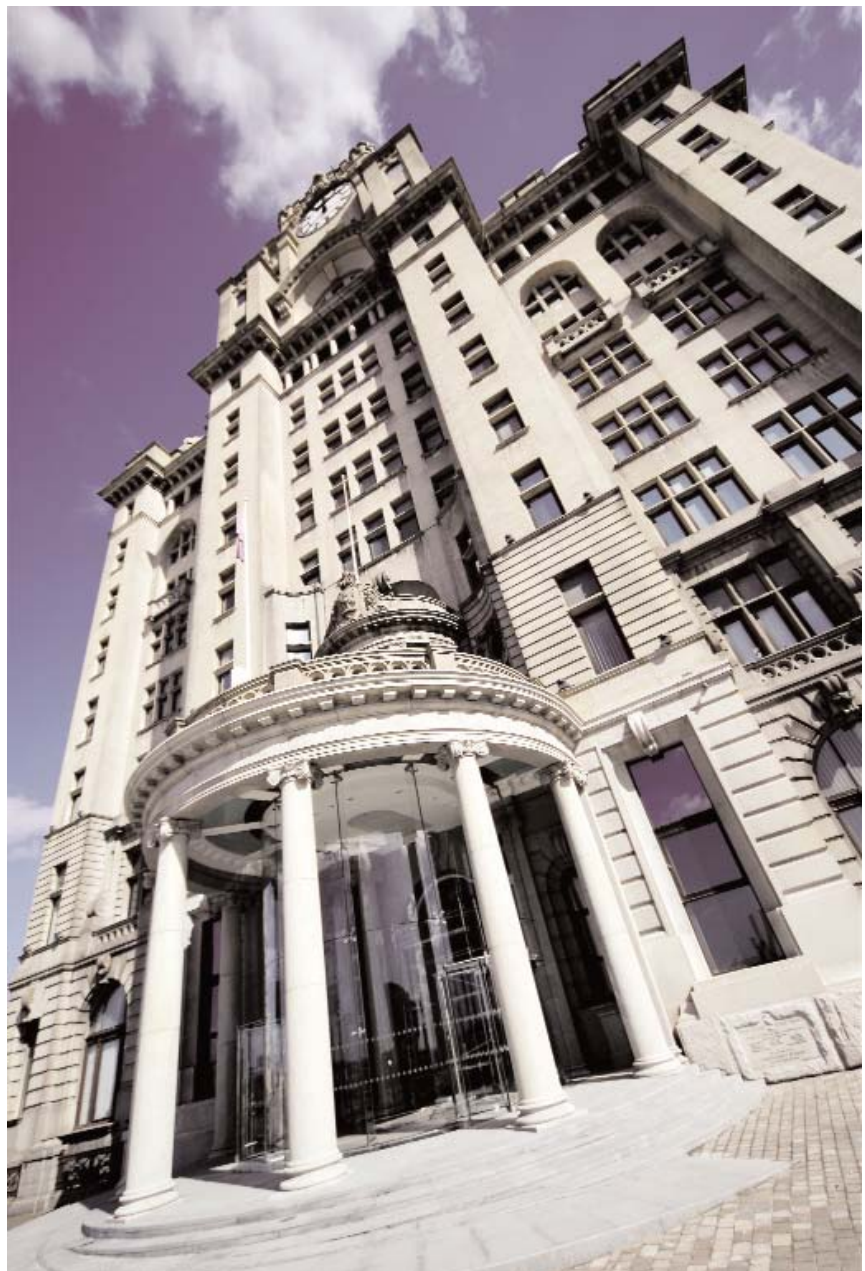


# Customer Impact Annual Report

**2008/9**



# THE CUSTOMER IMPACT SCHEME

The Customer Impact Scheme was launched by the Association of British Insurers (ABI) in March 2006 with the aim of driving up standards in the protection, pensions and investment industry so that customers can be confident in the firms that they deal with. The scheme is designed to complement the Treating Customers Fairly initiative introduced by the Financial Services Authority to make sure that businesses like ours operate in the best interest of you, the customer.

