

Customer Impact
Report – 2009

In touch with
our customers.



Scottish Life
a division of Royal London

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Who is Scottish Life?

Scottish Life is an Edinburgh based business that employs some 1200 people. We have sales offices throughout the UK supported by our main customer service centres in Edinburgh and Wilmslow.

Our business is over 125 years old, and since 2001 we have been part of the Royal London Group, the UK's leading mutual insurance society. We are proud to be part of the Group which provides huge reassurance on our financial strength on which our customers can depend.

We are a specialist business. Everything we do is centred on providing people with pensions. We provide pensions to both private individuals in their own right or to members of company pension schemes.

Altogether, we provide pensions for over **500,000** people and manage over **13,500** Group Pension schemes.

We are equally proud of our mutual heritage. Like all parts of Royal London, we aim to run our affairs as entrepreneurially and decisively as any public company. But we are certain that being ultimately responsible to our members, not to shareholders, can make for better long-term decision-making. Our mutual status is something our board continues to believe is in the best interests of our members and all customers.

In times of economic uncertainty, choosing a product provider is not just a question of who can give the best deal. It's also a matter of which company is stable and consistent. As part of the Royal London Group, we are confident that our history and our values put us in a strong position in the current market where there is a loss of trust in the institutions which are focused primarily on shareholder returns.

Our commitment to our customers

We aim to help our customers create a secure and safe financial environment for their retirement. We will do this by offering a comprehensive menu of investment services designed to meet the needs of different customers. Particular focus will be placed on portfolio governance and clarity of communication. We will provide a well defined and consistently delivered service combined with clear lines of contact with customers. We believe this approach will ensure more satisfied customers and will help to distinguish Scottish Life as a market leader.

The Customer Impact Survey 2009

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.

The Customer Impact 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 because we passionately believe in the primary purpose of this survey which is to improve the way we look after our customers whilst at the same time building their trust and confidence in our industry.

The Association of British Insurers (ABI) has commissioned this annual survey, now in its second year, and the findings are based on a representative sample of 750 of our customers.

These are the three commitments that are the foundation of the Customer Impact Scheme:

- 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

For more information on the Customer Impact survey please click on this link to the ABI's dedicated website – www.customerimpact.org

How did we do?

The 2009 Customer Impact results for Scottish Life demonstrates some good progress in some key performance areas, against previous surveys. At the same time we recognise that there is room for improvement in performance in other areas.

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

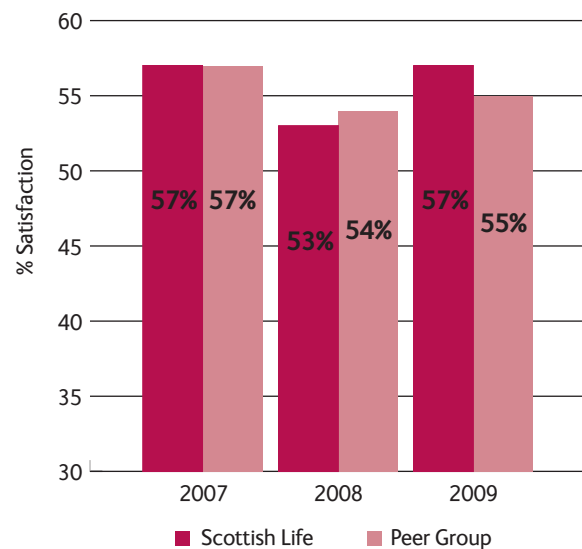
Additionally I think it is important for us to bring to your attention the activities that are already well underway within our business, all of which are intended to focus on improving the experience the customer has when dealing with Scottish Life.

The Customer Commitments

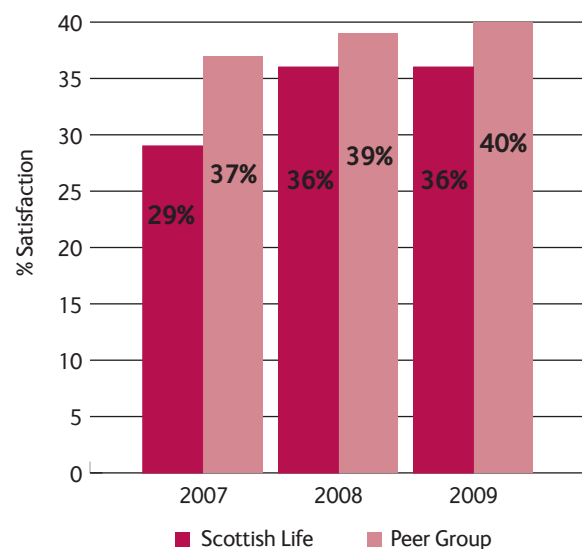
Commitment 1: Developing and promoting products and services which meet the needs of customers



