

# Customer Impact Report | 2010

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# Introduction



The purpose of the Customer Impact Scheme is to help build confidence in the pensions, protection and investment industry. At Friends Provident we believe that building consumer confidence is a key aspect of our core purpose –

**“To give people more freedom and choices to flourish, and to enhance and enjoy their lives”.**

We want our customers to feel confident in the products and services they receive from us. This annual survey is a great indicator of how we're performing and where we can make further improvements.

What's clear from the results is that we've made some good progress, but there are still a number of areas where our customers want us to improve.

The continuing economic uncertainty has affected the way customers with investment related products view the service they receive, and while this must be taken into consideration, we're committed to making life better for our customers by continuing to develop products and services with our customers' needs at the forefront of our minds.

A handwritten signature in black ink, appearing to read 'Trevor'.

**Trevor Matthews**

Chief Executive Officer, Friends Provident

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## About the Customer Impact Scheme

The Customer Impact survey is part of a wider Customer Impact Scheme, set up by the Association of British Insurers (ABI) in 2005 to encourage life insurance companies to drive up consumer confidence and improve customer experience. The Customer Impact Scheme includes a series of measures:

- A formal Board commitment to place customer interests at the heart of how we run our business
- An annual customer survey which provides a measure of how well our customers believe they are being treated
- An annual report which details our performance in the survey and the actions that have been and will be taken to improve the customer experience

Details of the Customer Impact Scheme can be found here: [www.customerimpact.org](http://www.customerimpact.org)

## The survey

In 2009, around 700 Friends Provident customers were asked about their experience of Friends Provident. An independent research company interviewed customers who had recently purchased a policy, customers who had recently made a claim and customers who have held a policy with us for more than a year and didn't fall into the other two categories.

This report provides a summary of the Friends Provident results, what we've been doing to create a better customer experience and what we're planning to do in the future to continue this improvement.



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# The Customer Commitments

The Customer Commitments provide us with an overall picture of how our customers rate our products and the main aspects of their relationship with Friends Provident, from setting up a policy to making a claim and their experience of the service we provide. Results from a range of questions in the survey are aggregated to give an overall score for each commitment.

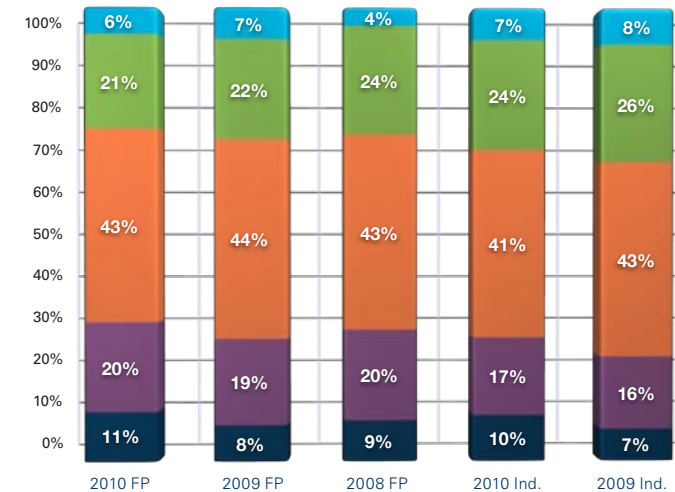
## Commitment One

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

Commitment one includes how our customers rate the product they purchased, how easy it was to understand the features and benefits, how well we managed expectations in relation to the potential return, and the flexibility of their product.

Our 2010 score for this commitment has seen a slight decline compared with our 2009 score and we're now just below the industry average.

The results from our survey suggest that customer satisfaction is influenced by how well we manage customer expectations in relation to the risks and return on investment and this is one of the key areas we will be looking at in 2010.



