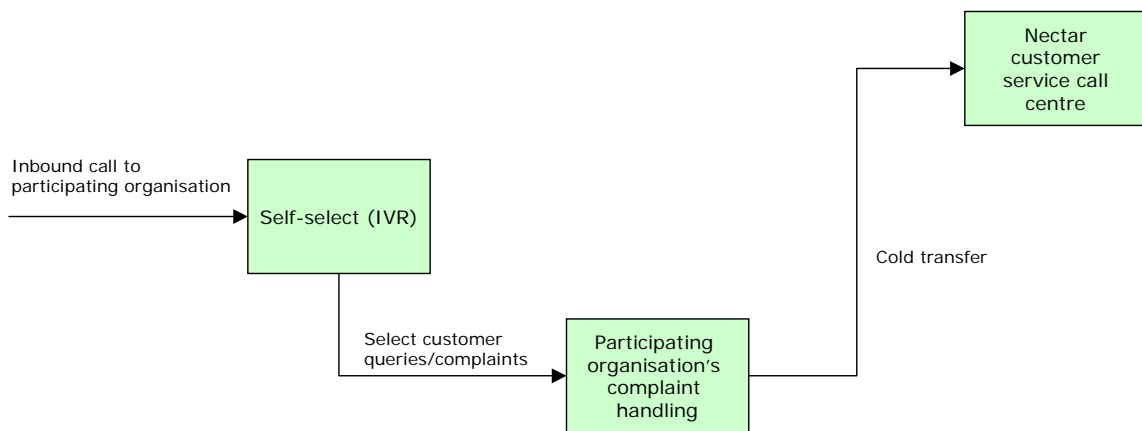
Nectar is a consortium of consumer organisations that have come together to provide a single loyalty card that allows the consumer to gather reward points when spending money with any of the participating organisations.

The main source of misdirected customer calls is when a customer calls one of the participating organisations directly (i.e. Sainsburys) to complain or ask a question about Nectar.

A rather more infrequent scenario is when a customer calls Nectar with a complaint or query that needs to be handled by one of the participating organisations.

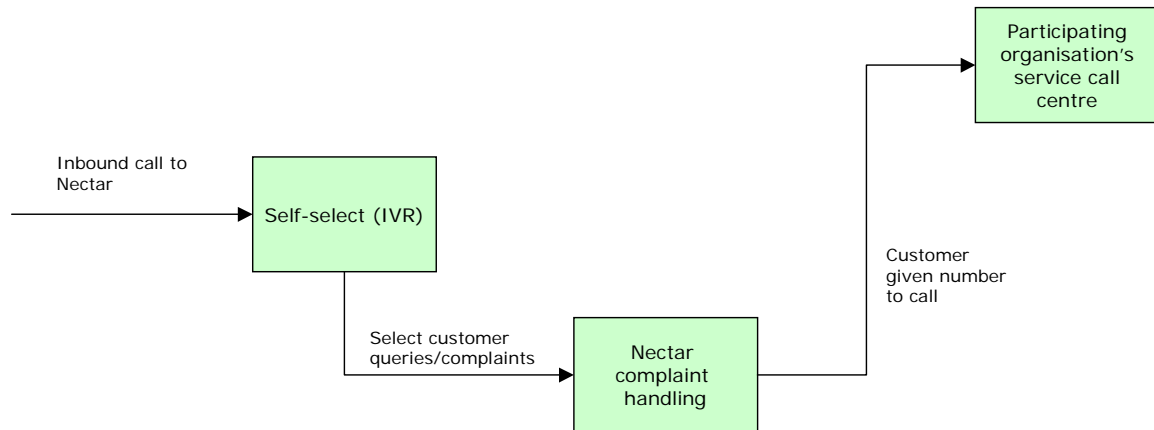
### 4.4.2 How misdirected customer service calls are handled

#### Nectar queries/complaints made to a participating organisation



In this scenario the caller mistakenly calls one of the participating organisations with a complaint that needs to be handled by Nectar. The call handler gathers enough information to ascertain that the complaint has to be transferred to Nectar and then simply provides a “cold” transfer into the queue for Nectar customer service.

## Calls to Nectar requiring transfer to a participating organisation



In this scenario the caller mistakenly calls Nectar with a complaint that needs to be handled by one of the participating organisations. The call handler gathers enough information to ascertain that the complaint has to be transferred to a specific participating organisation and then simply provides a phone number for customer service for the appropriate organisation.

### 4.4.3 Are any charges involved?

Operators do not recoup charges for handling misdirected calls.

## 4.5 Airline industry

### 4.5.1 Why misdirected customer service calls happen

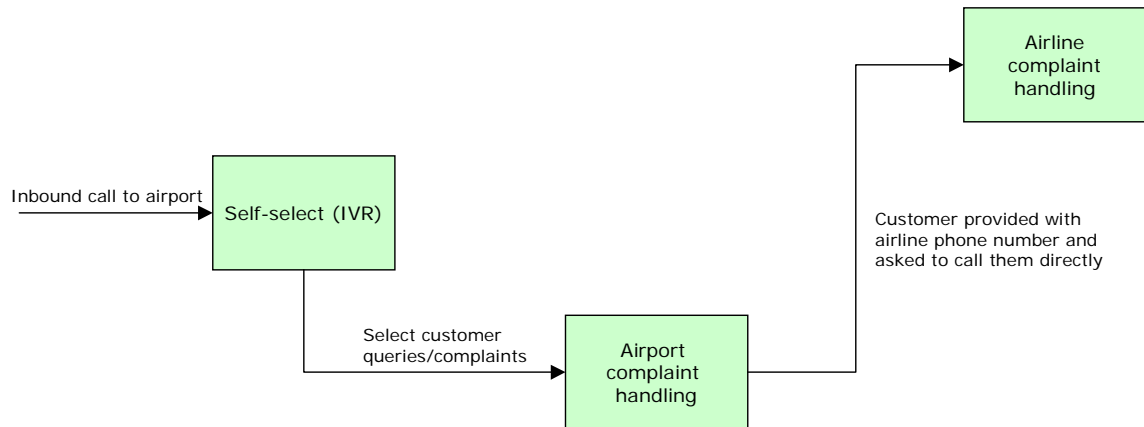
The delivery of air passenger services is highly complex and involves different organisations that provide different parts of the overall service, for example:

- Airlines who actually fly the routes
- Airports who are responsible for operations at the airports
- Tour operators and travel agents who sell air tickets and holidays

The main scenario for misdirected calls is when confusion arises between the responsibilities of an airport and an airline.

