

# Customer Complaints Guidelines: distinguishing customer queries from complaints

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**Economic Regulation Authority**

WESTERN AUSTRALIA

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# 1 Preface

The Economic Regulation Authority (**ERA**) has produced these guidelines to assist electricity, gas and water licensees to decide which customer contacts should be categorised as complaints and which should be categorised as queries.

Compliance with these guidelines is mandatory for electricity<sup>1</sup> and gas<sup>2</sup> retail licensees who supply small use customers<sup>3</sup>, and for those water licensees<sup>4</sup> who are subject to the *Water Services Code of Conduct (Customer Service Standards) 2013 (Water Code)*.

Licensees who are not subject to these guidelines are encouraged to consider them when deciding whether a customer contact should be recorded as a complaint.

These guidelines deal with differentiating complaints from queries; they do not cover all the requirements that licensees must comply with when handling complaints.

# 2 Background

All energy retail<sup>5</sup> licensees who supply small use customers and those water licensees who are bound by the Water Code (collectively referred to as “**relevant licensees**”), must develop a complaints handling process.<sup>6</sup> The complaints handling process must meet the minimum requirements set out in the Electricity Code, Gas Compendium and Water Code respectively.

Relevant licensees must also report on the number, and type, of customer complaints they receive during a reporting year. The reporting requirements for each licensee are summarised in the ERA’s Performance Reporting Handbooks.<sup>7</sup>

It is important that relevant licensees are consistent when categorising customer contacts as either customer complaints or customer queries. Accurate categorisation of complaints ensures that any complaints received are handled in accordance with the relevant licensee’s complaints handling process. It also improves consistency in the reporting of complaints across relevant licensees. This, in turn, will enable effective comparisons between energy licensees, and between water licensees.

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<sup>1</sup> Clause 12.2 of the *Code of Conduct for the Supply of Electricity to Small Use Customers (Electricity Code)*.

<sup>2</sup> Clause 12.2 of the *Compendium of Gas Customer Licence Obligations (Gas Compendium)*. The Gas Compendium forms schedule 2 of all gas licences.

<sup>3</sup> Small use customers are, in electricity, those who consume not more than 160MWh of electricity per year. In gas a small use customer is someone who consumes less than 1 terajoule per year.

<sup>4</sup> Clause 35(2) of the Water Code.

<sup>5</sup> There is no requirement for energy distribution licensees to comply with these guidelines.

<sup>6</sup> Clause 12.1(2)(a) of the Electricity Code; clause 12.1(2)(a) of the Gas Compendium; and clause 35(2) of the Water Code.

<sup>7</sup> There are separate handbooks for electricity retail, electricity distribution, gas trading, gas distribution and water licensees. All handbooks are available on the ERA website.

These guidelines follow the approach adopted by the Steering Committee on National Regulatory Reporting Requirements in its Final Paper, *National Energy Retail Performance Indicators*<sup>8</sup>. The paper includes a national complaints reporting guideline (**SCONRRR guideline**) that provides “a consistent approach for identifying customer contacts as either a ‘complaint’ or ‘enquiry and other communication.’”

Although the SCONRRR guideline applies only to energy retailers, the ERA considers that the general principles set out in the SCONRRR guideline are also relevant to water licensees.

## 3 Distinguishing ‘complaints’ from ‘queries’

### 3.1 Definitions of ‘complaints’ and ‘queries’

The SCONRRR guidelines include definitions for the terms ‘complaints’ and ‘enquiries and other communications’.

#### Complaints

When defining a complaint, the SCONRRR guideline generally<sup>9</sup> follows the Australian Standard, *Customer Satisfaction - Guidelines for Complaints Handling in Organisations*.<sup>10</sup> Since the development of the SCONRRR guideline, the Australian Standard has been replaced with a new standard: AS/NZS 10002-2014, *Guidelines for complaint management in organisations*.

The new Australian Standard defines a complaint as:

An expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.<sup>11</sup>

The same definition of complaint is used in the Electricity Code and, from 1 January 2017, the Gas Compendium.

#### Queries

The SCONRRR guideline uses the terms “enquiries” and “other communications”. Together these terms are equivalent to the term “query” used in these guidelines, and the Electricity Code and Gas Compendium<sup>12</sup>.