■ Excellent  
■ Very Good  
■ Good  
■ Fair  
■ Poor

Results subject to rounding

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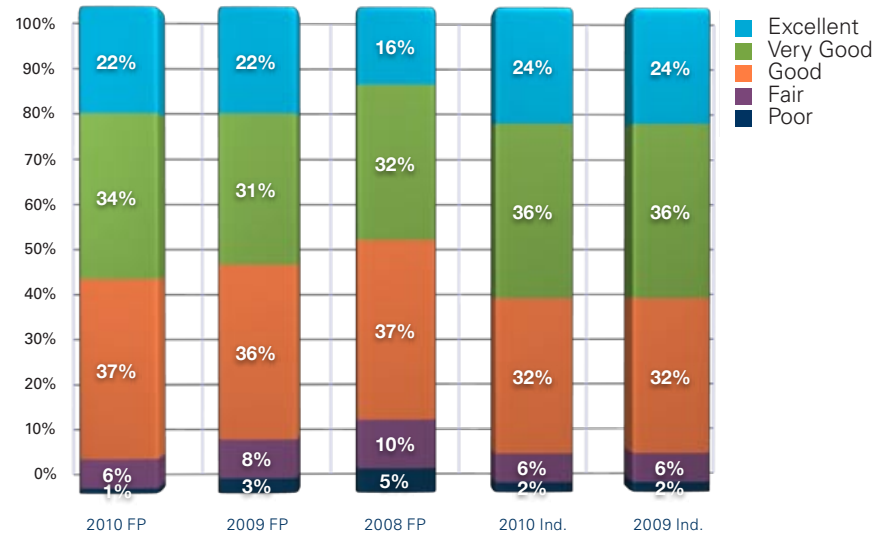
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**Commitment Two**

**Providing consumers with clear information and good service when they buy products**

Commitment two includes questions around the sales process, how easy it is to set up a new policy, how quickly it was to set up and the clarity of any written information that is sent out.

Year on year, we've seen a significant improvement in customers rating us as good or better and we're now slightly ahead of the overall industry scores. We have seen an improvement in nearly all areas relating to this commitment, with increases in the clarity of written information sent to new customers, the time it took to arrange new policies and the way we handled payments from our customers when they set up a new policy.



Results subject to rounding

**93%**  
of customers rated us as good or better

**92%**  
of customers rated the industry as good or better

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**Commitment Three**

**Maintaining appropriate and effective relationships with customers, providing them with a good service after they have bought a product**

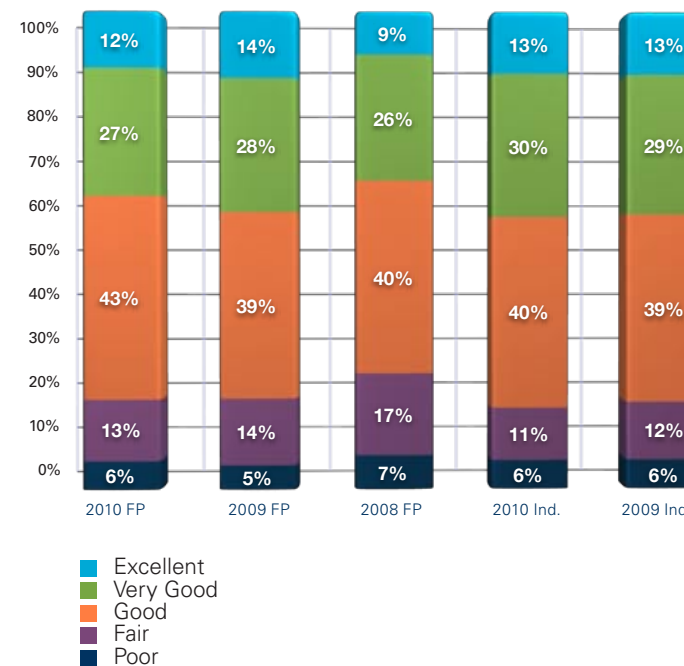
Commitment three includes a wide range of questions including how customers view our written communication, the customer service (call) centre, the claims and payments process and how we handle complaints.

Friends Provident is pretty much on par with the industry score for this commitment. Given the economic conditions over the last couple of years, it is not surprising that there has been a slight decline in our results for this commitment as they are heavily influenced by the views of customers with investment related products.

The research shows that these customers tend to have more negative views of the overall service they receive, compared with customers who have non investment related products.

Although we've already made a number of changes to our claims processes and communications, we'll continue to look for ways to improve this area in 2010.

<p><b>82%</b> of customers rated us as good or better</p>	<p><b>83%</b> of customers rated the industry as good or better</p>
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## Making things better

Continuing to improve the products and service we offer our customers is very important to us and there are a number of changes we've already made that should start to show through in our next set of survey results.