#### 4.5.2 How misdirected customer service calls are handled

**Customer complaints about a specific journey that are directed at an airport and need to be redirected to an airline**



In this scenario the caller mistakenly calls Heathrow airport with a complaint that needs to be handled by one of the airlines that uses the airport. The call handler gathers enough information to ascertain that the complaint has to be transferred to the airline and then simply provides a phone number for customer service for the appropriate airline.

#### 4.5.3 Are any charges involved?

Operators do not recoup charges for handling misdirected calls.

## 5 Research findings – experience in the postal industry

We researched two postal carriers – DX and the Royal Mail – through a combination of site visits, telephone interviews and review of documentation.

The research was designed to draw out the specific customer complaint/query handling challenges experienced in the postal industry and to understand how those challenges are currently managed.

### 5.1 DX

#### 5.1.1 Background

The DX customer service centre in Uxbridge handles queries and complaints across:

- Small accounts (non-strategic, for example, regionally based solicitors)
- Strategic accounts (e.g. Inland Revenue, Land Registry, Argos etc)
- Regular products (not tracked)
- Tracked products

There are 20 call handling staff separated into two teams, one handling strategic accounts and tracked products; the other, smaller accounts and regular products. These call handlers receive approximately 900 calls a week with average call lengths of about 2 to 2 ½ minutes.

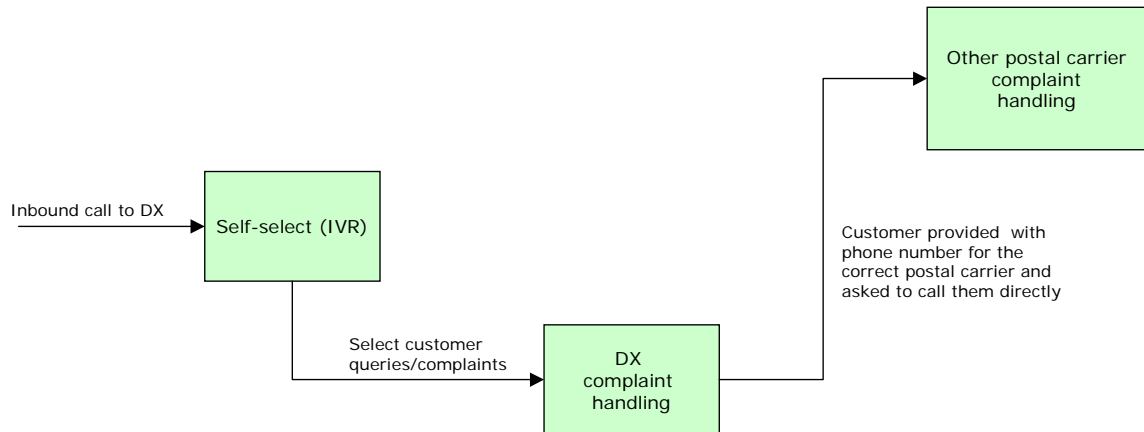
There is a service standard that requires the staff (wherever possible) to handle the cases themselves without passing it on to a 3<sup>rd</sup> party. In effect this means that in the vast majority of cases (99.9%) the person who takes the call will conduct any investigation required and report directly back to the customer. In this way, the majority of queries are resolved within 48 hours.

The most common queries regard missing items and these account for 35% of all calls.

Many more **senders** than **receivers** contact DX – often they have been contacted by people/organisations who should have received a mail item from them that has not arrived or has arrived damaged.

### 5.1.2 How misdirected customer service calls are handled

#### Misdirected customer complaints that need to be redirected to a different postal carrier



Misdirected customer service calls are very rare into the DX call centre. The whole ethos in DX is to provide a centralised end-to-end complaint/query handling service. The call handlers take ownership for the query and investigate it themselves without passing the call on to a 3<sup>rd</sup> party.

On the very rare occasion that there is a need to pass a query onto another organisation, the call handler will ascertain that this is required as early in the call as possible and provide contact details for the other organisation.

### 5.1.3 Reasons for selecting this approach

DX have a clear policy of handling customer queries at first point of contact. The adviser will interact with other parts of DX and other organisations (e.g. couriers) if required in order to undertake an investigation of a complaint. This centralised complaints handling service is clearly communicated to customers in order to minimise any possible confusion.

The result of this is that very few calls are transferred to other organisations and this means that investing in sophisticated call transfer processes does not make commercial sense.