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<sup>8</sup> Utility Regulators Forum, Steering Committee on National Regulatory Reporting Requirements-Retail Working Group, (May 2007), *National Energy Retail Performance Indicators*. Available from: <https://www.accc.gov.au/system/files/National%20Energy%20Retail%20Performance%20Indicators%20-%20Utility%20Regulators%27%20Forum%20-%20May%202007.pdf>

<sup>9</sup> The SCONRRR definition provided for a minor addition to the AS definition; it included a specific reference to services in addition to the reference to products.

<sup>10</sup> AS ISO 10002-2006

<sup>11</sup> Distribution licensees should note that the *Electricity Industry (Network Quality and Reliability of Supply) Code 2005* contains a different definition of complaint.

<sup>12</sup> Clause 12.2 of the Electricity Code and Gas Compendium

The SCONRRR guidelines defines an 'enquiry' as:

A request by a customer for information about a product or service provided by the service provider that does not reflect dissatisfaction.

'Other communication' is defined as:

Where a customer contacts the service provider with an actionable request.

## 3.2 Distinguishing 'complaints' from 'queries'

The SCONRRR guideline sets out some common elements of a complaint that will assist a relevant licensee to identify whether a customer contact is a complaint or a query. The presence of the following elements is likely to indicate that the customer is making a complaint:

- a) **An expression of dissatisfaction:** the customer may state they have a complaint, or they may clearly be annoyed or unhappy. The customer may express anger.
- b) **A response or resolution is explicitly expected:** the customer may state they seek some action to address their concern, even if they are not able to identify and state what action is required.
- c) **A response or resolution is implicitly expected:** this requires the customer service agent to interpret that the service provider is expected to take action to deal with the problem.

Often the matter that the customer is complaining about is a result of some action undertaken by the relevant licensee, or some action that could or should have been undertaken by the relevant licensee.

A key component of the definition of a complaint is that a response or resolution is explicitly or implicitly expected. This is designed to eliminate vexatious complaints, in that a customer must be seeking a response or resolution of some kind.

Only complaints need to be collected and reported. If a customer has not expressed dissatisfaction, or sought resolution, the matter should not be classified and recorded as a complaint. A matter should also not be recorded as a complaint if the customer's dissatisfaction relates to a product of a third party, beyond the control of the licensee. For example, an energy retailer should not record a complaint about an unplanned outage as a complaint. Rather, the energy retailer should refer to the customer to the relevant distributor.

## 3.3 Examples of Complaints

It is sometimes hard to categorise customer contacts as a 'complaint' or 'enquiry and other communication'. The following scenarios may help customer service staff distinguish between a 'complaint' and 'enquiry and other communication'. If an operator is doubtful whether the customer is making an enquiry or wishing to lodge a complaint they should ask the customer if they want a complaint recorded.

Further examples for energy retailers are in the SCONRRR guideline.

## **Energy complaints**

### **Scenario 1 – Disconnection**

A customer telephones about being disconnected from the network, despite the bill being paid by the required date. This is regarded as a complaint as the customer is voicing their displeasure about an action of the retailer.

### **Scenario 2 – Promotional Material**

A customer telephones to tell the retailer that they have received some promotional material that they had specifically stated they did not want to receive. The retailer responds that they will adjust the customer account information accordingly. Although the customer is happy with the outcome of the conversation, the call should not have been necessary. The retailer should record this as a complaint.

### **Scenario 3 – Power Outage**

A customer telephones the retailer to complain that the power has been out twice in the last two weeks and wishes to make a claim for out of pocket expenses. No action can be taken by the retailer to address the problem, except to transfer the call to the distribution business. This is regarded as an 'enquiry and other communication' and the contact should not be recorded as a complaint.

### **Scenario 4 – Tariff**

A customer telephones to express dissatisfaction at the price of electricity. This is not counted as a complaint as the price of electricity is the subject of government pricing policy and outside the control of the provider.

## **Water Services Complaints**

### **Scenario 1**

A customer rings to query an account (e.g. could you please explain how my bill is calculated?) this is not recorded as a complaint unless the customer expresses dissatisfaction.

### **Scenario 2**

A customer complains about milky water and it is found to be caused by mains flushing. This is recorded as a complaint.

### **Scenario 3**

The water provider receives an odour complaint and upon investigation discovers the source is a deceased animal located adjacent to the water utility's infrastructure. This is not counted as a complaint as the actual source is not the responsibility of the water provider.

### **Scenario 4**

A customer contacts the water provider and reports a sewage odour and requests this be fixed as soon as possible. This should be recorded as a complaint.