Membership of the Customer Impact Scheme is not a decision that is taken lightly. Royal Liver Assurance joined the scheme in 2008 and in doing so the Board made a number of commitments to all the customers of the company, demonstrating a determination to ensure that the needs of the customer continue to be put at the heart of the way we run our business. There are 3 Customer Commitments which all member companies sign up to:

- 1** Developing and promoting products and services which meet the needs of our customers.
- 2** Providing customers with clear information and good service when they buy products.
- 3** Maintaining appropriate and effective relationships with customers and providing them with a good service after they have bought a product.



2008/9

A key part of the Customer Impact Scheme is an annual survey to measure how well our customers believe we are performing against the Commitments. The survey was undertaken by ORC International (an independent research company) and took place from September to November 2008. For the 2008/9 survey, 34 brands took part and 20,267 customers were interviewed making it one of the most extensive consumer surveys of financial services in the UK.

The survey measures the satisfaction of customers by splitting them into 3 distinct groups:

- Recent purchases – customers who have bought a product within the last 3-9 months
- Recent claimants - customers who have received a payment in the last 3-9 months (eg due to a policy maturing or having made a claim on a protection product)
- Established customers - customers who have held a product for more than one year and do not fall into the other categories

Each year we will produce a report to let you know how well we did in meeting the Customer Commitments and we will also compare our performance against other companies who took part in the survey. Besides communicating the results from the survey we will also use the results to identify and target our efforts in the areas where we most need to improve.

We are grateful to the customers who agreed to take part in the survey; the results will help us to continually improve the service we offer. If you were not selected to take part in the survey you are still welcome to provide feedback about the service we provide by using the following contact details:

Royal Liver Assurance Limited  
Royal Liver Building  
Pier Head  
Liverpool  
L3 1HT

Telephone: 0151 236 1451

e-mail: [webenquiries@royal-liver.com](mailto:webenquiries@royal-liver.com)

WHERE CAN I FIND OUT  
MORE ABOUT THE CUSTOMER  
IMPACT SCHEME?

[www.customerimpact.org](http://www.customerimpact.org)

# ABOUT THE REPORT

In this report we share with you the key results we achieved following the completion of the 2008/9 Customer Impact survey. As well as assessing our performance relative to the other financial services firms taking part in the survey, we will also provide you with information about our plans to build on our current platform and further improve our performance.

In order to give an open and honest indication of our customers' opinions we have provided a graph for each Customer Commitment to measure our performance against the industry average.

We have also included our quartile position for each commitment which was obtained by ranking the scores from all companies who took part in the survey and dividing them into four groups, known as quartiles. For example, companies with a first quartile position are ranked in the top 25% of companies whilst those with a fourth quartile position are ranked as being in the bottom 25%. The quartile score allows us to see where we are positioned in relation to the other companies who took part in the survey.

## OVERVIEW

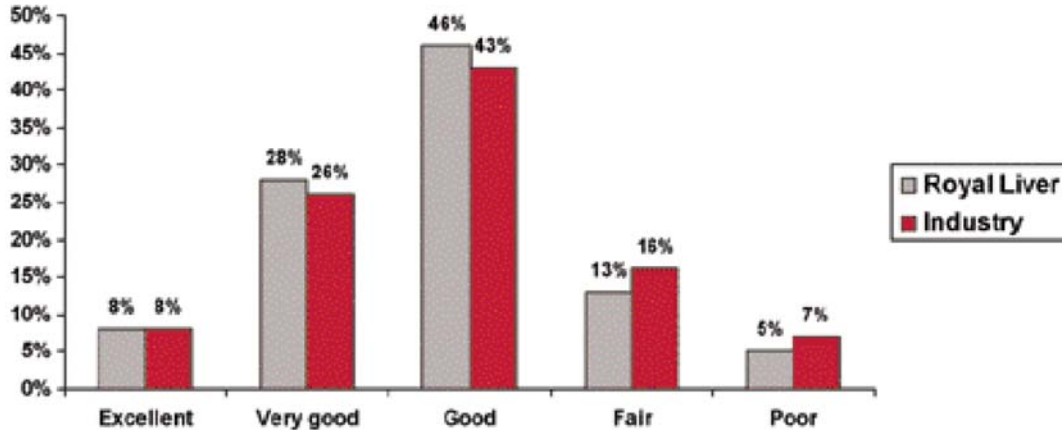
Customer satisfaction with the quality of our products and services was significantly higher than the average across all companies in the survey. The overall satisfaction figure of 61% was 11% higher than the industry average and put Royal Liver in the top quartile of companies.