## 5.2 Royal Mail Customer Support

### 5.2.1 Background

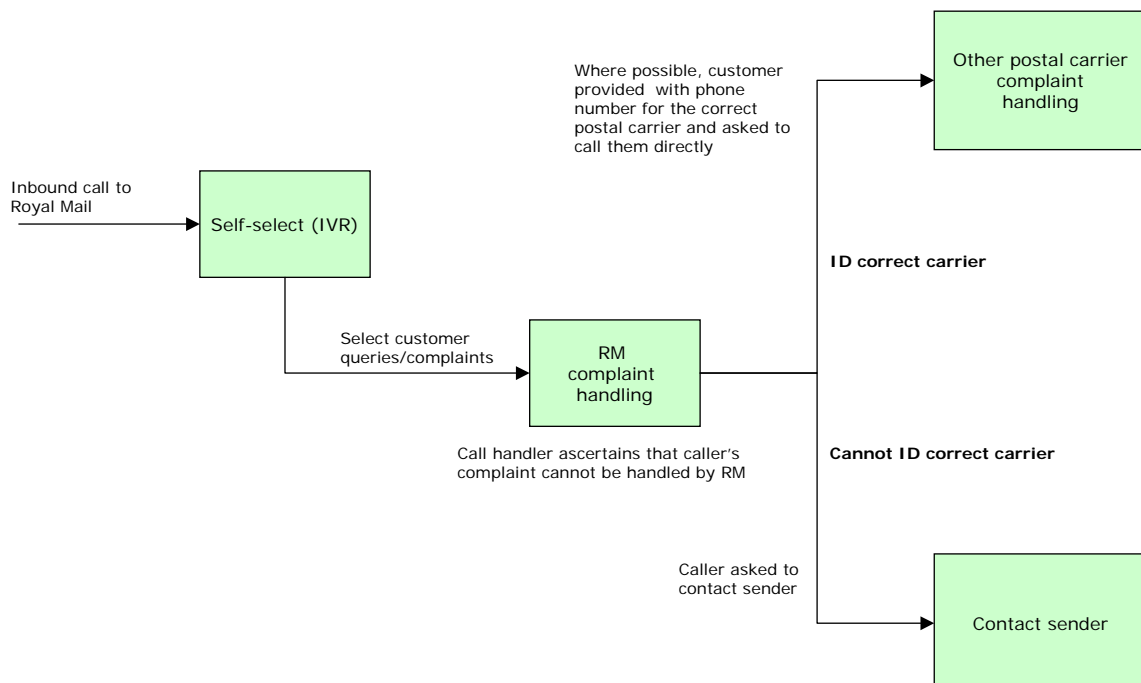
The Royal Mail has 15 Contact Centres with over 2,000 Advisors dealing with business and social customers. The total number of customer contacts is in the region of 5.5 million per annum with Royal Mail complaints accounting for 30% of this total.

This means that the Royal Mail receive 20,000 telephone calls on an average day although during “spikes” this can reach 40,000.

84% of all complaints are resolved first time – this means that the customer service adviser resolves the case and does not pass it on to another part of Royal Mail or another organisation.

To put Royal Mail’s customer service complaint volumes in context, Royal Mail receives one complaint per household every 18 years.

### 5.2.2 How misdirected customer service calls are handled



84% of all complaints are dealt with by the initial call handler who takes ownership for the query and investigates it themselves – only passing it on to a 3<sup>rd</sup> party as a last resort.

On the rare occasion that there is a need to pass a query onto a third party, the call handler will ascertain that this is required as early in the call as possible and either:

- provide contact details for the correct carrier if it is possible to identify them; and
- suggest that the caller contacts the sender if the carrier cannot be identified.

Appendix A includes an analysis undertaken by Royal Mail looking at possible processes for handling complaints affected by downstream access agreements.

### **5.2.3 Reasons for selecting this approach**

At present very few calls need to be passed on to another carrier so there is little need to have a more automated process than the one described above.

## **5.3 Industry standards**

Benchmarking against other competitive industry provides an inter-industry view of best practice in the area of handling misdirected customer calls. In addition to best practice benchmarking it is necessary to ensure that any proposed solution reflects industry standards defined at a UK or European level.

“BS EN 14012:2003 – Postal Services – Quality of service – Measurement of complaints and redress procedures” is the most relevant standard that we have been able to identify. Its purpose is to define a high level set of standards for postal service complaint handling covering time to respond, information capture requirements, classification of complaint types and redress procedures.

Our assumption for the purposes of this piece of work is that the standard defines what should happen once the complaint has been received by the appropriate carrier.

The appropriate wording in the standard is in Section 6.4.1 and is as follows:

*“In a market with several operators, the service provider will have to determine whether the complaint actually concerns the service provider or another operator in the market. In the latter case the communication shall not be classified as a complaint according to the definition used in the*

*European Standard and the complainant shall be informed of this and directed towards the appropriate operator.*

**NOTE:** *A complaint about a postal item does concern the service provider if the service provider or its agents play any part in the collection, acceptance, conveyance or delivery of the item"*

