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Dear Rosie

**Network Rail's response to ORR's Draft guidance on complaints handling procedures for licence holders**

Please find attached Network Rail's response to ORR's consultation regarding the review of the Draft guidance on complaints handling procedures for licence holders.

If you wish to discuss any of the content in the response further, please do not hesitate to contact me.

Yours sincerely



Jon Haskins  
Head of Regulatory Compliance and Reporting

## **Draft guidance on complaints handling procedures for licence holders**

Response to a consultation document issued by the Office of Rail and Road(ORR), 6 May 2015

29 July 2015

## Introduction

This is Network Rail's response to the ORR's consultation on Complaints handling procedures for licence holders issued on 6 May 2015. No part of this response is confidential and we are content for it to be published in full.

Network Rail recognises the significant investment made by rail users and taxpayers in the cost of the running and enhancing the railway in Great Britain. They rightly have high expectations of both quality of service and value for money. It is for this reason that customer, passenger and lineside neighbour satisfaction are key measures of performance on Network Rail's corporate scorecard.

When problems do arise we recognise the importance rail users place on having appropriate means to make complaints and seek redress.

We agree that management information should be sufficiently robust to assist licence holders in identifying systemic and recurring problems so that appropriate steps can be taken to improve. With this in mind, alignment across the industry in terms of the principles and standards being adopted and having a common set of core service standards to embed and adhere to, is sensible in promoting consistent ownership of issues across all licence holders. Network Rail supports a common process across the industry and works closely with customers to improve the service we offer to rail users. Having an established and agreed method of dealing and responding to complaints will be a positive step forward to achieving this.

Being transparent will help us become a more efficient and responsive organisation, and make us more accountable to our stakeholders. As such we believe that it would be useful to develop comparable industry measures to measure operator's complaints handling performance.

The publication of comparable performance information in relation to complaints handling and customer service, may provide incentives to all industry members to improve performance by improving the transparency of passengers' experience. We therefore broadly welcome the proposals put forward by the ORR and look forward to working with the ORR and industry colleagues to develop these proposals in more detail as part of the proposed working groups.

Recently Network Rail has finalised its internal complaints handling procedure. Following this consultation, Network Rail anticipates aligning and embedding the ORR guidance into our internal process. A copy of Network Rail's updated complaints handling procedure has been attached to this response for reference.

The consultation document makes reference to the ORR producing a new core data set to further monitor compliance. The development of the core data set and how it will be used appears to be ongoing. If a core data set is to be used, in order to allow the industry to respond quickly, the specification for the data set needs to be stabilised. Network Rail has yet to see a finalised version of a core data set which could be used to collate further data from the industry.

As we noted in our September 2014 response to the ORR's consultation on developing minimum core data for monitoring operators' CHP and DPPP performance producing additional data has a cost implication. As such any data set must be relevant and manageable, quantifiable and comparable and actionable. Clearly it is critical that industry parties have clarity about what core data set the ORR might expect to scrutinise.

Network Rail has provided answers to the questions presented in the consultation in the following section of the response.

**Question 1: Do you agree with our overall purpose and scope? In particular, do you think that the way that we have distinguished feedback from complaints is helpful?**

The overall purpose and scope is a sensible approach and a step towards further alignment and improved communication for all licence holders across the industry.

In terms of feedback versus complaints, there needs to be more detailed guidance and a breakdown of how these could be differentiated and how they could affect the process for how a customer response is dealt with.. Regardless of category, communication with customers is important and therefore more detail and explanation would be useful to understand the process for how the customer response will be used and actioned.

**Question 2: Do you agree that the licence holder should coordinate responses relating to third party suppliers? Please indicate in your response what the current practice is and identify any challenges arising from this proposed requirement? Do you agree with our reasoning contained above? Are there any other categories of third party supply that you consider should be explicitly covered within this obligation?**

We agree that there needs to be increased alignment across the industry to improve service to customers. Taking industry ownership of resolving issues is a way that the industry can be seen as competent and able to assist in helping a customer. However, whilst we recognise the importance of the ownership of issues and reduced burden for customers, the revised Network Rail's complaint handling guidance for customers, clearly sets out which party should be contacted for particular issues. Our first line of approach would be to make sure that customers have consulted the guidance provided. There appears to be limited benefit in mandating that a licence holder should be accountable for coordinating a response to any complaint that it receives in circumstances where that complaint is clearly related to a matter which is outside the gift of control of the licence holder.

