

Resolver consultation response

Reforming competition and consumer policy

Introduction

Resolver is pleased to have the opportunity to contribute to the Department for Business, Energy and Industrial Strategy's consultation on *Reforming Competition and Consumer Policy*.

Resolver is the UK's biggest free complaints website. Over the last decade, we have helped 3.8 million people raise over 6.7 million complaints using the Resolver tool about everything from parking tickets to pet insurance. People using our website can make complaints, seek help or ask questions about over 200 products and sectors.

Resolver works by acting as an impartial conduit between businesses and their customers. By helping the people who use our website make clear, focused complaints, businesses can understand exactly what they need to do to resolve the matter quickly and effectively – and learn more about the key factors and topical issues that might be driving complaints.

People using Resolver are also able to 'escalate' their complaints to Ombudsmen, Alternative Dispute Resolution (ADR) schemes and mediation services. This gives us a unique insight into how individual businesses and sectors are handling the complaints they receive.

Resolver also develops B2B bespoke and SaaS software products, including an Online Dispute Resolution (ODR) product for the ADR, Legal and Courts and Tribunals markets.

Reforming Competition and Consumer Policy

The Government's proposals in the Reforming Competition and Consumer Policy consultation are wide-ranging and ambitious. The potential impact on businesses, organisations and consumers is significant and covers much ground. As such, we are limiting our comments to the areas where we can provide our own insight and data to support the need for meaningful change that benefits all parties.

Resolver's extensive database of consumer complaints allows us to focus on many of the specific issues mentioned in the consultation (subscriptions, review websites and more). We would be happy to work with the Department for Business Energy and Industrial Strategy to provide further insight into the specific subjects in the consultation and other emerging issues. We can provide further insight into some of the complexities that have arisen with consumer-focused law in recent years and how our rapidly changing society can render existing legislation relatively obsolete or out of date.

Resolver fully supports the proposed new powers for the Competition and Markets Authority (CMA). The CMA provided an invaluable service over the pandemic by making clear its interpretation of existing consumer law and how it expected these laws to be applied. In the first year of the pandemic (April 2020 to March 2021) just under 900,000 people contacted Resolver seeking help with a problem – and [the guidance of the CMA](#) went some way towards ending the impasse between consumer and business. Sadly, the fact that some businesses choose to ignore this advice until legal action was threatened only serves to reinforce why the expansion of the CMA's powers is vital.

The Resolver consultation response will focus on:

- Dispute Resolution
- Consumer Rights

The importance of consistency in Alternative Dispute Resolution and Ombudsman Schemes

In 2017, MoneySavingExpert released [a report on ombudsmen and dispute resolution services](#), commissioned by the All-Party Parliamentary Group on Consumer Protection:

The report concluded:

This report shows that the Alternative Dispute Resolution (ADR) landscape that ombudsmen exist within is a complex maze, full of inconsistencies. Ombudsmen are not equal. Despite sharing a name, ombudsmen have different powers, and vary widely in effectiveness.

Resolver works with the majority of the principal ombudsman services and ADR schemes. Our role is to ensure that the four million registered users of our website are able to escalate their case to a free (where possible) service for a fair and impartial hearing if the matter is not resolved by the business to their satisfaction.

However, it's clear from the comments provided by the people using Resolver that a bad experience with one dispute resolution service can have a negative impact on how people view *all* dispute resolution services. Much of the feedback we receive about escalated complaints is focused on the fractured and inconsistent variations in dispute resolution schemes, the power each scheme has to enforce its decisions,

allegations of firm bias and legitimate questions as to why some sectors have managed to avoid regulation or effective dispute resolution.

Why do some sectors/products have ombudsmen and ADR schemes, and others don't?

Resolver publishes statistics about complaint volumes twice a year. In [our most recent published data](#) (April 2021) we released statistical data and insight about the 88 most complained about products or sectors.

In [appendix 1](#) [*Resolver Annual Statistics 2020 to 2021, plus Ombudsman or ADR schemes*] features those statistics but also looks at what dispute resolution schemes (if any) are available.

