

Customer impact  
report – 2010/11

For a better future.



**Scottish Life**  
a division of Royal London

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# Who is Scottish Life?

We've been helping people plan for their future since 1881.

Scottish Life are pension specialists. We've been helping people plan their futures since 1881.

We design and offer simple pension plans and make sure our customers know how they work. Our aim is to always communicate with customers in a clear and simple way, so they always know exactly what is going on with their savings.

Because we're specialists we focus only on selling and managing pensions. We believe strongly that people should receive sound financial advice so we only sell our pensions through financial advisers. With proper advice people can be sure they're getting a solution which really works for them.

It also means we don't spend money on expensive advertising campaigns or high street branches. We devote our time and money to giving the best possible plans supported by 5 star service.

## What is the Customer Impact Scheme

Scottish Life is delighted to be part of the Customer Impact Scheme – an initiative from the life and pensions industry which aims to ensure that our customers are at the heart of everything we do.

At the foundation of the Customer Impact Scheme are three commitments:

1. Developing and promoting products and services which meet the needs of customers
2. Providing customers with clear information and good service when they buy products
3. Maintaining appropriate and effective relationships with customers, providing them with a good service after they have bought a product

This scheme demonstrates how seriously our industry takes the responsibility of helping customers to save for their future, live comfortably in retirement and protect their families.

Scottish Life supports the Customer Impact Scheme. We passionately believe in the primary purpose of the survey which is to improve the way we look after our customers and build their trust and confidence in our industry.

The Association of British Insurers (ABI) commissions this annual survey which is now in its fifth year. The findings are based on the experiences of just over 21,000 people, including a representative sample of 715 of our customers. Within the survey customers are split into distinct groups – ‘recent purchasers’, those with ‘claims and payments’ experience and ‘existing customers’ which, for reporting purposes are also grouped as ‘All’. This allows us to get a good spectrum of our customer’s experience, regardless of where they are on the lifecycle of their product. It also allows the ABI to target questions to the relevant responders.

## How did we do?

The 2010 Customer Impact Scheme results for Scottish Life demonstrates some good progress in key performance areas. We've listened to what our customers said last year and tried to implement the improvements they suggested.

Unfortunately, the rating scales for this year's survey have changed from previous years so we are unable to make direct comparisons with previous surveys.

Although we are delighted to see that the improvement to our service which is so clearly being experienced by financial advisers is also being experienced by the end consumer.

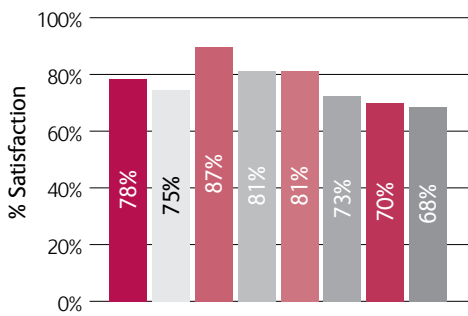
At the same time we recognise that there is room for improvement in some areas. We think it's important in this report for us to bring to your attention the activities that are already underway within our business which will focus on improving the customer experience.

I am pleased to provide some details of the key findings and the actions we intend to take as a result of this feedback.

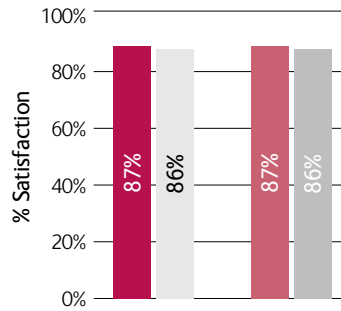
## The Customer Commitments

As mentioned previously, the ABI outlines three commitments that are the foundation of the Customer Impact Scheme. These results show how Scottish Life fares against our peers.

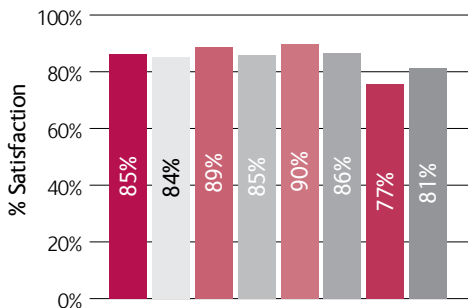
### Commitment 1: Developing and promoting products and services which meet the needs of customers



### Commitment 2: Providing customers with clear information and good service when purchasing products



### Commitment 3: Maintaining appropriate and effective relationships with customers and providing them with a good service after they have bought a product



