

Customer Feedback at Unum

A Guide to Unum's Complaint Process

Complaints provide a valuable indicator of our customers' perceptions when things have gone wrong. Within this document we introduce our dedicated Customer Feedback Department, explain our internal procedures for handling complaints and define our timescales for responding to complaints.

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Overview

Unum's vision is:

keeping **dreams**
and **ambitions** *alive*
even when accident
or illness strikes

The service we provide to our customers plays a major role in the delivery of our vision, so it is important that we handle any complaints in a way that ensures that we treat our customers fairly, put them at the centre of everything we do and meet their expectations of our service levels.

What is a Complaint?

The word 'complaint' means many different things to many different people; you need only look at people's differing reaction to poor service in a restaurant to know this. Unum has adopted the same definition of a complaint as the FSA.

Our definition of a complaint is:

"Any expression of dissatisfaction, whether oral or written, whether justified or not, from or on behalf of a complainant, about any aspect of our business."

Unum's Dedicated Customer Feedback Department

At the beginning of 2007 we set up our Customer Feedback Department (CFD) with the aim of providing:

- A dedicated point of contact for complainants and Unum staff to refer complaints to;
- An independent review of complaints, undertaken by experts in complaint handling, to ensure that all complaints are responded to in a consistent and timely manner;
- Enhancements to our customer service based on actions taken in response to the analysis of root causes of customer complaints and negative feedback;
- Feedback to operational areas to communicate any common themes and help identify and action any lessons which can be learned.

All staff within the CFD undertake a specific Customer Feedback Induction Programme to ensure they have the appropriate depth of product and service knowledge as well as being trained in best practice methods of dispute resolution.

All investigations and decisions completed by members of the CFD are subject to a review and authorisation process, in line with delegated levels of authority.

The CFD works closely with other business areas in Unum to feed back lessons and issues seen from handling and analysing our customer feedback. This feedback is both positive and negative and includes verifiable data collected through transaction monitoring/customer satisfaction type surveys, actual complaints received and anecdotal material gathered from our sales consultants and our external stakeholders. The aim is to continuously improve on the service we provide to our customers.

Our Approach to Complaints

All Unum staff are educated in, and familiar with, our complaints process, which is covered in a module of Unum's Compulsory Annual Training.

The majority of feedback, positive and negative, will continue to be received at point of contact, where most cases are immediately resolved. If a complaint cannot be resolved at the point of contact (as a guide we say within 24 hours), it needs to be escalated to the CFD to be handled in line with the formal complaint process.

Some types of complaint need to be escalated to the CFD immediately, such as:

- High Profile complaints i.e. where an MP, Solicitor or the media is involved;
- FSA Reportable complaints i.e. where the content of the complaint alleges that an individual has suffered one or more of the following:
 - Financial Loss
 - Material distress
 - Material inconvenience;
- Where the complainant expressly requests the matter to be escalated.

Upon receiving a complaint, the CFD aim to resolve it as quickly as possible whilst ensuring that the matter is dealt with thoroughly, fairly and consistently. The CFD's process of dealing with a complaint, and our internal service timescales, can be summarised as follows:

Process

1. Receiving a Complaint

A complaint is received via telephone, e-mail or letter. If it cannot be dealt with at point of contact, or at the complainant's request, it is escalated to the CFD.

Timescale

Within 24 hours

2. Recording the Complaint

Full details of all complaints are entered into our complaint database. On receipt of a complaint, the CFD will prioritise cases and allocate them to the most appropriate Complaint Handler.

Timescale

Within 5 business days of receipt.

Depending on their chosen communication method, an acknowledgement telephone call, e-mail or letter will be provided to the complainant.

3. Investigating the Complaint

All points raised are investigated and addressed to determine: What happened; why it happened; was it justified; was damage suffered; will it happen again? And what remedy is appropriate.

The outcome of the investigation is presented to the relevant business area(s) to ensure they fully understand and learn from the matter.

If the complaint relates to a claim decision, the investigation also includes a full review of the whole claim file.

The Complaint Handler's view of the claim decision may differ from that formed by the Claims Department. In these cases a Roundtable is held. A Roundtable is the name we give to a discussion involving parties with different perspectives and areas of focus. The aim of the Roundtable is for all parties to reach consensus based on the information they are presented with. This approach engenders cross-team working and knowledge sharing. Should a consensus of opinion not be reached at Roundtable, an escalation process exists, with the final decision, in claim complaint cases, being taken by the Customer Care Director, who is a qualified doctor.

Timescale

At the 4 week stage:

An update (letter/e-mail/telephone call) is provided to the complainant if the matter remains unresolved.