The spreadsheet divides these products / sectors into:

- Green – an ombudsman service or Government mandated scheme exists
- Yellow – an Alternative Dispute Resolution scheme exists with limited powers of enforcement or multiple options are available for businesses to choose.
- Red – no scheme exists, or an optional membership or mediation scheme may be available

Of the 88 products and sectors featuring in our last complaints data:

- 33 did not have an Ombudsman or ADR scheme at all or were members of a trade body that had few powers or was considered to be business focused.
- 14 were members of ADR schemes which could not generally compel a business to pay compensation or allowed the firm to choose from a range of ADR providers, raising questions about impartiality.
- 41 Ombudsmen or Government affiliated complaint schemes were in place, though within those schemes are considerable variations in powers and compensation limits.

So an ombudsman was available in less than half (47%) of all sectors, and in four in ten sectors (38%) there was no ADR scheme at all – including the top four most complained about areas; online shopping, delivery services, in-store shopping and travel agents.

As the MSE report concluded, there is considerable variance already between the schemes in the green, yellow and red categories. We can only concur with the conclusions MSE drew in its original report and subsequent call to reduce the time limits for escalating complaints (to a proposed four-week limit). It's clear from

feedback that people want a 'one size fits all' approach to complaint mediation and resolution with the same 'template' applying across all sectors – and with fair and impartial ombudsman or ADR schemes with the power to enforce their decisions.

It is our belief that any fee to access an ADR scheme would act as a detriment to taking a complaint further. The whole purpose of setting up ADR and Ombudsman schemes is to ensure that everyone has equal access to justice. Even a relatively minor fee could prevent vulnerable people or those struggling financially from taking things further.

These schemes must also be simple and accessible. People should not have a greater chance of succeeding because they are more articulate, better at constructing arguments, or better informed about applicable laws.

In response to this consultation, we would like to see a requirement for *all sectors* to be signed up to a single model ADR/Ombudsman service per sector, free to all and with the power to compel businesses to pay compensation where appropriate. We believe that the existence of such schemes actually increases consumer confidence in businesses and organisations, leading to greater contributions to the overall UK economy.

Consumer rights and law enforcement - how businesses and organisations handle complaints

The *Reforming Competition and Consumer Policy* consultation features a number of questions on consumer rights, enforcement and protection. To address these questions, we have compiled a report on how businesses and other organisations are currently performing when they handle complaints. The data can be found in [appendix 2](#).

Resolver's complaints data encompasses over 6.7 million individual cases made by nearly 4 million individuals over the last ten years. As a consequence, we are able to map considerable detail with reference to how business sectors are performing with the complaints they receive. We can also identify emerging trends and issues, often in 'real time'. We have developed machine learning algorithms to help us track people classified with different situational vulnerabilities, alongside what issues they seek help with and their experiences.

For this consultation, we have compiled complaints data on how businesses and other organisations are handling complaints in five areas:

- The percentage of complaints resolved by sector
- Customer satisfaction
- Average compensation
- Escalation to Ombudsman / ADR scheme
- Topics per complaint

What the data in Appendix 2 shows

Throughout the complaints process we ask the people using Resolver's service how their complaint is going. After the firm has been given either the appropriate regulatory period of time to investigate a complaint (or if there isn't one, eight weeks), we ask them what's happened and if they want to escalate the case to an ombudsman or alternative dispute resolution scheme (ADR).

Resolution rate by sector

The data present the percentage of cases where people told us their complaint has been resolved within the regulatory timeframe given before escalation to an ombudsman or dispute resolution scheme can take place.

However, just because a case is 'resolved' doesn't mean that the person is happy with the response. For example, though 77% of energy users told us their complaint was resolved, considerable numbers were unhappy with the response – particularly with customer service and compensation levels.

Satisfaction with customer service

Resolver uses a range of 'CSAT' measures for customer satisfaction to assess how businesses are handling complaints. We believe this is a fairer and more accurate measure than complaint volumes. One unusual nuance with complaint levels across all sectors is an active trend to discourage people from registering a complaint (arguably manipulating regulatory reportable statistics). This means that conversely, businesses with higher complaint volumes might be performing better where they are encouraging their customers to get in touch.

Complaint avoidance techniques are often found tangentially in our complaints data. For example, in references to complaints not being logged, 'resolved' on the phone or written responses being declined by the business.