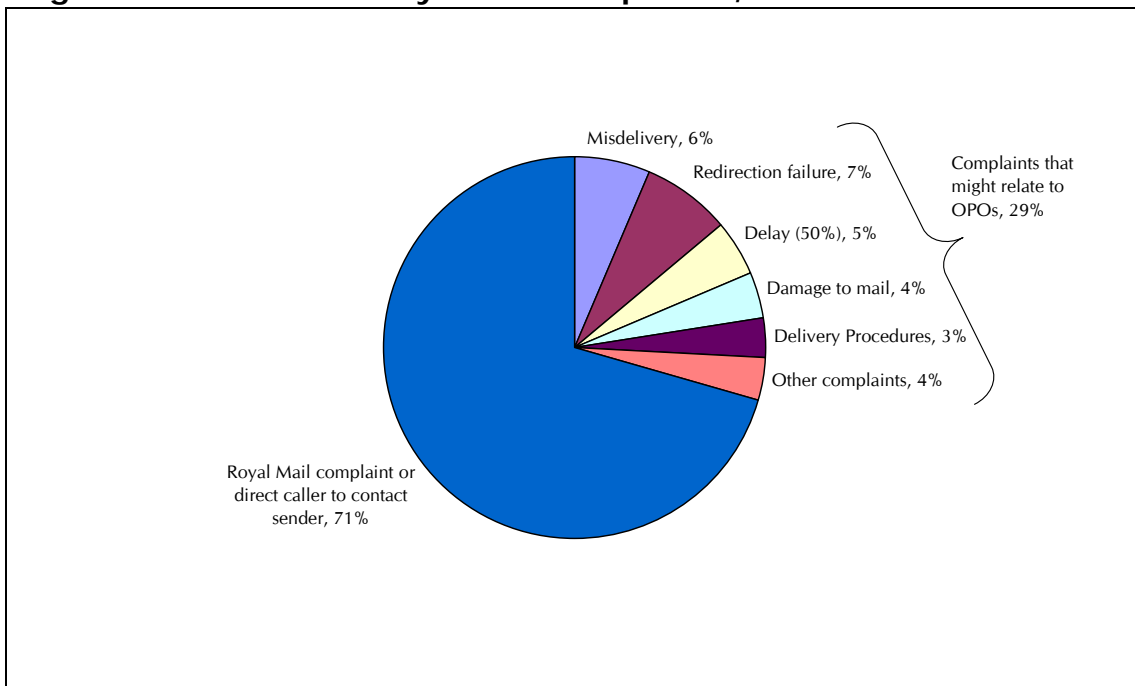
## 6 Proposed options

### 6.1 Context for the proposed options

A broad range of options for handling misdirected customer calls is provided below; each of the options is sufficiently generic to be applicable to all licensed postal operators. It is important to view these proposed options in the context of the likely volume of misdirected calls since the scale of the problem, in part, influences the optimal solution.

We have used the latest annual (2003-04) set of Royal Mail figures for complaint calls as a basis for estimating the likely volume of misdirected customer services calls.<sup>3</sup> In 2003-04 the total number of Royal Mail complaints was 1.647 million and the profile of Royal Mail complaints is presented in Figure 1.

**Figure 1 Profile of Royal Mail complaints, 2003-04**



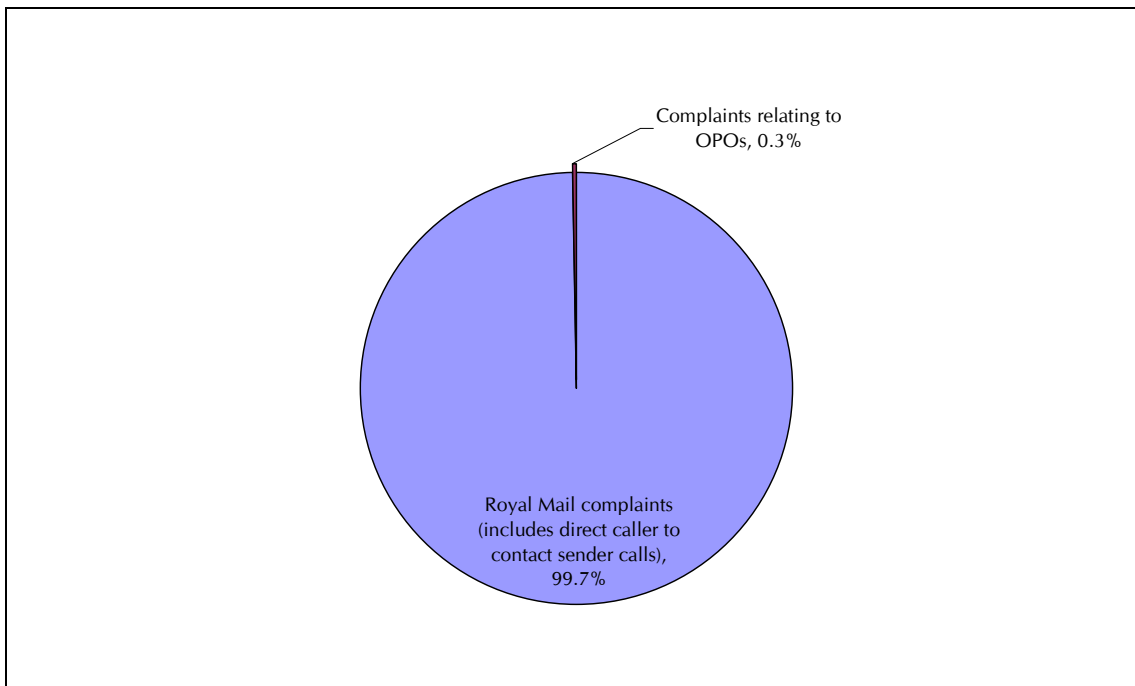
Based on Royal Mail's complaint categories we estimate that 485 thousand (or 29%) of these calls might relate to other licensed postal operators (e.g. they relate to activities where a recipient might contact the carrier in the first instance, for example redirection failure). The remaining 71% of complaint calls received by Royal Mail are either legitimate Royal Mail complaints or complaints where Royal Mail needs to direct the caller to contact the sender.

<sup>3</sup> Source: "Annual customer complaint numbers 2003-04" at [www.royalmailgroup.com](http://www.royalmailgroup.com)

In relation to the latter point, we appreciate Royal Mail currently receives a larger volume of calls that need to be redirected to the sender than other licensed operators and that some of these calls may relate to mail carried by other licensed operators. This result principally reflects the large market share held by Royal Mail in the postal market and it is not clear that the introduction of full market opening will necessarily increase the volume of such calls Royal Mail receives.

To estimate the proportion of the 485 thousand calls that might relate to other licensed operators we assume that the allocation of complaints between Royal Mail and other licensed operators is proportional to the volume of mail carried. This approach has considerable appeal as the number of complaints an operator receives is likely to be positively related to the volume of mail it carries. We appreciate some operators may provide a higher level of service than others leading to a lower complaint rate (i.e. number of complaints as a proportion of mail volumes carried). Conservatively assuming other licensed operators receive twice as many complaints as Royal Mail, Figure 2 provides an estimate of likely volume of misdirected customer services calls Royal Mail could expect to receive with full market opening.

