

**Independent Complaints Reviewer to the
Charity Commission for England and Wales**

Annual Report 2002-2003

Seeking a Fair Resolution

THE INDEPENDENT COMPLAINTS REVIEW SERVICE



The Independent Complaints Review service for the Charity Commission was established to look into complaints made by people or organisations affected by its actions or decisions. The service offered by the ICR's office is free to users.

Following a successful pilot scheme, Jodi Berg was appointed as the first Independent Complaints Reviewer (ICR). Mrs Berg is a solicitor with extensive management experience in the private and public sectors. She is a Fellow of the Chartered Institute of Arbitrators. She brings considerable experience to the role, as ICR for the Land Registry, the Public Record Office and the Housing Corporation. She is also Independent Case Examiner for the Department for Work and Pensions (Child Support Agency).

CONTENTS

Foreword

The Independent Complaints Review Service

Making a difference

Overview of the Charity Commission

Learning from complaints

About the Charity Commission

FOREWORD

I am pleased to present my report as the Independent Complaints Reviewer for the Charity Commission. I was appointed to establish and develop a fair and impartial service for the investigation of complaints, which the Charity Commission has been unable to resolve. During a successful pilot, the Commission took the opportunity to improve its internal complaints procedure to accord with the highest standards required of public bodies.

The establishment of the service acknowledges the importance of ensuring public confidence in the Charity Commission and recognises the part that the independent investigation of complaints can play in achieving this. We welcome contact from anyone who needs our help, whether to ask for general information and advice or to refer their complaints for independent review.

My role is to consider specific complaints and, where appropriate, to make recommendations aimed both at putting matters right for the customer and at improving the quality of service given to others in the future. The Charity Commission is committed to accepting and acting upon my recommendations. I am pleased to report that the Commission has accepted all of the recommendations that I have made in the last year, both those aimed at providing redress for individual customers and those that are systemic in nature.

People who turn to my office do so because they want an unbiased but informed view of problems they have encountered. My office is both thorough and robust in our approach to this task. Over a number of years, we have provided an independent complaint review service to customers of other public bodies. As such, people can have complete confidence that we will deal with their complaints in a professional, open minded and impartial manner.

Over the course of the year, I have had a number of meetings with senior Commission officers, including the Chief Charity Commissioner, the Director of Operations and Regional Operations Managers. I pay tribute to them and to the Board for their commitment to the principles of independent review and the facilitative way in which they work with my office.

In general, I find that the Charity Commission offers a very good quality of service to its customers. However, in common with other regulatory bodies, it is not without critics and it does not always meet the high standards to which it aspires. Nevertheless, its proactive response to recommendations that I have made demonstrate its determination to take on board lessons arising from complaints, both on an individual and a generic basis. I have no doubt that independent review can continue to make a valuable contribution to the improvement of its customer service.

This is a period of considerable change and development for the Charity Commission and for the charitable sector generally. It is an area of public life which has continued to grow in importance and prestige over the years. Nowadays, one cannot think of our society without the huge benefit that charities provide for many millions of people. It is fair to say that, in one way or another, charities touch all of our lives.

The Charity Commission encourages registered charities to respond to complaints in an open and positive manner. Through its commitment to independent review, the Commission is itself leading by example in this important area. However, it has no authority to compel charities to do so, nor can it order redress for people who feel that individual charities have treated them badly. This issue continues to attract complaints about the Charity Commission itself.

In my last report, I suggested that thought be given to the introduction of a sector ombudsman scheme. I said, “The current situation is unfair to both complainants and charities.” For complainants there is no route for seeking personal redress for problems they have encountered and charities can choose to ignore or take a high-handed approach to such complaints, without any comeback. In my view, there is no justice and little sense in this.

On the other hand, charities themselves have no opportunity to refer complaints on for review and thereby bring matters to close. This can prove demoralising for charity staff and volunteers and can, on occasion, be a drain on charitable resources. This year, amongst visits to other stakeholder groups, I had the benefit of joining representatives of major UK charities at a meeting sponsored by SCOPE. I was pleased to learn that the proposal for an ombudsman scheme is generally welcome and, in addition, the Charity Commission itself has also expressed a favourable view of the proposal.

I, therefore, welcomed the news that the proposal was to be the subject of a debate in the House of Lords, sponsored by Lord Patten. I followed the debate with interest and I look forward to learning the Government’s response in due course.

This year my office has welcomed a member of staff on secondment from the Charity Commission. This initiative is aimed at offering a development opportunity for this officer, whilst providing the ICR office with the resource we require to carry out our job efficiently. We also said farewell to some members of the team and greeted others. My thanks go to every member of the team, past and present, for their dedication and efficiency.