Whilst reviewing our internal process the complaint handing, engagement carried out revealed that this is an area which needs improvement across the industry. Although ownership of issues is the right thing to do for customers, to embed the process and to be clear as to where and who a complaint sits with when a third party is involved will need further understanding and agreement between licence holders. As such, Network Rail would welcome the assistance of ORR to help licence holders embed this further and to ensure that third party complaints are owned and progressed correctly.

The ORR will need to be satisfied that all licence holders are working in parallel which may require the ORR's involvement where necessary to ensure the correct ownership of complaints is adopted. This will also avoid a situation where customers continually contact a particular licence holder regarding third party (or any issues for that matter) learning that their complaint will be progressed and dealt with in a more productive manner than another.

**Question 3: Do you agree that the three core standards form a reasonable basis from which licence holders can develop complaint handling procedures? Please identify any areas, for example:**

**a. where you would prefer more detail or additional clarity; and/or**

**b. where you consider the standards do not meet our intention to draft at sufficiently high level for licence holders to develop procedures to suit their own business models and the needs of their passengers. In particular whether the balance between specified obligations and a focus on internal culture and arrangements appears consistent with our stated regulatory approach.**

We agree that the three core standards proposed by ORR form a reasonable basis from which licence holders can develop complaints handling procedures. We believe that our complaints handling procedure is consistent with these standards. The introduction of the core standards across the industry, will provide some alignment to how complaints handling is approached and addressed.

**Question 4: Is the guidance around *Conducting a full and fair investigation and Effective response and resolution* helpful and/or sufficiently clear?**

Yes, we believe that the guidance is clear and helpful.

**Question 5 Do you consider that a CHP should contain a requirement to have an appeal handling protocol with PF and LTW? Do you agree that we should specify some of the detail including recommended response times? Alternatively, is there other detail that you think should be included?**

Network Rail's complaints handling guidance for customers also addresses these other forms of customer redress, including when and how to contact them. Regarding response times, again this is something we have tried to embed in the Network Rail guidance, providing response time service level agreements (SLAs) where appropriate.

**Question 6: Are you content with the ORR's minded proposal to drop these two previous requirements? If not give reasons.**

Network Rail supports the removal of licence holders having to formally review CHPs annually. This will require less time spent for both ORR and licence holders reviewing potentially unchanged information.

In relation to having to seek ORR's consent to any lengthening of response timescales due to an unforeseen and specific event, we have set out in our internal guidance that

we will try and respond within 20 working days. However we have not fully guaranteed to customers that this can be achieved in every case. We would therefore not be expecting to update the ORR if the response time required is longer than that specified. Network Rail will provide the ORR with details of any case that they think they should have further insight into. Network Rail receives a significant amount of correspondence from rail users. Whilst we endeavour to respond to all correspondence in a timely to have to inform the ORR each time we do not anticipate responding to a piece of correspondence in accordance with our anticipated timescales seems inappropriate and unnecessary. This would impose a significant additional administrative burden.

**Question 7: Do you believe our proposed monitoring activities will be effective in ensuring compliance with the obligations? Is there any additional evidence that you would like to see included as part of this process?**

Additional work needs to be done to bring the industry together to allow ownership of issues and make sure that customers concerns are actioned quickly and sufficiently. The core data set may provide additional data but providing more data to the regulator may not be the correct first steps. Network Rail would like to understand how the core data set (once agreed) will be used to monitor compliance. At the moment it does not appear that it will add extra value in terms of resolving customer complaints quicker and to an appropriate standard.

**Question 8: We ask for comments on our initial approach and its impact, including both any costs and benefits that we do not identify.**

The core data set proposal is a separate issue that needs more planning, more understanding and agreement from across all licence holders before this can be implemented and used.