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Dear Martin

High Ambition for High Performance

Thank you for attending one of the Panel's Working Group meetings last month to brief us on the Consultation Document describing the proposed package of measures for improving customer experiences of the life insurance industry. The Panel welcomes this new initiative by the ABI as an attempt to improve customer service. It chimes well with the Panel's paper "Putting the 'service' back into financial services", which we published earlier in the year.

We have a number of comments, which do not necessarily correspond exactly with the questions asked in the consultation paper:-

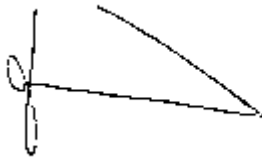
- We welcome the non-industry representation on the Customer Experience Group. We think it important that the Chairman should be independent of the ABI Board. We would be happy to share our experience of the recruitment process for Panel members as a means of recruiting consumer representatives.
- We note that the Group has no role in policing adherence to the promises. We are not clear how this will be done, other than by individual firms reporting on their performance. We note that there will not, at present, be any collection by the ABI of data that might be used in a league table. We consider it vital that public reporting will be done by individual firms in such a way that the data will be comparable and advisers, journalists etc will be able to rank performance.
- We think that consideration should be given to measuring how companies deal with the diversity of customers, both through income, educational attainment, ethnicity and disability. A Good Practice Guide on this subject could be an important early step.
- We think the research for the Customer Experience Index needs to be benchmarked to allow clear indications of progress. We note that the consultation document says that this evidence is already available and we would be interested to see how this relates to the consumer promises. Firms signing up to the

promises should also benchmark the level of complaints they receive at the beginning of the process.

- We are concerned that many customers will not be able to judge what an appropriate standard of service is or may judge on criteria that are not necessarily the most important. For example, we note that value for money is not being tested, although customers will be asked whether their investments have come up to their expectations. We think that the survey should allow 'don't know' answers; and that questions such as 'how confident are you that...?' should be included.
- We are very interested in the inclusion of data relating to intermediaries. We do not at present have any ideas about how this should be done. Since the press regularly reports on problems with the service offered to intermediaries by product providers and this is likely to impact on the end customer's experience, we think that a survey of intermediaries similar to that of customer experience would be useful.
- We welcomed many of the provisions in the Raising Standards Scheme and would be interested to know how, if at all, these will continue, given that the new scheme measures customer satisfaction rather than laying down rules on things like customer information.

We look forward to further discussions on this project and once again commend the ABI for taking this step.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Howard'. The signature is written in a cursive style with a large loop at the end.

John Howard
Chairman