This report describes the ICR service and the progress that has been made in the last year. It also provides brief anonymised summaries of some of the complaints that have been referred to me. I hope that you will find it interesting and informative.

The Independent Complaints Review Service

Our mission statement clarifies our commitment to good administrative practice. We offer a service that is:

- Independent and free of charge
- Efficient and effective
- Provided by a dedicated team who are committed to high and continuously improving standards
- Flexible, so that it can change in response to the needs and preferences of our service users
- Accessible and well publicised
- Administered in accordance with the principles of public life and good administrative practice guidelines

The ICR aims to provide a fair resolution to complaints from individual Charity Commission customers. We also try to make a difference to the service provided to future customers by recommending change and improvement.

The office is managerially independent from the Charity Commission and is free to complainants. Our investigations officers are bound by the dual principles of confidentiality and impartiality. They are accountable to the ICR for the way in which they work.

In all that we do, we adhere to the guiding principles of behaviour laid down by the Committee on Standards in Public Life.

How can you find out about us?

Any individual or organisation directly affected by the actions of the Charity Commission is entitled to access the ICR service. Our leaflet *Seeking a Fair Resolution* explains the role of the ICR and contains a simple referral form.

The leaflet is designed to be clear and accessible to anyone who needs our help.

We encourage our customers to contact us by phone, in writing by fax, or on-line and deal with them in the way that best suits their needs.

Our website describes our service in more detail. It provides an on-line version of the leaflet we send to complainants and printable versions of the application forms we ask them to complete. It also offers links to other complaint handling and Ombudsman services, as well as to national consumer organisations.

It is updated regularly, in accordance with the guidelines issued by the Web Accessibility Initiative (<http://www.w3.org/WAI>), which promotes the easy use of websites for all members of the public.

We actively promote the work of the office through consumer associations, such as the Citizens Advice Bureaux and the Consumers Association.

Information is also available from:

- The ICR's office
- The Charity Commission
- The internet

What you can expect from us

- Courtesy
- Honesty
- Respect
- Accessibility
- Objectivity
- Flexibility
- Use of plain language

- Openness of suggestions and comments

Our commitment to equality

There is no organisation in which the need to demonstrate a commitment to equality is more important than in a service which is dedicated to the independent, fair and impartial investigation of complaints.

The ICR is determined to offer a comprehensive and impartial service to anyone who needs our help, regardless of his or her background or personal situation. We have made every effort to ensure that our publicity and information material is clear and easy to understand. All our literature and correspondence can be translated on request into several languages that are in common use across England and Wales and our leaflet is also available on audiotape.

We have an Equal Opportunities Questionnaire that is published on our website. We wish to monitor trends in the use of our service to see whether the needs of particular kinds of people can be met more effectively, either by this office or the Charity Commission. We send a questionnaire to every complainant. We will report any changes to be made in response to the information we receive in our next annual report. In addition, we have published a Race Equality Scheme in order to meet the best practice requirements for public bodies under the Race Relations Act 1976 (Statutory Duties) Order 2001.

The Review Process

The ICR service is available to any customer whose complaint the Commission has investigated, but who remains dissatisfied with its response.

Essentially our role is to be a referee between the Commission and its customers.

We look to see that the Commission's complaint procedures offer a fair deal to complainants and that the Commission is proactive in taking the opportunities it is given to learn from these complaints. This office also helps customers who have not yet been through the Commission's complaint procedure. At this stage we cannot carry out an investigation, but there is an increasing demand for advice and information from Commission customers who are unsure how to take matters forward.

In appropriate circumstances, we will act as an intermediary for the complainant in their contact with the Commission, or will seek to resolve the problems faced by them through conciliation. This accords with the ICR's commitment to try to achieve speedy local resolution to problems and complaints, wherever possible.

In 2002 the ICR adopted a clearer "gateway" approach to casework. This means that we establish the general outline of the complaint at the outset and where this falls outside of our remit, or where we feel we cannot provide meaningful assistance, we will not take the case on. In this situation, we will explain to the complainant why we cannot investigate their complaints. Where possible, we will provide advice on other avenues of assistance.

In addition, following consultation with the Charity Commission, we have now introduced a "fast-track" service, whereby the Commission can invite complainants to bypass the usually obligatory 'second stage' of its internal

procedure and progress straight through to independent review. Fast-track referrals are a good way to offer a quick result for complainants by short-cutting internal investigation in favour of the more objective independent process. It also offers the Commission an opportunity to withdraw from its own procedure at an earlier stage, where it feels either that prolonged investigation would not satisfy a complainant, or where senior managers have been personally involved in the earlier handling of the case. In these latter circumstances, it is inappropriate that managers should be involved in the provision of a response to the complaint.