Commitment 2: Providing customers with clear information and good service when they buy products



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



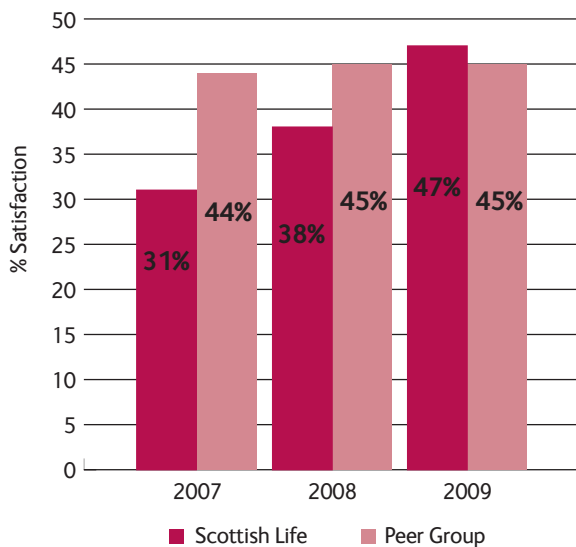
- Results exclude those who didn't know or declined to answer as this is neither an expression of satisfaction or dissatisfaction
- Satisfaction is the top 2 answers on a scale of 1 to 5, 'Excellent/Strongly agree' and 'Very good/Agree'

We note that the Scottish Life results are in line with our Peer Group. Particularly pleasing are the strides that Scottish Life has made in Commitment 2, reflecting recent projects undertaken to vastly improve the quality of our new business servicing and customer communication material.

The challenge for Scottish Life is to continue to improve against these commitments in future studies. We believe that the initiatives we have put in place – and continue to implement – will stand us in good stead and be reflected in the feedback from future Customer Impact studies. We will provide further details on these initiatives throughout the course of this Report.

Key Results

How would you rate the Scottish Life customer service centre on making you feel like a valued customer?

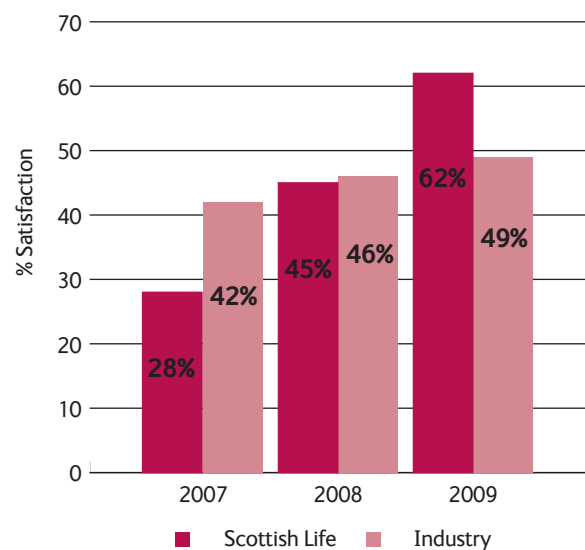


Last year we outlined our clear commitment to our customers by way of our comprehensive Customer Engagement programme. We are delighted to see that the 2009 Customer Impact Study reflects the many positive trends happening across our business.

In the previous Report we outlined what we believed to be the key components of good customer engagement. Among them was 'A clear and easy to understand contact strategy with a single view of each customer and intermediary. Technology, including telephony, will be crucial to the delivery of this.'

Looking at the above question it is extremely pleasing to see that the work we have been undertaking to improve our levels of service and to make Scottish Life easier to do business with is proving to be effective.