**Figure 2 Estimate of misdirected calls received by Royal Mail, 2003-04**

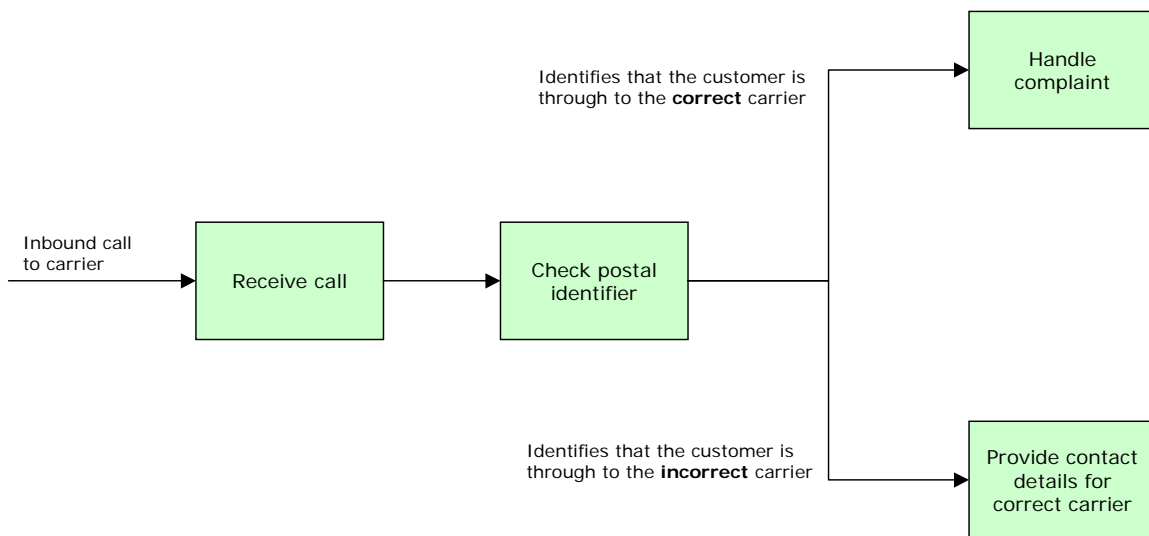


Under conservative assumptions Royal Mail could expect misdirected calls to comprise 0.3% of total complaints received. This equals 4,850 misdirected calls a year or about 19 calls a day. We appreciate the above analysis is an estimate of misdirected call volumes, however we believe it

provides useful context for the likely size of the problem as well as the optimal solution.

## 6.2 Option 1 – Provide carrier contact details

The mail receiver has a query or complaint about the delivery of a letter; contacts incorrect carrier. Carrier identifies early in call, through postal identifier check, that they are not the carrier who delivered the letter therefore this is a misdirected call. Carrier advises customer of the problem explains they cannot help and advises customer to contact the sender (or the correct operator if known). Call terminates.

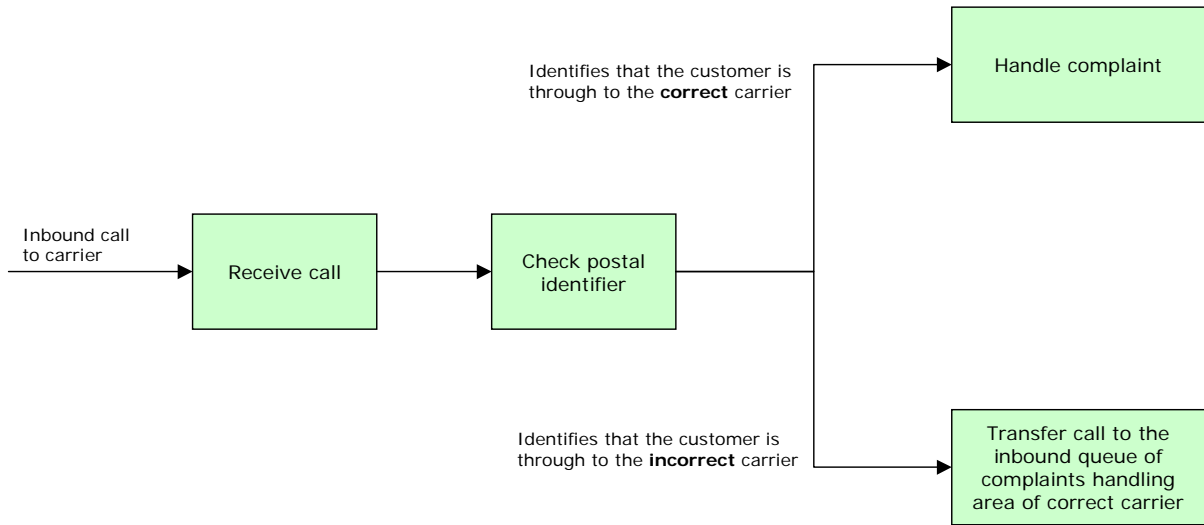


## 6.3 Options 2 and 3 – Direct transfer

A direct transfer is where a call is moved from one person to another without the caller having to hang up and redial. There are two primary ways that this can be achieved, as described below.

