



# CUSTOMER SERVICE CONDUCT PRINCIPLES

AMWU SUBMISSION

## ABSTRACT

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- The Australian Manufacturing Workers' Union (AMWU) welcomes the opportunity to make a submission with relation to the proposed Customer Service Standards.
- The full name of the AMWU is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union. The AMWU NSW Branch has a membership of 15,000 workers. Our members are employed in the private and the public sectors, in blue-collar and white-collar positions, and in a diverse range of industries, vocations and locations.
- An objective of any workers compensation systems needs to be an equitable, fair and just system of income protection, access to medical treatment for injured workers and mechanisms to assist injured workers back to work. The objective should also provide for the dignified, professional and timely management of claimants.
- The workers compensation scheme should seek to return injured workers back to the maximum achievable medical recovery and the highest quality of life. Workers compensation legislation is beneficial legislation targeted at injured and ill workers and in this context, decisions should be aimed to benefit the injured worker.
- At the outset of our submission the union identifies a significant problem with the way the paper has sought to frame injured workers as customers. The Oxford Dictionary defines a customer as '*a person or organisation that buys goods or services from a store or business*'. The use of the word customer when referring to injured workers is not only inappropriate but insulting to injured workers as it suggests they have control and/or choice. It has been identified that language does matter (see Safe Work Australia, A BEST PRACTICE FRAMEWORK FOR THE MANAGEMENT OF PSYCHOLOGICAL INJURIES IN THE AUSTRALIAN WORKERS' COMPENSATION SECTOR). It is recommended that reference to customer be removed and replaced with either 'person on claim' or 'client'.

**1. Are the customer service conduct principles sufficient and appropriate to protect customers and ensure confidence within the state's insurance schemes?**

The AMWU agrees that the proposed customer service principals proposed are appropriate, they do not however deliver the full expectations of New South Wales workers and the broader community.

**2. Are there other principles of customer service conduct that should be considered?**

It is imperative that persons on claim within the workers compensation scheme are afforded an opportunity to make informed decisions, failing to do so removes injured workers from the centre of claims management. Research shows that where such environments are allowed or supported, anticipated return to health outcomes are prolonged or never achieved and an increased risk of secondary psychological injury.

The scheme must be administered justly, where injured workers rights are harmed remediation should be at hand and delivered in a timely manner. Currently where injured workers rights are harmed there is no restorative justice and those afflicting the harm go unpunished, this situation creates a perverse incentive for insurers to behave inappropriately or unlawfully.

Principle 1: Be efficient and easy to engage

The insurer must keep customer interactions simple to make the experience easier, so that the focus is on recovery and resolution. This means:

- customers should only have to provide or ask for information once

- information is clear and understandable **by those it is directed towards** enabling a streamlined experience
- complexity is reduced by communicating in simple language
- information is timely and accessible, **including where there has been updates on progress**
- **information will be precise**
- **persons on claim, their representatives and health professionals will be provided with sufficient information so to enable them to make informed decisions**
- **timeframes will be adhered to, where this cannot be met, early contact will occur with the person on claim providing the reason for noncompliance and a new timeframe**
- customers will experience visible support and information throughout the customer journey.

#### Principle 2: Act fairly, with empathy and respect

The insurer must be respectful of people's circumstances and needs and support them accordingly. This means:

- customers are treated fairly, receiving the same quality services, every time
- customers are shown compassion and understanding of their individual situation
- **claims management will be tailored based on the needs of the person on claim, taking a biopsychosocial approach**
- customers are treated with dignity, empathy and respect.

#### Principle 3: Resolve customer concerns quickly, respect customer's time and be proactive

The insurer must be proactive in supporting recovery and resolution. This means:

- customers are supported early, leading to better recovery outcomes and resolution
- customer time is valued
- **decisions will be made and communicated at the first opportunity, not on the basis of statutory timeframes**
- customers will be contacted when they need to know something.

#### Principle 4: Have systems in place to identify and address customer concerns

The insurer must have systems in place to address individual customer concerns and systemic concerns. This means:

- customer views will be sought on service design and improvement
- **systems will be implemented to ensure transparency with regards to systematic issues as they are identified and rectified**
- continuous improvement systems are in place.

#### Principle 5: Be accountable for actions and honest in interactions with customers

Customers will receive an apology when things don't go to plan. This means:

- customers will receive an acknowledgment when harms are caused when customer expectations are not met or when legislative breaches occur **regardless of whether the cause was from an act or omission**
- **where a harm has been caused to the person on claim, restorative justice shall be applied so as to negate or compensate for such harm**
- apologies will be made for poor service or behaviour.

### **3. How regularly should insurers attest to compliance with the customer service conduct principles? Is an annual attestation sufficient?**

The AMWU does not believe that an annual attestation is sufficient. The unions experience identifies that case management behaviour is often driven by particular agencies within the insurer. Subtle changes can at times lead to a compliant insurer becoming non-compliant over-night. Injured workers need to be protected from further harm. The union recommends that attestations should be provided quarterly.

The regulator must also engage in independent auditing of the compliance of insurers. Auditing should be done without notice, randomly within a period of no more than every three years. Without this independent auditing there is a failure to regulate, "But, if recent history has taught us anything, it's that self-regulation doesn't work in finance, and that worries about reputation are a weak deterrent to corporate malfeasance." ~ James Surowiecki

Independent verification of noncompliant or misleading attestations need to be treated at as serious compliance failures.

**4. What kind of matters should be included in the attestations made to SIRA?**

- a. Action they have taken to ensure compliance with the principles (for example governance and staff training)**
- b. Self-assessment of compliance with each of the principles (for example, an analysis of complaints)**

The AMWU supports the above proposed matters be included in the attestations. Further there should be a listing of the insurers systems established to deliver person on claim service conduct, mechanisms for monitoring and review. Where restorative justice &/or compensation has had to be applied this should be clearly identified next to the non-compliance so as to ensure what has been applied is genuine given the circumstances.

**5. Should the attestations sought from insurers be at Board and/or management level?**

The AMWU has proposed quarterly attestations for the reasons stipulated in question 3. At least one per annum, of the attestations provided to SIRA needs to come from the Board. The Board is responsible for the strategic direction and oversight of an organisation, as such it is important that matters pertaining to service conduct of the organisation towards persons on claim be brought to their attention and considered. Oversight of senior managers can only be provided at Board level.

SIRA's discussion paper states on page 5 "Insurers are expected to lead corporate culture centred on the best interest of customers...". Only the Board can establish an organisations culture, the Board must be accountable for the culture it established or allows.

END