This is a very pleasing result and is a positive indication that our customers are satisfied with the service provided by Royal Liver.

# COMMITMENT 1

Developing and promoting products and services which meet the needs of our customers.

## ROYAL LIVER'S PERFORMANCE



Source: ORC International

36% of our customers felt we were either 'very good' or 'excellent' in meeting this commitment placing us in the 2nd quartile of companies surveyed.

To measure our performance against this commitment, customers were asked to rate the product they purchased from us according to:

- How well it was tailored to their needs and the range of product options
- How easy it was to understand the features and benefits
- Management of their expectations of potential returns on their investment
- The flexibility if their needs and circumstances change

Overall our performance compared favourably to the other companies who took part in the survey. In particular, 75% of investment customers who had recently received a payment said that Royal Liver had managed their expectations well. This compares with an industry average of 66%.

Although this is an encouraging result, given the recent turmoil in the financial markets this will continue to be an important issue for all companies. At Royal Liver we will continue to improve the way we manage our customers' expectations through open and honest communications with them.

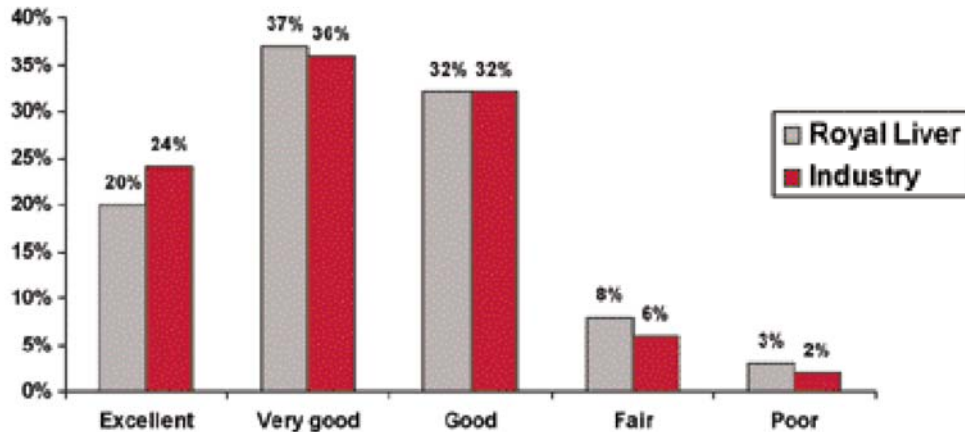
Protection products sold under the Progress brand were rated highly for being easy to understand with 41% of customers rating them as very good or excellent. The range of product options and flexibility achieved scores of 35% and 27% respectively.

During 2008 we completed a business strategy review to look at the breadth of our product range with a particular emphasis on protection. Despite the challenging market conditions we continue to focus our activities around delivering attractive and innovative products that appeal to the changing needs of our customers. Indeed, during 2008 we made enhancements to Progress's Critical Illness and Income Protection products and it is hoped that these changes will further strengthen customers' views on the products we offer.

# COMMITMENT 2

Providing customers with clear information and good service when they buy products.

## ROYAL LIVER'S PERFORMANCE



Source: ORC International

57% of customers felt we were either 'very good' or 'excellent' at meeting this commitment placing us in the 3rd quartile of companies surveyed.