■ Overall Scottish Life  
 ■ Overall Peers  
 ■ Recent Purchasers Scottish Life  
 ■ Recent Purchasers Peers  
 ■ Claims & Payments Scottish Life  
 ■ Claims & Payments Peers  
 ■ Existing Customers Scottish Life  
 ■ Existing Customers Peers

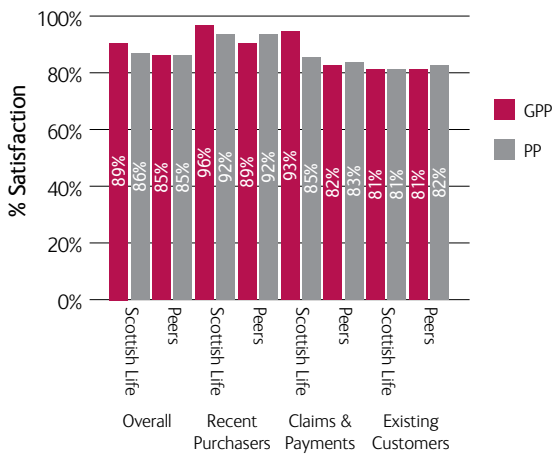
## Performance Summary

From the tables it can be seen that Scottish Life's results are not only in line with our peer group but in most areas, slightly better. The 2009 survey showed that we were in line with our peers so an improvement, although a direct comparison (as mentioned before) is not possible.

The group of customers we score least well with are our existing customers, although this is in line with findings for our peers as well. This could be because this is the segment of customers we have least contact with. Also this is the segment which will have been least affected by the improvements we have implemented over the last few years in the areas of claims and new joiners. We aim to work on our communications with this group of customers to bring their experiences more in line with other customer group.

## Key Results

### Customer focus – how easy was it to do business with Scottish Life?



This could be indicative that the programmes we have undertaken to improve our service levels and to make Scottish Life easier to do business with are proving to be effective. The results also show that we need to continue to work with our existing customer base to ensure they have the same positive experience. Planned improvements to our digital strategy should help us do that.

Scottish Life is now recognised as a company that delivers great service which has been recognised within the industry. We've won 'best for service' for the second year running and retained 5 stars for Excellent Service at the Financial Adviser Service Awards 2011 and we are committed to winning it year after year.

The table above seeks to show how easy customers find it to do business with Scottish Life, whether as a new customer, someone making a claim or payment or as an existing customer. These are then compared to experiences with other similar companies – our 'peers'.

Customers who have recently purchased their pension product or who have recently had contact with us through a claim or payment all rate Scottish Life as better than other companies. However, our existing customers' experiences appear to be more in line with those in the general industry.

## Claims and Payments –

how would you rate how simple it was to make a claim or payment?

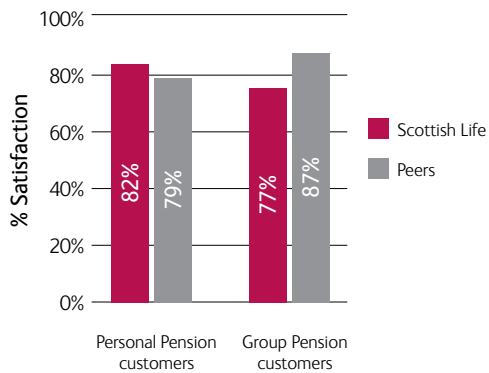


Scottish Life customers expressed more satisfaction with the simplicity of the claims or payment process than customers of our peers. 93% of our Group Personal Pension customers are very satisfied, or satisfied with our processes around making a claim or payment. That is very good, and ahead of the customer satisfaction levels for customers of our peers.

However, we're not resting on our laurels. We have just finished looking at the processes we use with our Personal Pension customers – whose satisfaction scores were lower than for those with Group Personal Pensions – in an effort to improve our practices here. Improvements will be made in line with our findings and further work will be done to enhance the experience of all customers at the point of making a claim.

## Customer Service –

### how satisfied or dissatisfied are you?



To have around 80% of our customers rate us as 'very satisfied' or 'satisfied' when asked how they feel about our service is good, and is certainly in line with our peer companies. It's also encouraging to see that customer service scores across the industry are strong, a sign that the industry as a whole is trying to improve in this area.