This process seems to be bedding in well although, as yet, we have received too few “fast-track” cases to draw any firm conclusions.

What can we investigate?

The ICR investigates complaints about maladministration. Maladministration is described as a failure to carry out proper procedures or to meet published quality of service standards. Although a review will not necessarily focus only on these issues, in general complaints fall into the following categories:

- unreasonable delay
- discourtesy
- injustice or discrimination
- failure to follow proper procedures
- not answering complaints fully or promptly
- failure to apologise properly for mistakes

We respond to initial customer contact within 24 hours and try to find out why the customer is unhappy with the service that they have received from the Commission. In the event that

matters cannot be resolved quickly by the Commission, the ICR will consider the information provided by the complainant to see whether or not she can investigate the complaint.

There are a number of complaints that fall outside of the ICR’s remit:

- decisions made by the Commission based upon the statutory provision under which it operates;
- complaints by Commission employees concerning their employment;
- complaints which have become the subject of legal proceedings;
- complaints which have been investigated or are under current investigation by the Parliamentary Ombudsman;
- complaints which relate to current investigations by the police or taxation authorities.

If we cannot review a complaint we will explain why to the complainant. If we can take matters further, our investigation will include a thorough examination of the Commission’s files and records. It may also include meetings and interviews with the complainant or with members of Commission staff who were involved in handling the case.

The ICR’s report will usually take the form of a letter to the complainant, which is copied to the Commission. However, in some cases, the ICR will decide that it is appropriate to prepare a ‘formal’ report.

This is a lengthy and time-consuming process that involves considerable consultation with the complainant and the Commission at different stages of the review. For this reason, this is more unusual, but the ICR may deem it appropriate because of the complexity

of the complaint or the serious nature of the allegations that have been made. She may also decide to do so where there has been considerable general public interest in the situation that arose leading to the complaint.

Where a complaint is upheld the Commission has agreed to implement any recommendations immediately. Recommendations can include:

- an apology
- an explanation
- specific action
- consolatory payment

The ICR can also make systemic recommendations, with a view to improving the Commission's operational processes and procedures.

Making a difference

Complaint referrals

The ICR received 31 complaints throughout 2002, incorporating 44 separate issues. With the assistance of her team, she completed the investigation of 14 of these complaints and others, which were referred later in the year, are ongoing. This figure is encouraging. In the first year of the ICR pilot scheme we received 43 complaints, and in a 9-month period in 2001 we received 31.

Numbers of complaints have been fairly stable since we established our service and have even fallen off slightly in 2002. Since the numbers of complaints recorded by the Commission have slightly increased over the past two years (from 88 to 98 complaints), this is an indication that the Commission's internal complaints handling is working well and that complaints are being resolved without the need for further action.

In 2002 approximately 75% of the complaints received were from members of the public, as opposed to charities or their representatives. This compares with 80% in 2001. The high figure of referrals from members of the public is not unusual, even for regulators, and mirrors that experienced by other public bodies.

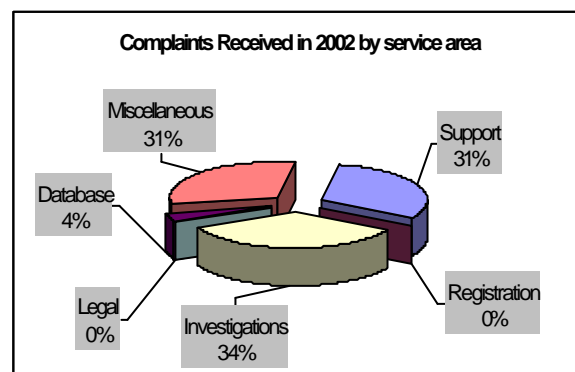
Figure 1 shows the number of complaints received by service area in 2002, while figure 2 shows the same information for 2001. The pattern of complaints has altered significantly over the two-year period.

Investigations Division (ID) has seen the number of complaints fall from

67% in 2001 to 34% in 2002. A significant reduction. This is a welcome sign, particularly considering the contentious nature of its work. We can conclude that the Division is meeting the expectations of its customers more effectively than in the past. This may well be due to changes in practice heralded in last years report, which introduced active case management to the Commission's engagement with its customers.