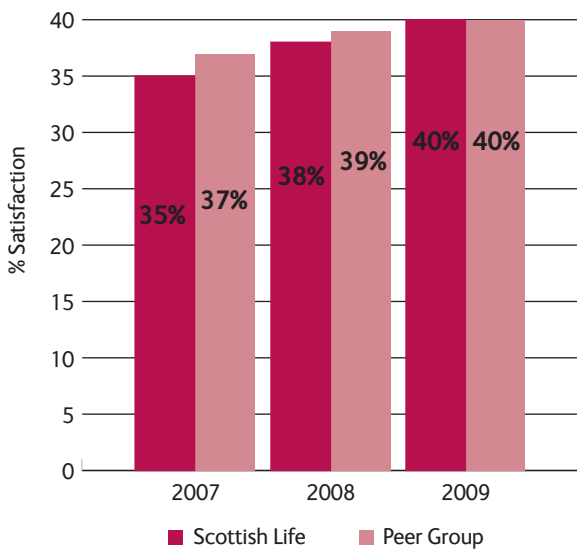
(Relating to Group Personal Pensions) How would you rate the Scottish Life customer service centre on the ability to resolve your queries in a single phone call?



We have improved our telephony significantly over the last 12 months and this is reflected clearly in the results demonstrated in the above graph. All customer queries are now routed through a dedicated help-line and two out of three of these calls are being successfully dealt with by a single contact. We hope to improve on this further during the course of 2009.

Also we are now cheaper as well as easier to talk to as all the calls now coming into our servicing department are charged at the local rate.

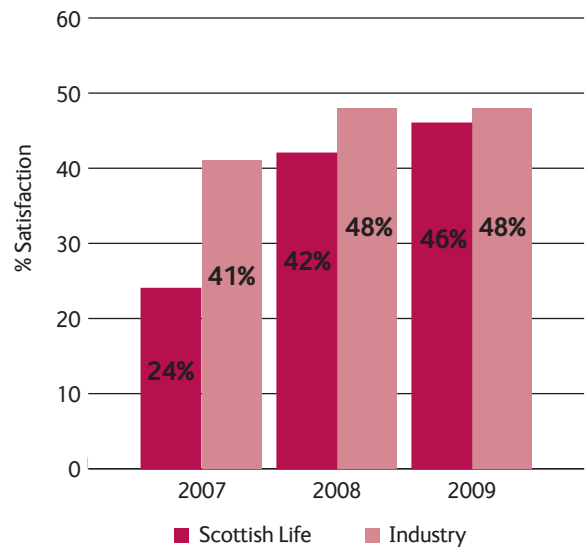
Thinking of the statements and personalised letters you might have received from Scottish Life in the last 12 months, how would you rate them?



In last year's report we stated that another aspect of good customer engagement was 'Clear cohesive communication to our customers with strong 'benefits-led' messages, a distinctive tone of voice and a language and style appropriate to the target audience'

At Scottish Life we have successfully implemented a major project designed to improve the quality, clarity and effectiveness of our communication with customers. In simple terms this means giving the customer timely and relevant information that helps them to understand their pension plan, the underlying performance of the plan and the issues that they need to consider both now and the future in helping them to plan for a secure retirement.

(In relation to Personal Pensions) How would you rate Scottish Life's claims/payment handling on the speed with which your claim was settled?



We have improved key aspects of our claims process and as a result we have halved the processing time for what is considered to be the single most important event that takes place during the lifetime of the product – paying out to the customer at the point of retirement.

In conclusion – What are we doing to improve customer satisfaction?

At Scottish Life we understand that good service is one of the key factors in determining the success of our business. We also appreciate that in doing business with intermediaries providing good service is essential as it enables them to deliver on their own customer promises.

In recent years we have taken time out to listen to what is important to both intermediaries and end consumers. We have then acted decisively to improve our service. As a result of rigorous planning, preparation and the hard work of many of our people we can say with confidence that our service is now well up to scratch.

Working for you

Our people are now better qualified and more productive. They focus solely on doing what really matters to the customer, then measuring the effects.

Our ongoing challenge is to make Scottish Life increasingly **easier to do business with**. Currently we continue to work on improving the overall customer experience with activities ranging from the quality of our client data and simplifying the multitude of telephone numbers that we use. We are also committed to improving the quality of all our written and verbal communications with you and our policyholders.

Don't just take our word for it....

Our customers, research organisations and ratings agencies are letting us know loud and clear that we are now really delivering on service.

In an **Annual study of 501 IFAs conducted by Defaqto** – the UK's leading independent financial services research company – Scottish Life were rated best in our peer group for New Business Servicing

Scottish Life is the 5 Star winner of the Life and Pensions category for the **FTAdviser Online Service Awards 2008**. This is the third year in a row that we have won this prestigious award.

We hold the 4 Star Award in the Life & Pensions category of **The Financial Adviser Service Awards 2008**. This is considered to be the benchmark for service standards within the financial services marketplace and this improved rating demonstrates the growing confidence that our clients now have in our levels of customer service.

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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