### Things we've already done

- We reviewed our retirement communications and improved the documentation we send to our customers when they want to retire, making it clearer and easier to understand.
- We've also reviewed our pensions related documentation (see bottom right) and on-line services to provide customers with more information about their policies and what they can expect from them.
- We reviewed and amended our standard letters and on-line information to ensure the information presented is much clearer making it easier for customers to make decisions.
- We made changes to over 200 documents and the feedback from our customer focus groups told us that these were:
  - **straight-forward and unambiguous**
  - **friendly**
  - **useful in educating, directing and informing customers**

- We have refreshed our letter-writing guidelines to make sure everyone involved in communication design knows what's important when we write to our customers.
- The majority of our customer-facing staff members attended workshops to improve their communication skills and to ensure that when we are talking or writing to customers we use language that is easy to understand.
- We audit our outgoing letters and telephone calls to make sure we provide clear and full information to our customers.
- We monitor incoming calls and letters to see if we can explain things better.
- We have re-written our surrender and maturity letters to make it easier for our customers to make a claim.
- We have conducted a range of customer research to help identify where we need to improve.
- We continue to monitor all Customer Service processes to ensure we are treating customers fairly.



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## Making things better (cont)

### Things we're working on:

- We're working to reduce the time it takes for customers to claim their pension fund and either set up an annuity or transfer the fund to another provider.
- We're planning to conduct further customer research on the retirement process to identify where we can make improvements.
- We have plans to review our pension statements
- We are currently looking at how we communicate to customers in the years leading up to retirement so we can give customers a better idea of what they can expect to receive when they retire.
- We have set up a process to review our standard letters at least once every 3 years to make sure the letters are kept up to date.
- We will review key communications, looking at how we can better manage customer expectations in respect of the return and risks of their policy.
- We continue to develop products that offer our customers more flexibility and better options, using customer focus groups to provide valuable feedback on our developments.
- We will continue to focus on treating our customers fairly and through a wide range of measures and actions we're ensuring this remains at the heart of all we do. It remains a key issue on our agenda at Friends Provident and we believe it is vitally important that we continue to look for ways to improve our customer focus.



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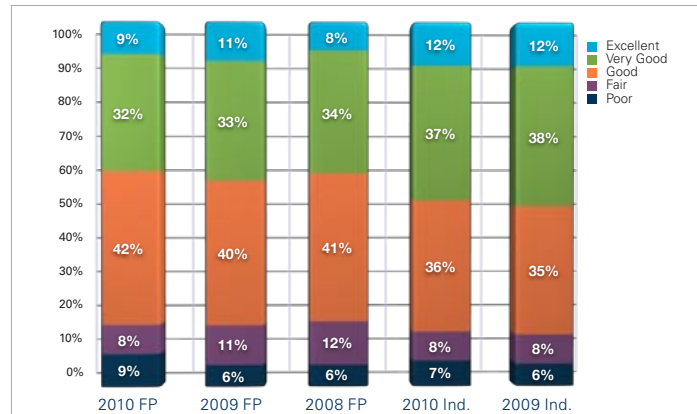
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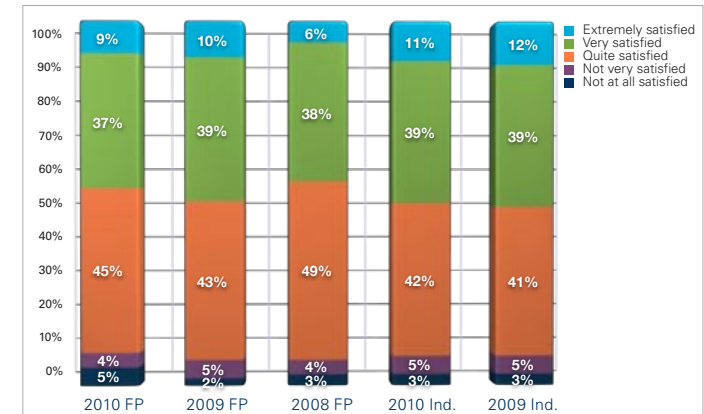
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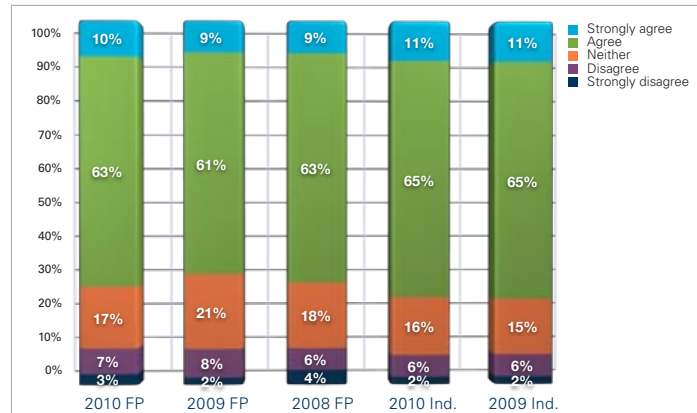
Considering your own experiences with Friends Provident, how would you rate the overall quality of the Life, Pensions, savings or investment products and service that they provide?