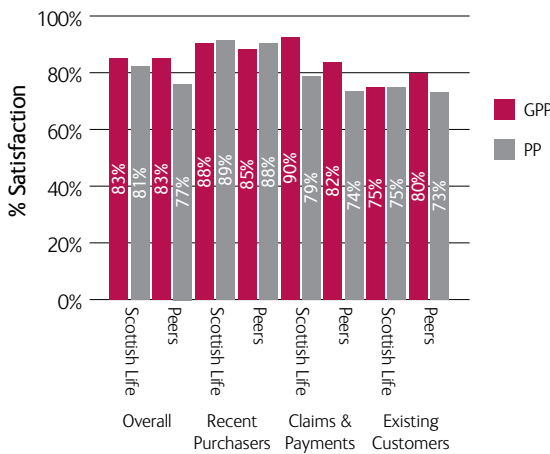
However, at Scottish Life we would like to improve our score.

Scottish Life doesn't have any call centres so when a customer calls our helpline they have direct contact with someone that can help. The people who answer our phones were highly rated in the survey for their helpfulness, knowledge and for making customers feel valued. This is a tribute to the training they have received through our Customer Engagement programme. In 2011 we have been working on a programme of further improving the experience our customers receive when they phone us.

We are also happy to report that out of all our customers questioned only 1% said they felt like making a complaint against us, this is significantly fewer than the industry level of 6%.

## Communications –

**how would you rate the statements and personalised letters you might have received in relation to your product from Scottish Life in the last 12 months?**



Overall our results for Scottish Life are comparable with our peers. However, Scottish Life is extremely disappointed that the quality of our written communications appears to be less favourably received than that of our peers for our existing customers.

Having said that, for both our recent purchasers and those with experience of our claims and payments consider the statements and letters they've received to be slightly better than the industry.

This less positive response from our existing customers means that we are working to address the issues they have raised. The valuable feedback we have received from this survey makes this one of our priorities. To this end we are in the process of redesigning the annual statements which is usually the only communication our existing customers receive from us.

We recognise the importance of our communication with our customers. To enable them to make informed financial choices and prepare for the future, our clients need to receive timely, relevant and well crafted communications from us. It is our continuing aim to provide this.

## In conclusion

We acknowledge the findings of this report and will take action to address the issues that have been identified. As a business we are committed to delivering customer benefits (not simply product features) in the most efficient way possible for our customers.

Scottish Life continues to make significant progress. We now have a market share\* of 20.9% in the regular premium personal pension market. And for external unit linked drawdown business our share is remarkable at over 55%.

Our service credentials are now becoming truly recognised in the market place.

Picking the right pension is a big decision. And while the right product is key, feeling reassured that the provider is up to scratch is also very important. Everything we do must make sense to our customers, from designing and offering simpler products to being clear about how they work.

Going forward we aim to communicate with our customers in a clear and simple way, so they know exactly what's going on with their savings.

\*2011 Scottish Life and Association of British Insurers figures

Don't just take our  
word for it

Whilst acknowledging the feedback from our customers in this study we are proud of the awards we have received which means that we're doing many things right for our customers.

■ **Incisive Media Gold Standard Awards 2011**

- Winner – Group Pensions
- Winner – Individual Pensions

■ **Financial Adviser Service Awards 2011**

- Rated top provider for service in the Life & Pensions category
- Achieved 5 stars for 'Excellent Service.'

■ **Investment Life and Pensions  
Moneyfacts Awards 2011**

- Winner – Best Pension Service
- Winner – Best Personal Pension Provider
- Highly Commended – Best Group Pension Provider
- Highly Commended – Best Income Drawdown Provider

■ **FTAdviser.com Online Service Awards 2011**

- Winner of the 5 star award for online service in the Life & Pensions category for five years running

■ **Financial Adviser Life & Pensions awards 2011**

- Winner – Pensions Provider of the Year
- Winner – Group Pensions Provider of the Year
- Winner – Individual Pensions Provider of the Year
- Winner – Income Drawdown Provider of the Year
- Highly Commended – SIPP Provider of the Year

■ **Money Marketing Financial Services Awards 2011**

- Winner – Best Pension Provider

■ **Corporate Adviser Awards 2011**

- Winner of the Ultimate Default Fund for our Governed Range two years running.

All literature about products that carry the Scottish Life brand is available in large print format on request to the Marketing Department. All our printed materials are 100% recycled, supporting responsible use of forest resource. Full details of Scottish Life branded products can also be obtained from the Marketing Department at Scottish Life, St Andrew House, 1 Thistle Street, Edinburgh, EH2 1DG.

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