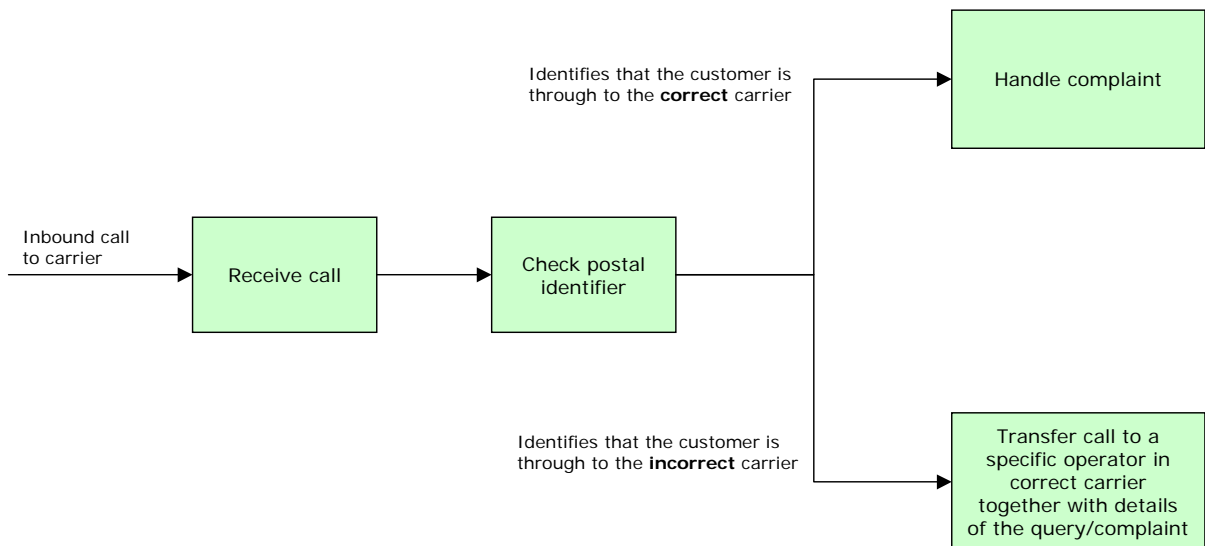
### 6.3.1 Option 2 - cold transfer

The mail receiver has a query or complaint about the delivery of a letter; contacts incorrect carrier. Carrier identifies early in call, through postal identifier check, that they are not the carrier who delivered the letter therefore this is a misdirected call. Carrier advises caller of the problem and transfers the call to the inbound queue of the complaints/query handling service of the correct carrier.



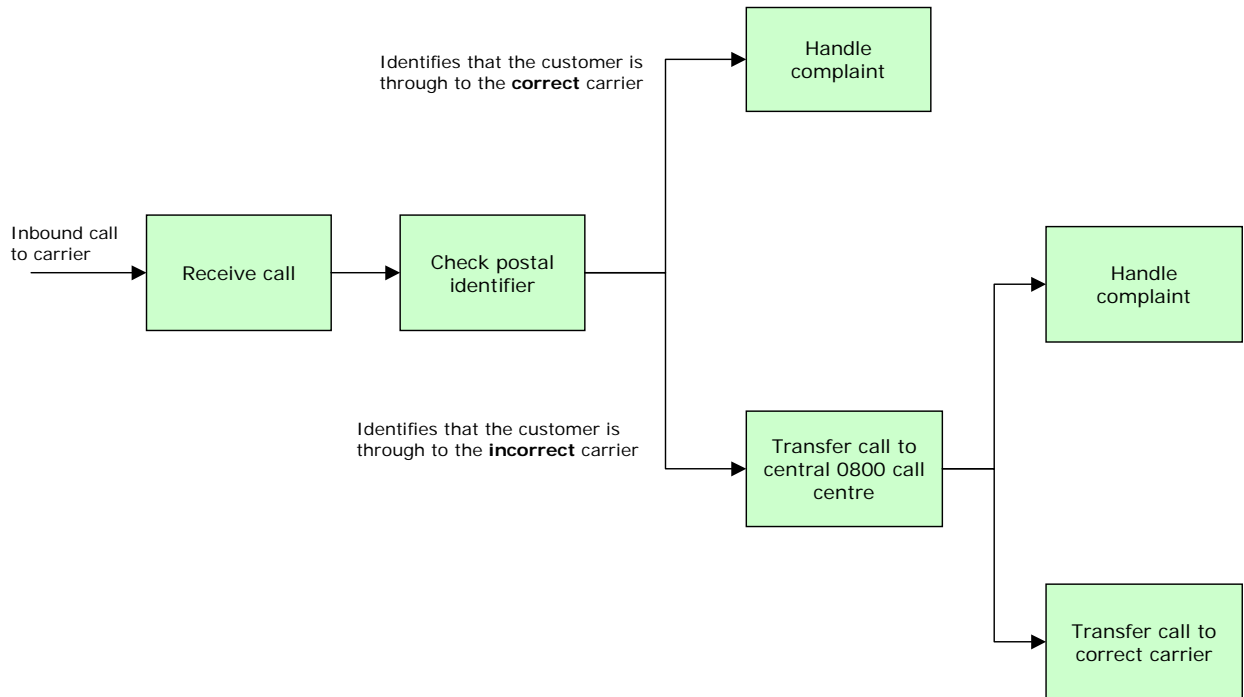
### 6.3.2 Option 3 – warm transfer

The mail receiver has a query or complaint about the delivery of a letter; contacts incorrect carrier. Carrier identifies early in call, through postal identifier check, that they are not the carrier who delivered the letter therefore this is a misdirected call. Carrier advises caller of the problem and transfers the call to a specific individual in the correct carrier avoiding any call queuing. The original carrier also forwards all the details of the complaint/query received so that the correct carrier does not have to ask the same questions again.



## 6.4 Option 4 – Central call centre

The mail receiver has a query or complaint about the delivery of a letter; contacts incorrect carrier. Carrier identifies early in call, through postal identifier check, that they are not the carrier who delivered the letter therefore this is a misdirected call. Carrier advises caller of the problem and provides a single central 0800 number to dial. 0800 number leads to a call centre contract service that takes ownership for the complaint and handles it to resolution.