At the 8 week stage:

A further update is provided to the complainant with an explanation as to why the matter has not yet been resolved and advises the complainant of their right to escalate the matter to the FOS, if they are eligible*.

4. Final Decision

The final decision letter issued by the CFD sets out:

- The decision as to whether the complaint has been upheld in full, in part or rejected;
- The key facts of the complaint;
- Responses to each of the issues raised in the complaint;
- The rationale for the decision;
- Any remedy offered; and
- The right to refer the matter to the FOS should the complainant remain dissatisfied.

Once the letter is issued to the complainant, the complaint process is complete and the complaint is closed.

Timescale

Unum aims to fully resolve all complaints within 8 weeks of receipt.

Most complaints about customer service will be fully resolved within 2 weeks. Some complaints about claim decisions can take longer as additional medical evidence might need to be sought and settlement negotiations can take longer than expected. In these cases, the dedicated Complaint Handler will ensure that all parties are kept up to date with progress.

Maintaining Quality

Unum participates in the industry-wide annual Complaint Benchmarking Survey commissioned by the ABI to ensure that our complaint handling process, and its deployment, remains reflective of current best practice. Unum's performance in each area of the survey is reviewed and performance improvement plans put in place should any gaps be identified.

In addition to the ABI survey, we participate in industry-wide independent reviews and programmes of evaluation into complaint handling in financial services. Internal reviews are also conducted periodically by Internal Audit and Compliance to provide on-going assurances to Unum's senior management that complaints are being handled in line with the agreed complaint process.

Unum also asks people who have complained for their views on our complaint process. This helps the CFD continually improve its interaction with all types of internal and external customers, be they staff, IFAs, claimants or policyholders

Regulatory Bodies

To help ensure that customers are treated fairly, two formal bodies, the Financial Services Authority (FSA) and the Financial Ombudsman Service (FOS), are tasked with regulating all financial firms and protecting consumers' interests respectively.

• **The Financial Services Authority (FSA)**

The FSA regulates the financial services industry in the UK. Since January 2005, it has been responsible for regulating General Insurance: the products that Unum offer fall into this category.

The FSA states that all complaint management must be carried out in line with its sourcebook 'Dispute Resolution: Complaints' (DISP).

The sourcebook requires regulated firms to:

- Have internal procedures for handling complaints; and
- Apply certain timeframes to the acknowledgment of complaints, keeping the complainant informed of progress and alerting the complainant to their option to escalate the complaint to the Financial Ombudsman Service (FOS), if eligible*.

• **The Financial Ombudsman Service (FOS)**

The FOS was established with the aim of providing consumers with a free, independent service for resolving disputes with financial firms. The service provides consumers with an alternative and cheaper route than taking legal action.

A consumer can only approach the FOS once the financial firm in question has:

- Been given the chance to take steps to rectify the issue, and;
- Given the policyholder its final decision on the complaint.

If, at this point, the consumer feels that the financial firm has not dealt with the complaint satisfactorily, provided they are an eligible complainant*, they can approach the FOS to independently review the complaint.

*Guidance Notes on Eligibility

Eligible complainants are defined in DISP 2.4.1R as having a customer or potential customer relationship with a firm or having an indirect relationship with a firm.

DISP 2.4.3R states that a person is an eligible complainant if he/she is:

- a private individual; or
- a business that has a group annual turnover of less than £1 million; or
- a charity that has an annual income of less than £1 million; or
- a trustee of a trust that has a net asset value of less than £1 million.

Individual product policyholders are classified as 'retail customers' by the FSA and are deemed to be eligible complainants and therefore have the ability to refer complaints to the FOS.

Group policyholders are classified as 'commercial customers' by the FSA. This means that if their turnover is in excess of £1million per annum, the policyholder does not have the right to refer their complaint to the FOS.

However, there are provisions in the FSA Rules which can enable 'indirect customers' to become eligible complainants and therefore have access to the FOS by allowing, as an eligible complainant, a person for whose benefit insurance was taken out. This can be a member of a group policy.

The FOS themselves decide on whether a complaint falls within their jurisdiction. To decide whether a complaint can be considered, the FOS assess whether the policy was taken out for the benefit of the individual who has complained.

Further Information

If you would like any further information on Unum's CFD, please contact:

Jane McCarthy
Customer Feedback Manager (Basingstoke)
01256 301074

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Registered office:
Milton Court, Dorking,
Surrey RH4 3LZ.
01306 887766 TEL
01306 881394 FAX
01306 887784 TXT TEL

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