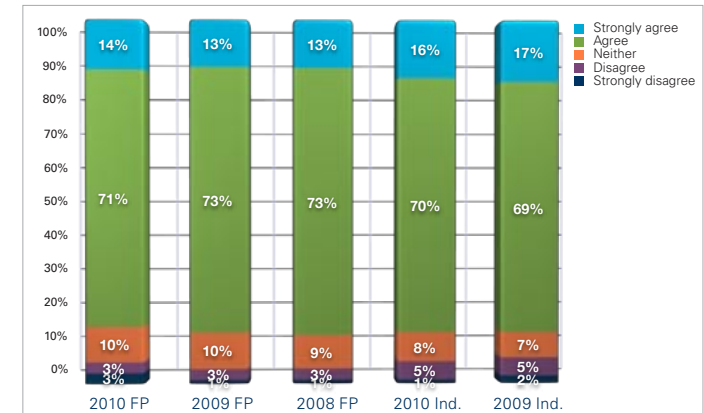
So just thinking about the customer service you receive from Friends Provident how satisfied or dissatisfied are you with them?



Level of agreement: "Really cares about its customers"



Level of agreement: "Is easy to do business with"



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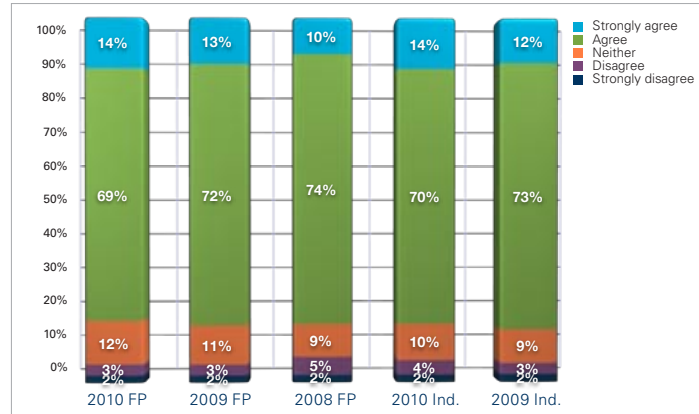
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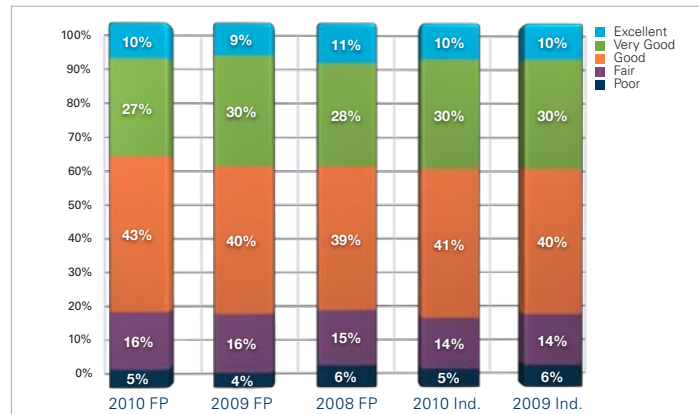
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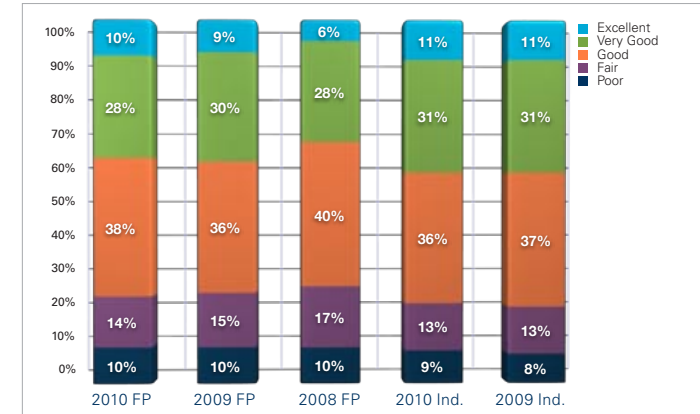
Level of agreement:  
"Treats customers fairly"