## 7 Analysis of proposed options

Option	Fit for purpose from a customer perspective	Likely acceptability to carriers	Ease of monitoring and measurement	Flexibility to adapt to a rapidly changing industry
<p><b>Option 1 – Provide carrier contact details</b></p>	<p>Providing a contact telephone number for the correct carrier will match many customers' expectations.</p> <p>As can be seen from the industry analysis provided in Section 3, customers are used to being asked to redial as long as they do not feel that they are being asked to redial a different part of the same company.</p> <p>It goes without saying that it has to be possible to identify the correct carrier <b>as early as possible in the call</b> and the contact details for that carrier must be 100% correct.</p>	<p>This is a relatively straightforward and low cost option for future carriers.</p> <p>It will require some changes to the scripting for call handlers and there will be the need to ensure that contact details for the other carriers are available and kept up to date.</p> <p>However, there should be little need for anything apart from very minor changes to IT systems since there will be no requirement to capture and store information for customers of other carriers.</p> <p>This should make this option highly acceptable to future carriers</p>	<p>One of the risks with this option is that a busy call handler may be brusque and impatient when they discover that the complaint is not their concern – they may hand over the contact details and terminate the call without due sensitivity to the callers problem.</p> <p>This will be difficult to monitor and measure externally since there will be little or no information capture at the point of the call.</p> <p>However, with normal, good practice call centre management a cross-section of calls will be regularly monitored and this should include those calls that are handed off to other carriers.</p> <p>This risk is also reduced bearing in mind that the Royal Mail will be the recipients of most complaints for the foreseeable future.</p>	<p>This is a highly flexible option – as new carriers are licensed it will be very straightforward to ensure that their contact details are available to all the other carriers.</p> <p>Similarly, a new carrier will find it easy to get up to speed in terms of handling misdirected customer calls since there will be little or no investment in IT and small changes to call scripting.</p>

Option	Fit for purpose from a customer perspective	Likely acceptability to carriers	Ease of monitoring and measurement	Flexibility to adapt to a rapidly changing industry
<p><b>Option 2 – Cold transfer</b></p>	<p>A cold transfer saves the customer the bother of calling up the correct carrier since their call will be forwarded directly into the inbound queue.</p> <p>Depending upon how the call is charged it may also save the customer the cost of making an additional call.</p> <p>A problem arises with this option when the customer call is transferred into a long queue, or the call gets lost somewhere along the line. In this case the caller may end up having to call the original carrier to restart the process.</p> <p>For this reason, we would recommend that the scripting require the call handler to provide the contact details of the correct carrier before transferring the call.</p> <p>So long as the correct carrier has <b>been identified early in the call</b>, this approach to handling misdirected calls would be acceptable to most customers.</p>	<p>This is also a relatively straightforward and low cost option for future carriers.</p> <p>It will require some changes to the scripting for call handlers and a call forwarding capability will be needed into the customer service numbers of the other carriers.</p> <p>There will obviously be the need to ensure that contact details for the other carriers are available and kept up to date.</p> <p>However, there should be little need for anything apart from very minor changes to IT systems since there will be no requirement to capture and store information for customers of other carriers.</p> <p>Likely cost to implement this solution is less than £10k and the ongoing call costs are likely to be minimal due to</p>	<p>One of the risks with this option is that a busy call handler may be brusque and impatient when they discover that the complaint is not their concern – they may transfer the call without due sensitivity to the callers problem.</p> <p>It will be possible to measure the quantity of transferred calls but, again, it will be difficult for external parties to measure the quality of those calls.</p> <p>However, with normal, good practice call centre management a cross-section of calls will be regularly monitored and this should include those calls that are handed off to other carriers</p>	<p>This is a fairly flexible option – as new carriers are licensed it will be reasonably straightforward to ensure that other carriers have the capability to transfer to and receive calls from that new carrier.</p> <p>The new carrier will only have to make a minimal investment in developing modified scripts, training and basic call transfer technology.</p>

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		<p>the low volume of misdirected calls. This would depend upon the charging arrangements and use of 0845 or 0800 numbers.</p> <p>This should make this option very acceptable to future carriers.</p>		
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Option	Fit for purpose from a customer perspective	Likely acceptability to carriers	Ease of monitoring and measurement	Flexibility to adapt to a rapidly changing industry
<p><b>Option 3 - Warm transfer</b></p>	<p>A warm transfer represents excellent practice when transferring customer service calls from one call handler to another (irrespective of whether they work for the same organisation or not)</p> <p>The customer is taken through a relatively seamless process that has fewer delays and is more “personal”. It should also mean that the customer never has to provide the same information twice.</p>	<p>This is likely to be perfectly acceptable and normal for a large operator like the Royal Mail.</p> <p>However, it is unlikely that a much smaller regional carrier will be ready to make the investment in setting up warm transfers with other carriers particularly if the volume of calls transferred is likely to be small.</p> <p>The challenge is that warm transfers require an operational investment (telephony, staff, IT) from both the sending and receiving organisation in order to work.</p>	<p>The whole process of complaint/query handling becomes more transparent when warm transfers are used.</p> <p>It is easier to get a accurate measure of the total time it takes to handle complaints/queries because there are no “black holes” for the customer to fall into (caused by a fractured hand over between the two carriers)</p> <p>It is also easier to take a customer view of the complaint handling process rather than the views of two separate organisations.</p>	<p>This is a less flexible option as there will be a bigger investment required from new carriers and a greater time-lag associated with setting up telephony, IT and new operational procedures.</p>

Option	<b>Fit for purpose from a customer perspective</b>	<b>Likely acceptability to carriers</b>	<b>Ease of monitoring and measurement</b>	<b>Flexibility to adapt to a rapidly changing industry</b>
<b>Option 4 – Central call centre</b>	<p>Because the caller is not dialling straight into a central call centre this is not a very customer friendly option in the early days.</p> <p>In effect, there are more steps in the process for the customer because they have to redial a central call centre that might or might not be able to deal with their query.</p> <p>If the central call centre cannot deal with the query then the caller will have had contact with 3 separate organisations to deal with one query.</p>	<p>This would be a relatively straightforward and low cost option for future carriers on the assumption that they are not asked to subsidise the central call centre. They would simply provide the 0800 number for any query or complaint that needs to be directed at another carrier</p> <p>They will also need to be able to receive calls transferred from the central call centre – assuming that this is a cold transfer into their normal queuing system it will require little or no investment in telephony.</p> <p>If, however, the central call centre is to be funded in some way by the carriers, they are likely to be much more questioning about the cost effectiveness of this approach.</p>	<p>It might be assumed that a central call centre would be easier to monitor and measure.</p> <p>However, there are potentially too many separate touch points for a given query or complaint making it difficult to understand which parts of the process might be under-performing.</p>	<p>This is a highly flexible option once the investment has been made in a central call centre.</p> <p>As new carriers are licensed they will simply be provided with an 0800 number to provide to customers who make misdirected calls.</p> <p>New carriers will also need to be able to receive calls transferred from the central call centre – assuming that this is a cold transfer into their normal queuing system this will be straightforward to set up and will require little or no investment in telephony</p> <p>Similarly, a new carrier will find it easy to get up to speed in terms of handling misdirected customer calls since there will be little or no investment in IT and small changes to call scripting</p>

