

In touch with our customers

Customer Impact Report 2007



Scottish Life
a division of Royal London

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Introduction

Scottish Life has been providing pensions and retirement planning products to the UK population for over 50 years. We pride ourselves in our ability to supply innovative corporate and individual pension solutions on the recommendation of independent financial advisers (IFAs) and employee benefits consultants (EBCs).

This way, we can be sure our customers get the best possible advice, tailored to their own individual requirements.

We want to help our customers create a secure and safe financial environment for their retirement.

*Our **Vision** is to create a better financial tomorrow for our customers.*

To achieve this we have to be considered as the retirement savings expert in our chosen market sectors. We will continue to focus on building a long-term relationship with the IFA and EBC sectors with the objective of helping them to deliver high quality advice to the end consumer.

*Our **Values** are the foundation stones on which our corporate culture is built. We aim to be:*

- ⦿ Professional
- ⦿ Forward thinking
- ⦿ Fair, open and honest
- ⦿ Performance focused



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The Customer Impact Survey 2007

Scottish Life is delighted to have participated in a new benchmarking service to measure customer views of the life and long-term savings industry. The Association of British Insurers (ABI) has commissioned this annual survey and the findings are based on a representative sample of 750 of our customers. Customers were asked for their views on a wide range of issues, including:

- ⊙ the quality of products and whether they meet expectations;
- ⊙ the quality of written communications and telephone handling;
- ⊙ how well companies handle new sales, complaints and claims;
- ⊙ general perceptions of companies' performance, their values and conduct.

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 fare?

Following an internal review earlier this year, Scottish Life has put a number of initiatives in place to improve our customer service and communication. The results of this survey support the need for the initiatives which are all designed to improve the quality of our delivery to the customer.

These activities, outlined in this Report, have been given priority status within our business

Key Results

Overall, how would you rate the life, pensions or savings product that you purchased from Scottish Life?

Excellent / Very Good	Good	Fair / Poor
37%	38%	25%

A key area for improvement within this result section was the "ease of understanding features and benefits". We are addressing this through a number of activities designed to improve the quality of our customer communications.



Thinking about the service you have received from Scottish Life, how satisfied or dissatisfied are you with them?

Extremely / Very Satisfied	Quite Satisfied	Not Very / Not At All Satisfied
40%	46%	14%

A number of projects are underway that are designed to improve the performance and competencies of our people, our internal systems and our end to end processes. These are described in greater detail in a later section of this Report entitled "What are we doing to improve Customer Satisfaction?".

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

Excellent / Very Good	Good	Fair / Poor
35%	39%	26%

A specific project designed to improve the quality of our post sale communication is already underway and is also described overleaf.

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What are we doing to improve Customer Satisfaction?

Training our people

Our people are our most important resource. We have put in place a performance management scheme for promoting and rewarding the right behaviour and skills in our Customer Service people.

Training and development plans as well as recruitment strategies have been implemented to support the programme. Nearly 70% of staff have entered the performance management scheme and the aim is to move this to close to 100% by the end of 2007. We are convinced that the improvements to the quality and competency of our people will have a direct impact on the end customer experience of dealing with Scottish Life.

Reviewing all our back office processes

We are also undertaking a review of all our core process elements from end to end with the aim of rooting out complicated manual processes, improving the hand over of work with a view to increasing the speed and accuracy of our processing and deploying better use of simple technology to assist in all areas of delivery. This project will focus on fixing known issues as well as designing a better end to end experience for the customer.

The combination of better processes and higher performing people will ensure that the customer experience is significantly enhanced.

We are looking carefully at the Customer Impact results to identify any specific areas we should be targeting, particularly if they can be built in to our people management or process review projects.

Improving the quality of our post sale customer communications

A project is underway to review ALL post sale communication generated for our core Individual Personal Pension contract.



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All firms regulated by the Financial Services Authority (FSA) support the principle that a firm 'must pay due regard to the interests of its customers and treat them fairly'. This is known as the TCF ('treating customers fairly') principle and it aims to raise standards in the way firms carry on their business by introducing changes that will benefit consumers and increase their confidence in the financial services industry.

At Scottish Life, we aim to ensure that our service adheres to the following principles:

- information provided to customers will be clear, accurate, complete and timely;
- phone calls and routine servicing requests will be handled courteously and in a timely fashion;
- statements and projections will be clear, accurate, complete and timely;
- premiums will be collected at the agreed time and arrears will be handled sensitively;
- where appropriate, Scottish Life will adopt industry standards of good practice when undertaking customer servicing activities

In this project we are "going back to basics" with a view to providing a range of communications designed to support the customer throughout the whole lifecycle of the product / consumer relationship. The content is designed to provide relevant, timely and coherent communications to the customer.

To do this we will support all recommendations for change with a rigorous programme of consumer research that will be validated by future findings from this Survey.

In conclusion

We are pleased to see that the initiatives already underway are addressing the key areas of concern identified in this year's Customer Impact Survey. We are actively engaging with our customers through our own internal research programmes and we will ensure that this combined with the findings of future Customer Impact Surveys will serve as a barometer in measuring progress in delivering on-going improvements to all aspects of our customer experience.

We passionately believe in looking after our customers. Indeed it is a commercial imperative and improving the customer experience is being treated as a business priority as evidenced by the projects and investments in people, systems and resources which we have outlined above.

www.scottishlife.co.uk

At Scottish Life, everything we do is geared toward helping you create a safe and secure financial environment for your life. From our award-winning online service and carefully selected investment choices to our excellent customer service - it's all designed to make saving for your retirement as easy as it can be.

All literature about products that carry the Scottish Life brand is available in large print format on request to the Marketing Department. Full details of Scottish Life branded products can also be obtained from the Marketing Department at Scottish Life, 19 St Andrew Square, Edinburgh EH2 1YE.

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