Average compensation per case

Compensation is an unreliable measure for customer satisfaction, as more often than not it reflects the money people have lost than compensation for 'goodwill' to reflect poor service. Nevertheless, it's an interesting measure of the money at stake in many cases.

It is perhaps unsurprising that the more money that has been lost, the harder people are willing to fight. Though again, it's worth noting that where there is little to know recourse to ADR or Ombudsman schemes there is less data on many complaints because people are more likely to abandon their complaint.

Escalation rate to an ADR or ombudsman scheme

Having a free and impartial service to turn to when things go wrong is vital for confidence in any sector. Yet, in less than half (47%) of all sectors was an ombudsman service available, and in four in ten sectors (38%) there was no ADR scheme at all – including the top four most complained about areas.

Escalation rates are the percentage of cases where a person has told us they are going to 'take it further' be it through an ombudsman / ADR or through other measures. The bottom two sectors have, in effect, no empowered ADR scheme for people to go to.

As a very rough measure of performance, an escalation rate of 5% is considered to be the maximum a sector should experience. PPI, the biggest mis-selling driver of complaints of all time, had an escalation rate of 10%

Topics per complaint

People tend not to complain about just one thing – and many people tell us they have 'multiple issues' with businesses. We ask our users to select one issue that most represents their complaint. But from detailed overviews of each complaint, we're able to isolate separate issues in many cases.

This dataset shows the average number of complaints within each case. This matters because the more issues there are, the less happy people tend to be with the resolution of their dispute. Our data clearly establishes that single issue complaints are resolved more effectively than 'multiple complaints' in one.

Conclusions

Measuring satisfaction with the way a business or organisation resolves complaints is a much more effective measure of how they are performing than complaint volume. There is considerable anecdotal evidence that where sectors are required to report complaint volumes, there is an incentive to discourage complaints or resolve them in an initial phone call. This has led to a phenomenon of 'boomerang complaints' – where people believe their complaint has been resolved but are forced to contact the business again when it becomes apparent that the matter has not been sorted out fully or as promised.

We believe that all businesses should be required to log all complaints – but be measured on how quickly and effectively they resolve them rather than by sheer volume of cases.

There are also a number of organisations – notably the big 'disruptor companies' who sit just outside regulatory control in their individual sectors who control all complaints through their own in-house portals and release little to no information about what happens to those complaints. There is little doubt that these businesses – who make it hard to contact an employee by either phone or email – are the source of a great deal of consumer frustration.

Finally, it's clear that a significant number of businesses are making it harder for people to contact them. In the last two years, we have seen considerable numbers of businesses remove the option to email a complaint, leaving people in the extraordinary position where they must write and post a letter if they are unhappy with how they have been treated. Huge numbers of the complaints Resolver helps sort out reference problems finding telephone numbers for businesses, not being able to contact a human being or dissatisfaction with chatbots and one-way 'live chat' systems. Other issues include the rise of 'online forms' which ostensibly allow people to make a complaint – with significant limitations. Online forms often have character counts or don't allow attachments and many do not allow you to respond to the business when it gives its decision.

Technology has an important role to play in helping resolve disputes or problems effectively and efficiently. Yet we would caution its use as a means of triaging and responding to customer complaints. It cannot currently replace human interaction

when things go wrong – and there is virtually no desire for it to do so among the people using Resolver.

While many businesses are going out of their way to provide support and excellent customer service during a particularly challenging period for people in the UK worldwide, it's virtually impossible for consumers to know who performs the best because of the opaque way complaints are registered, rated and handled both within and across sectors. That's why we believe customer service, ease of contact and creative and impartial complaint resolution are the key measures for defining and comparing businesses and organisations in the coming years.



