

Guidance on Complaints Handling Procedures

Department for Transport – Office of Rail and Road (ORR)

RPC rating: **validated**

27 October 2016

Description of the measure

The measure updates ORR's guidance on procedures for handling complaints from customers and potential customers related to licensed activities. Train and station operators are required by their licences to establish and comply with these procedures. The changes were introduced in order to make the guidance more relevant to the current environment (e.g. increasing importance of social media) and changes to consumer expectations.

Impacts of the measure

The measure introduces a number of new requirements which included obligations to:

- have a system to identify where feedback is, in fact, a complaint;
- construct complaint handling procedures (CHP) around three core standards (feedback mechanism and response; people, process and structure; organisational structure);
- coordinate responses to complaints relating to third parties;
- provide more clarity on the meaning of *a full and fair investigation and effective response and resolution*; and
- establish an appeals handling protocol with Transport Focus and London TravelWatch.

The changes affect 28 licence holders.

Based on evidence collected through consultation the submission identifies the first two changes as the most costly. New responsibilities related to social media handling are expected to result in increased costs. The submission, however, does not provide an estimate of that figure, due to the lack of robust data provided in response to consultation and the limitations of potential proxy measures. The submission explains why the data would not provide a robust overall estimate and provides qualitative evidence to suggest that the overall costs will be small. The requirement to construct CHPs around three core standards is also expected to

generate costs but according to industry feedback, these will not exceed £12,000 per operator. Additional one-off costs related to adjustment to IT systems are estimated, based on the cost of ORR's own internal processes, at £2,000 per operator.

Other measures mentioned above are expected to have negligible impact on businesses and the IA provides qualitative evidence to support this view.

The measure removes two existing requirements; these changes generate minor benefits.

It also introduces guidance on monitoring via provision of core datasets, the costs and benefits associated with which will be assessed in a separate BIT estimate.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the business impact target.

Quality of submission

The submission describes the efforts put into gathering evidence to inform the estimated impacts. Where consultation data were unavailable or not robust the measure explains what alternative methods of estimating the impacts were used and makes use of qualitative evidence. It also makes sufficiently clear why the cost estimates would have been inaccurate and their use inappropriate. Given the relatively small scale of the changes introduced by the measure, the actions undertaken to assess their impact are proportionate.

The assessment could be improved by being more transparent about the feedback the regulator has received from the businesses it consulted and by including an indicative range within which the costs could fall, based on the collected evidence. This would help to provide further justification for the qualitative assessment. Any range should draw on the additional information provided by the regulator, which highlighted that the costs discussed above are at the higher bound of the estimates, are likely to be atypical in the businesses affected, and do not take account of the non-monetised offsetting benefits. Taking into account this additional information, the regulator has provided sufficient information to support the estimated EANDCB of zero when rounded to the nearest £100,000.

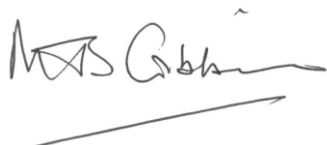
As regards the decision to assess the introduction of guidance on monitoring via provision of core datasets separately, while we recognise that the regulator is entitled to do this, it is good practice to scrutinise all parts of a measure in the same document. If it is not practical, it is advisable to describe clearly the element of the policy that has been left out and to provide detailed justification for this decision.

Departmental assessment

Classification	[Qualifying regulatory provision (IN)]
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Zero
Societal net present value	Not quantified

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated ¹	Zero
Business Impact Target (BIT) Score ¹	Zero
Small and micro business assessment	Not required (low-cost regulation)



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.