To measure our performance against this commitment, customers who had purchased a product under the Progress brand were asked to rate our sales process according to:

- How quick and easy the sales process was
- The clarity of written information provided
- How well the salesperson met their expectations

Our overall performance was broadly consistent with other companies who took part in the survey. It should be noted that Progress products are sold through Independent Financial Advisers who have no direct link with Royal Liver. As a result, Royal Liver only has an indirect ability to influence customers' experiences in relation to the sales process.

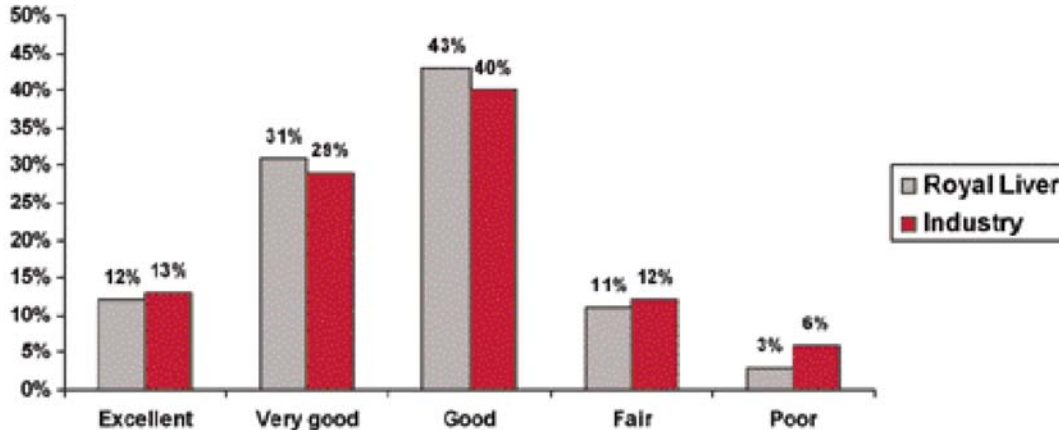
One potential area for improvement was the clarity of information provided to customers where 42% of customers rated us as 'very good' or 'excellent' compared to the industry average of 48%. Another area was the ease of paperwork where 46% of customers rated us as 'very good' or 'excellent' compared to the industry average of 54%.

We have developed a process to seek feedback from our customers and we regularly review and update our sales documentation based on the information we receive. During 2008 we conducted a review of the Key Features, Key Facts and Terms of Acceptance for Progress and improved versions of these documents have recently been created and are now in use. As part of this work we also reviewed the content of the Progress Key Features document against the findings of the Financial Services Authority following the publication of their thematic review of insurers' Key Features documents.

# COMMITMENT 3

Maintaining an appropriate and effective relationship with our customers, providing them with a good service after they have bought a product.

## ROYAL LIVER'S PERFORMANCE



Source: ORC International

43% of customers felt we were either 'very good' or 'excellent' at meeting this commitment placing us in the 2nd quartile of companies surveyed.

To measure our performance against this commitment, customers were asked to rate our post-sale service according to:

- The clarity and relevance of written communications
- How well the customer service centre met their expectations
- The speed, simplicity and clarity of the claims and payments process
- How well any complaint was handled and resolved

Our overall performance against this commitment is satisfactory but there is room for improvement in certain areas.

Our customer service centre was rated 2% below the industry average. Although we scored well for being professional and resolving queries quickly in a single phone call, customers felt that we could improve the breadth of knowledge of our employees.

The claims and payments process was rated highly by our customers with 94% rating the overall process as being 'good' or better compared to an industry average of 85%. The speed of the process in particular was praised.

The survey showed that 54% of our customers felt that their complaint had been resolved to their satisfaction. Although there is clearly room for improvement, we were comfortably ahead of the industry average of 42%.

# COMPLAINT HANDLING

Although we work hard to ensure that customers do not feel the need to complain, sometimes things can go wrong. We see each complaint we receive as an opportunity to rectify our mistakes and improve the service we provide.

If customers do complain then it is important for us to have a robust and fair complaints process in place and we have therefore re-modelled our Complaints procedure on the ABI Complaint Management Good Practice Guide.