## 8 Recommended option

Our research suggests two major licensed postal operators are currently handling misdirected customer service calls in a way consistent with customer expectations, other competitive industries, UK and European regulations, and the volume of misdirected calls. However, Postcomm's concern (and the experience in many other industries) is that the volume of misdirected calls is likely to increase in moving to full competition.

Our recommended approach for dealing with misdirected calls is guided by best practice in similar industries and is consistent with relevant UK and European industry standards and the likely scale of the problem. In relation to the latter point, we estimate Royal Mail may receive around 4,850 calls a year (about 19 a day) relating to other licensed operators.<sup>4</sup> We anticipate other licensed operators will receive smaller volumes of misdirected calls.

This level of misdirected calls lends itself to an approach that is simple, transparent and does not impose unnecessary costs on the postal industry. Taking all these factors into account we propose the following procedures for handling misdirected calls:

- the call handler agrees to establish as early as possible during the call whether the complaint concerns another licensed postal operator; and
- if it becomes apparent that the complaint concerns another licensed postal operator then the caller is provided with a telephone number for the correctly identified licensed postal operator.

This recommendation should not preclude licensed postal operator offering higher levels of customer service for handling misdirected calls. For example, licensed postal operator could agree, on a bilateral or multi-lateral basis, to develop a call transfer system (cold or warm) or a call centre.

Should the scale of misdirected call volumes increase substantially over time, we recommend a more cohesive solution to the problem (e.g. a central call centre) may provide a more effective and efficient solution.

To make our recommendation 'work in practice', we propose:

- Licensed postal operators be required to provide Postcomm with up-to-date telephone numbers, which should be posted on the Postcomm website and potentially the Postwatch website.
- Postcomm should be required to provide licensed postal operators with any updates to telephone numbers.

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<sup>4</sup> The assumptions underlying this estimate are outlined in Chapter 6.

- Licensed postal operators should be required to provide callers with updated telephone numbers; and
- Handling misdirected customer services calls should be done reciprocally and without charge, subject to reasonable control. This is consistent with the handling of misdirected calls in other competitive industries and the likely small volume of these calls.

## 9 Implementation of recommended option

The implementation of the recommended option is relatively straightforward and low risk and will not impose significant costs on current or potential licensed postal operators. In our experience, a major source of implementation cost is associated with changes to IT systems. Based on discussions with Royal Mail, the recommended option should not involve any significant changes to their CRM system and we expect that to also be the case for other licensed operators.

The recommended option can also be implemented in a relatively short space of time and has the flexibility required if the volume of misdirected customer calls is significantly higher than expected.

The most significant implementation task will be to ensure that all operators are absolutely clear about their requirements for handling misdirected calls. Any ambiguity in the way that these requirements are communicated could lead to misunderstanding and inconsistencies.

## A. Royal Mail – possible processes for handling DSA claims

The following is an analysis undertaken by Royal Mail looking at possible processes for handling complaints affected by downstream access agreements.

### **Loss from the addressee**

With lost items we cannot identify service used so the basic premise is that we refer all customers back to the sender where the sender is a business.

### **Loss complaint from the posting customer**

Questioning will be necessary to determine if RM is the service provider. For some large businesses the person making the complaint may not know which service was used.

If we can determine that it was a DSA item we will refer the customer to the service provider otherwise we will handle as the current processes.

### **Loss complaint from the service provider**

At present we do not have a formal way of dealing with these claims and a couple of key questions need to be answered before customer services are in a ready state. How we handle the claims will be determined by what information we need to record, whether we manually or electronically process the claims and what deal has been done in terms of accountability for the complaint/claim and what level of costs and recompense is apportioned to each party involved.

The preferred method would be to deal as one case and only record 1 incident in Siebel. If we need to record each individual claim then the most efficient option would be to receive the claims in an electronic file and process electronically through BMAC. In each case a robust method of calculating recompense is essential.

### **Damage/Delay from the posting customer**

The customer will not have the indicia and questioning will be needed to determine if RM is the service provider. For some large businesses the person making the complaint may not know which service was used.

If we can determine that it was a DSA item we will refer the customer to the service provider otherwise we will handle as the current processes.

### **Damage/Delay from the addressee – Option 1**

With this option, although we may be able to identify the service provider, we follow the same process as for loss and refer customers back to the sender where the sender is a business.

This will give a consistent approach for advisors when handling calls and will ultimately channel all business customer complaints into dedicated teams. It also has the potential to give the greater cost benefit to RM of the 2 options.

The negative impact is that we could be refusing to handle claims at the first point of contact where it is plain that RM was the carrier.

### **Damage/Delay from the addressee – Option 2**

This follows the process originally devised whereby the advisor questions the customer to determine the carrier based on the indicia. If we determine that it is a DSA item we refer the customer to the sender. If the carrier was RM then we handle the complaint according to the current processes. This will have a greater impact on costs than option 1 but is likely to be the preferred option for our customers.

### **Damage/Delay from the service provider**

The issues here are the same as for loss claims from the service provider. However we cannot handle the claims electronically. The preferred method is to handle as 1 case.