

# The Customer Impact Scheme.

## Scottish Widows Annual Report 2008

### Introduction

Scottish Widows has been serving the needs of our customers since our foundation in 1815. Our commitment to providing our customers with high quality products and services has made us one of the leading companies in our industry – more people trust us, consider us and are prepared to deal with us than any of our competitors.

Scottish Widows is proud to be one of the first protection and investments companies to have signed the Association of British Insurers' Customer Impact scheme. As part of our commitment to the ABI scheme, Scottish Widows participates in an annual customer survey which measures how well we serve our customers.

We are publishing this report to share the results of this survey with our customers and to keep you informed about how well we are performing against our commitment to deliver high quality products and services.

If you would like further information on the ABI's Customer Impact Scheme, please contact: Tel: 020 7216 7392 or visit [www.abi.org.uk](http://www.abi.org.uk). If you would like further information on the Scottish Widows Customer Impact Survey, please contact: Tel: 0131 655 6868.

### Customer Impact Survey

#### Key Highlights:

- 90% of our customers agree that Scottish Widows treats customers fairly (compared to an industry average of 85%).
- 91% of our customers agree that Scottish Widows is easy to do business with (compared to an industry average of 86%).
- 84% of our customers agree that Scottish Widows really cares about its customers (compared to an industry average of 77%).
- 83% of customers would recommend Scottish Widows to friends or family (compared to an industry average of 79%).
- 93% of our customers are satisfied with the customer service they receive (compared to an industry average of 92%).

- 84% of customers who had contacted our customer service centre viewed their experience as at least good (compared to an industry average of 78%).
- 95% of our customers rated the sales process as at least good (compared to an industry average of 91%).
- 2% of customers surveyed had made a complaint in the last year (compared to an industry average of 3%).
- 81% rated Scottish Widows positively for developing products and services which meet customer needs (compared to an industry average of 78%).
- 94% rated Scottish Widows positively for providing customers with clear information and good service when they buy products (compared to an industry average of 91%).
- 85% rated Scottish Widows positively for maintaining appropriate and effective relationships with customers, providing them with a good service after they have bought a product (compared to an industry average of 81%).



Scottish Widows understands that customers can often find financial planning complicated. Our customers tell us that they want companies to make it easier for them to understand the products and services on offer. They also tell us that they want products which offer flexibility as customer circumstances change. Our customers also value regular, relevant and understandable communication and the ability to contact us easily by telephone, in writing or online.

In response to customer demand for easy to understand and flexible products, we launched two key new products in 2007: Protection for Life and the Scottish Widows Retirement Account:

- Protection for Life is a menu-based programme which lets customers create a protection plan to suit their personal needs. Protection for Life makes it easier for customers to change their cover as their circumstances change, rather than have to cancel an existing policy and re-apply. With Protection for Life, customers receive a discount depending on the number of products they hold.
  - In 2008, we will be making improvements to our under-writing process which means that customer applications for Protection for Life will be completed more quickly and efficiently for customers.
- Our Retirement Account gives customers more control by letting them consolidate all their pension investments into one place, avoiding the hidden charges so prevalent in many SIPPs\*.

The Retirement Account also allows the customer to see exactly what has been paid into their pension and its current value, whenever they wish.

- In 2008, we are enhancing the flexibility of our Retirement Account adding a post retirement option which will allow customers to move seamlessly between pre and post retirement.

\*Self invested personal pension

We are taking significant steps to improve the quality of our customer communication. We now have a major training programme for all our people involved in writing customer communications. We have also created a specialist team within our marketing department tasked with redesigning and rewriting all our customer communications to make them easier for people to understand.

We also recognise the increasing importance of the internet in helping people make the right decisions for their financial futures and to manage their finances. In 2007, we added a range of new on-line tools to [scottishwidows.co.uk](http://scottishwidows.co.uk) in response to customer feedback. In 2008 we are investing to make it easier for our customers and their advisers to access policy information online.

We are committed to listening to our customers. Every year we conduct research with thousands of customers to ensure that we understand their concerns and that we are responding to their needs. The promise we make in our advertising, "We understand. We'd like to see if we can help," underlines our ongoing commitment to excellent customer service.

## **Archie Kane**

**Chief Executive, Scottish Widows PLC.  
June 2008.**