Resolver Group Limited

<https://www.resolver.co.uk/>

Appendix 1: Resolver Annual Statistics 2020-21, plus ombudsman or ADR schemes

Product or sector	Ombudsman or ADR scheme?	Name of scheme	Apr 2020 to Mar 2021
Online Shopping	None	There is a Retail ADR scheme but it covers very few retailers and reports are not good.	267,141
Delivery Services	None	n/a	91,906
In-store Shopping	None	There is a Retail ADR scheme but it covers very few retailers and reports are not good.	65,501
Travel Agents	Trade / mediation schemes	ABTA (members only, mostly packaged travel providers)	62,252
Loans or Finance	Ombudsman	Financial Ombudsman	56,205
Banking	Ombudsman	Financial Ombudsman	40,417
Flights	ADR	Various	30,172
Takeaway	None	n/a	26,506
Energy Providers	Ombudsman	Energy Ombudsman	21,479
Broadband	Ombudsmen (two)	Communications Ombudsman / Communications and Internet Adjudication Scheme (CISAS)	18,214
Other Services and Products	n/a	n/a	17,790
Poor Quality Products	None	There is a Retail ADR scheme but it covers very few retailers and reports are not good.	17,203
Gift Cards and Vouchers	None	n/a	13,446
Gambling	ADR	Independent Betting Adjudication Service (IBAS)	12,389
Credit and Prepaid Cards	Ombudsman	Financial Ombudsman	11,487
Mobile Phone Contracts	Ombudsman (two)	Communications Ombudsman / Communications and Internet Adjudication Scheme (CISAS)	8,879
Restaurants and Dining	None	n/a	8,676
Vehicles	Ombudsman (optional - 7,500 businesses signed up)	The Motor Ombudsman	7,803
Tour Operators	Trade / mediation schemes	ABTA (members only, mostly packaged travel providers)	6,649
DVLA	Ombudsman (as second stage of complaints process)	Parliamentary and Health Service Ombudsman	6,029
Hotels	None	n/a	5,989
E-Payments or Payment Services	Ombudsman	Financial Ombudsman	5,550
Online Dating	None	n/a	5,484
Video Streaming	None	n/a	4,768
Local Council Services	Ombudsman	Local Government and Social Care Ombudsman	4,711
Private Parking Tickets	ADR	Parking on Private Lands Appeals (POPLA)	4,410
Mobile Phone - Pay-as-you-go	Ombudsmen (two)	Communications Ombudsman / Communications and Internet Adjudication Scheme (CISAS)	4,172
Vehicle Insurance	Ombudsman	Financial Ombudsman	4,138
TV Packages	None	n/a	3,301
Social and Private Housing	ADR/Ombudsman (private landlords are opt in only)	Housing Ombudsman	3,185

Gyms and Health Clubs	None	n/a	2,953
Loyalty Cards	None	There is a Retail ADR scheme but it covers very few retailers and reports are not good.	2,847
Buildings and Contents Insurance	Ombudsman	Financial Ombudsman	2,546
Ticket Sales	None	There is a member's scheme that can mediate	2,529
Buses and Coaches	ADR	Bus Users	2,521
Car Rental	ADR	BVRLA (UK only)	2,432
Landline	Ombudsmen (two)	Communications Ombudsman / Communications and Internet Adjudication Scheme (CISAS)	2,420
Package Delivery Insurance	None	It's not actually insurance	2,147
Warranty	Ombudsman	Financial Ombudsman	1,934
Bailiffs and Debt Collectors	None	Scheme proposed / other options available through creditor	1,890
Ferries	Trade / mediation schemes	ABTA (members only)	1,885
Petrol Stations	None	There is a Retail ADR scheme but it covers very few retailers and reports are not good.	1,805
Trains	Ombudsman	Rail Ombudsman	1,642
Environmental Health	Ombudsman	Local Government and Social Care Ombudsman	1,556
NHS	Ombudsman	Parliamentary and Health Service Ombudsman (only after a lengthy complaints process through hospital trusts).	1,492
Holiday Parks	None	n/a	1,318
Mortgages	Ombudsman	Financial Ombudsman	1,115
Holiday Lettings	None	n/a	1,062
Travel Insurance	Ombudsman	Financial Ombudsman	1,024
Passport and Immigration	Ombudsman	Parliamentary and Health Service Ombudsman	764
Housebuilders	Trade / mediation schemes	National House Building Council	757
Credit Rating	None	n/a	733
Courts and Tribunals	Government linked organisation	HM Court and Tribunal Service	717
Gadget and Product Specific Insurance	Ombudsman	Financial Ombudsman	658
Price Comparison Websites	None	n/a	641
Health and Life Insurance	Ombudsman	Financial Ombudsman	614
HMRC	Independent Adjudicator	The Adjudicator's Office	570
Universities	Independent Adjudicator	Office of the Independent Adjudicator	534
Ticket Resale Sites	None	n/a	512
Investments	Ombudsman	Financial Ombudsman	473
Letting Agents	Ombudsman (only for signed up firms)	Property Ombudsman	473
Theme Parks and Tourist Attractions	None	n/a	463
Cinemas	None	n/a	439
Taxi and Private Hire Services	None	n/a	431
Airports	ADR	Various	380