Thinking now about the statements and personalised letters that you might have received in relation to your product from Friends Provident in the last 12 months.

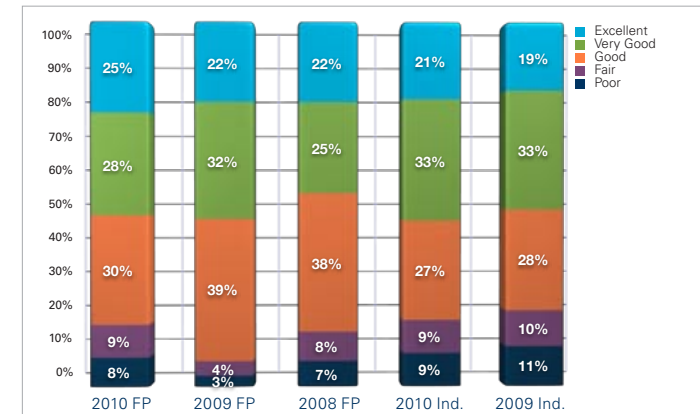


Overall how would you rate the life pensions, savings or investment product that you purchased from Friends Provident.



Overall how would you rate the Friends Provident customer service centre?

Based on customers who have telephoned the customer service centre in the past 6 months.



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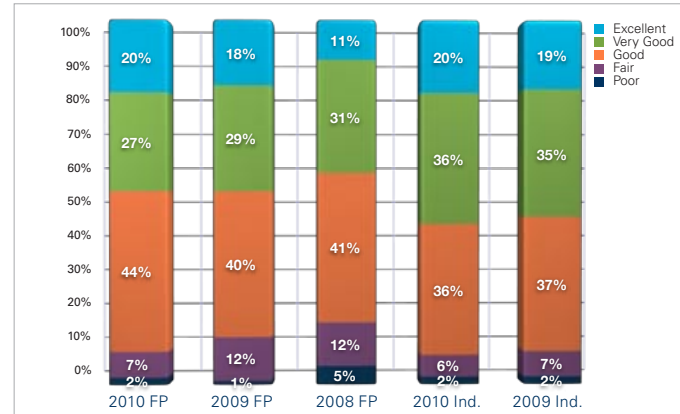
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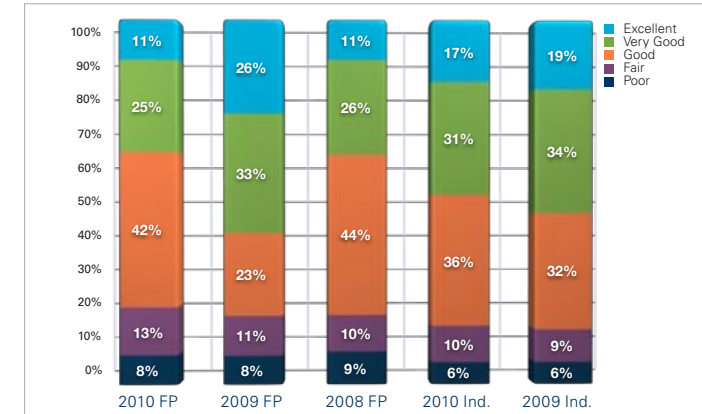
**Results subject to rounding**

How would you rate the sales process overall? By that I mean the way in which you bought your product...



How would you rate the Friends Provident claims and payments process overall?

The FP results for claims and payments questions do not include the views of customers with Protection policies.



**If you have any questions or comments please contact...**

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