We have developed a "Listening to our Customers" questionnaire to help us understand how our customers feel about the way in which their complaint was handled. Again, the feedback we receive from this

questionnaire is used on an ongoing basis to make refinements and enhancements to our complaint handling process.

In 2008 we established a complaints panel to help monitor any trends in complaints and we have recently introduced a root cause analysis to our complaint database. This will enable us to identify the cause of complaints and put measures in place to ensure the same complaints are not repeated.

We have launched an annual complaints training course and an assessment of knowledge for all customer service staff and will monitor our performance in this area to ensure that we continue to focus on the needs of our customers.

## OUR COMPLAINTS POLICY:

It is the Society's policy to investigate and resolve all complaints received from Members promptly and fairly. The Society is a member of the Financial Ombudsman Service in the UK and the Financial Services Ombudsman Scheme in the ROI. All complaints, including those which fall outside the jurisdiction of these Ombudsman Schemes, are handled in accordance with the Society's internal complaints procedure. Full details can be obtained from the Secretary at the Society's Head Office.

# TREATING CUSTOMERS FAIRLY

Treating Customers Fairly (TCF) was introduced by the Financial Services Authority (FSA) to make sure that the industry “pays due regard to the interests of its customers and treats them fairly”.

Royal Liver is well on its way to embedding TCF principles into everything it does and in 2008 we built upon the previous year’s award-winning implementation of TCF by focussing on:

- Embedding a TCF culture throughout Royal Liver
- Creating regular management information to monitor TCF
- Creating a mechanism of continuous improvement to achieve a level of industry Best Practice

The results of the Customer Impact survey showed the effectiveness of Royal Liver’s approach to embracing TCF. 93% of our customers agreed that Royal Liver treats its customers fairly compared to the industry average of 85%.

This is clearly a very encouraging result but we are aiming to achieve even better results in future. We will continue to embed a TCF culture through learning and development schemes and performance management of our employees.

WHERE CAN I FIND OUT MORE ABOUT TCF?

[www.fsa.gov.uk/Pages/Doing/Regulated/tcf](http://www.fsa.gov.uk/Pages/Doing/Regulated/tcf)

# WHAT WE ARE DOING IN 2009

We are going to review our processes to ensure that they align with recent amendments made to a number of ABI good practice guides.

We are reviewing the written communications we send to customers to make sure we use plain English.

A new Customer Friendly Principles and Practices of Financial Management (CFPPFM) document will be launched that will provide our with-profits policyholders with a clearer explanation of how their policy works.

We will continue to embed a TCF culture via learning and development schemes and performance management of our employees.

## ABOUT ROYAL LIVER ASSURANCE

Royal Liver Assurance is part of the Royal Liver Group. The Royal Liver Group is the parent brand of a number of specialist financial services companies in the UK and Republic of Ireland. Royal Liver no longer offers new policies directly to consumers under the Royal Liver Assurance brand. However, the Society still provides a range of policies through its Progress and Caledonian Life brands in the UK and Ireland.

Financial planning advice and products are offered in the UK through Park Row; and in Ireland through Citadel Financial Advice. Both of these companies are wholly owned by Royal Liver Assurance.

Existing Royal Liver policies continue to be managed and serviced by a dedicated team of Royal Liver staff at our Head Office in Liverpool. This operation is underpinned by values that reflect Royal Liver's strong focus on mutuality; honesty, openness and empathy.

# Feedback?

We would welcome your feedback on this report. If you have any thoughts or comments please contact us at:  
[www.royalliverassurance.com](http://www.royalliverassurance.com) or telephone us on +44 (0)151 236 1451

Royal Liver Assurance Limited is an Incorporated Friendly Society, Register No. of Society 35 Coll. It is authorised and regulated in the UK by the Financial Services Authority (Registration No. 110005) and adheres to the Codes of Conduct issued by the Financial Regulator in Ireland. Member of the Association of British Insurers, the Irish Insurance Federation, the Association of Friendly Societies and the Association of Mutual Insurers. Royal Liver Assurance Limited is registered in England.

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