Estate Agents	Ombudsman (only for signed up firms)	Property Ombudsman	339
Boilers	None	No ombudsman for product	305
Home Improvement	ADR	Furniture and Home Improvement Ombudsman (membership of scheme optional)	293
Pensions	Ombudsman	Financial Ombudsman / Pensions Ombudsman	256
Construction Rental	None	n/a	240
Energy Debt	Ombudsman	Energy Ombudsman	208
Pet Insurance	Ombudsman	Financial Ombudsman	186
Feed-In Tariffs	Ombudsman	Energy Ombudsman	168
Solicitors	Ombudsman	Legal Ombudsman	164
Council Tax Valuations	Ombudsman	Local Government and Social Care Ombudsman	162
Football Clubs	None	n/a	147
Schools and Childrens Welfare	Local Government and Social Care Ombudsman	Local Government and Social Care Ombudsman	146
Congestion Charge	Government linked organisation	Local Government and Social Care Ombudsman	135
Adult Education and Social Care	Government linked organisation	Local Government and Social Care Ombudsman	93
Cycle Hire	None	n/a	76
Trading Standards	Government linked organisation	n/a	72
Freedom of Information	Government linked organisation	Information Commissioner's Office	61
Planning and Building Control	Government linked organisation	Local Government and Social Care Ombudsman	53
Currencies and Foreign Exchange	None (only for banks)	n/a	46
Funeral Plans	None	scheme proposed	46
Heating Oil Supply	Ombudsman	Energy Ombudsman	37
Annuities	Ombudsman	Financial Ombudsman	37
Business and Commercial Insurance	Ombudsman	Financial Ombudsman	32
Total minus PPI claims			885,431
PPI	Ombudsman	Financial Ombudsman	93
Grand total			885,524

Appendix 2 - Data Tables

Resolution by sector

Sector Name	Percent of Resolved Cases
Energy	77.11%
Water	76.47%
Public Services	73.78%
Insurance	69.68%
Services	67.25%
Shops	63.51%
Travel	62.64%
Telecoms	62.55%
Finance	59.56%
Leisure	59.01%
Motoring	58.53%
Legal	57.87%
Restaurants	50.74%
Pensions	50.00%
Property	46.67%
Health	42.37%

Satisfaction with customer service

Sector Name	CSAT % Score
Water	46.5
Finance	44.3
Travel	42
Public Services	39.2
Shops	37.3
Leisure	35.9
Insurance	34.4
Pensions	33.3
Restaurants	33.3
Health	33
Services	31.1
Motoring	30.7
Telecoms	27.6
Energy	25.7
Property	25.6
Legal	23.8

Average compensation per case

Sector Name	Average Payment Amount
Finance	~£1,199.71
Legal	~£841.35
Leisure	~£690.51
Public Services	~£505.93
Travel	~£437.02
Motoring	~£356.19
Property	~£355.00
Health	~£353.33
Insurance	~£246.24
Water	~£212.43
Services	~£191.76
Energy	~£190.10
Shops	~£142.10
Telecoms	~£131.53
Restaurants	~£65.75

Escalation rate to ADR ombudsman

Sector Name	Escalation Rate
Legal	20.14%
Pensions	20.00%
Health	8.59%
Finance	7.70%
Leisure	5.47%
Services	4.83%
Motoring	4.28%
Travel	4.08%
Insurance	3.92%
Energy	3.86%
Telecoms	3.26%
Water	2.93%
Property	1.90%
Public Services	1.62%
Shops	0.47%
Restaurants	0.00%

Topics per complaint

Sector Name	Avg Number of Topics
Motoring	2.13
Restaurants	1.99
Health	1.63
Property	1.61
Insurance	1.51
Shops	1.49
Services	1.49
Energy	1.47
Telecoms	1.45
Travel	1.43
Public Services	1.42
Finance	1.36
Leisure	1.24
Legal	1.2