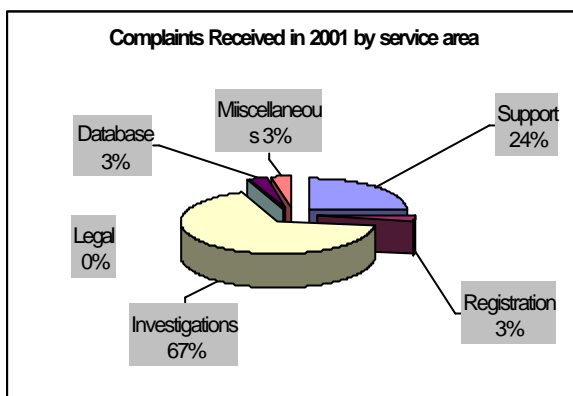
'Miscellaneous' complaints have seen quite a dramatic increase over the two years, growing from 3% in 2001 to 31% in 2002. This category includes complaints which are corporate rather than personal and cover a wide range of issues, including practice and policy issues. More particularly, they include allegations of bias in the way that the Commission has handled cases. It appears from these figures that complaints have shifted from specific individual concerns to more wide-ranging issues. We will monitor this trend over the next year to see if it continues.

Figure 1



Investigations Division (ID) has seen the number of complaints fall from

Figure 2



What the complaints were about?

Figure 3: Complaints by category in 2002 and 2001

Categories	2002	2001
Error	1	0
Mistake	1	1
Delay	4	10
Discourtesy	4	1
Responsiveness	4	6
Communication	5	9
Advice	1	1
Practice	13	17
Compensation	0	0
Complaints handling	3	4
Discrimination	1	0
Bias	7	4
Other	0	2
Total	44	55

The complaints that we receive cover a wide range of issues, but it is clear that certain areas pose more problems than others. A positive sign is the fact that overall complaints received have reduced by approximately 20% in 2002, when compared to 2001. This shows a marked improvement in performance. It demonstrates that the Commission is learning the right lessons about customer service and complaints handling and is implementing changes accordingly.

In particular, there has been a marked reduction of complaints in areas such as delay, communication and practice. In both 2000 and 2001, the Commission received higher numbers of complaints relating to delay and it is pleasing to see a reduction in referrals of approximately 60%. We will continue to monitor this trend and hope that it continues.

Complaints concerning bias are on the increase for the Charity Commission as for other public bodies for which we provide a review service. In our experience, this tends to be an issue of perception rather than actuality and, to date, the ICR has not found any objective evidence to substantiate any such complaints. Nevertheless, the Commission should take account of the fact that complaints of this nature are on the increase and, both in casework and complaint handling, officers need to be careful to avoid the impression of partiality. This is particularly important when dealing with difficult dispute cases.

Allegations of bias
Following a dispute within two religious charities, the Commission sought to mediate between the parties to resolve the dispute and put the charities on a proper footing.
Mr A had forwarded much evidence to and had been involved in protracted correspondence with the Commission. Due to the difficulties that he had faced and the delays in response times, Mr A deduced that his ethnic background and that of the charities was at the root of the problem.
Mr A complained to the ICR that the Commission's actions in this case were at variance with that taken against 'mainstream' charities. He claimed that this was as a result of ethnic bias.

In her investigations, the ICR found no objective evidence of bias and, therefore, did not uphold this complaint. She did, however, identify administrative failings where the Commission had not met its own service standards or followed proper procedure. This had given rise to an impression of partiality. The ICR pointed out to the Commission that, in its dispute handling activities, it must be careful to avoid dealing with cases in ways that might give rise to accusations of this kind. In order to do so, it must ensure that its communication and action is fair and equal as between the parties to the dispute.

Results of our investigations

The 14 complaint investigations we concluded in 2002 included 63 separate allegations of maladministration, of which 11 were either partially or fully upheld. This compares well with the figures for 2001, where we investigated 59 allegations of maladministration and partially or fully upheld 16 of them.

It must be borne in mind that the number of complaints we receive is extremely small when compared to the throughput of business at the Commission. However, each one takes a considerable amount of effort to investigate and resolve. It is worth highlighting that, although numbers are small, the Commission invests considerable staff resource and time into its complaints handling.

It is a positive reflection of the Commission's commitment to customer service and the quality of its internal complaints handling that the numbers of allegations upheld has reduced from 2001 to 2002, even

though the number of allegations received has increased slightly.

Making a difference to the service our customers receive

Each of the cases that the ICR reviews is unique, however, in many cases there are commonalities. It is part of the ICR's role to identify these trends and make general systemic recommendations designed to improve the Commission's service and bring about lasting change. Although the Commission's service standards are high, there are areas where the ICR has upheld complaints and made recommendations.

Examples of recommendations include:

- Formal "good practice guidelines" should be issued to staff to cover situations where potential conflicts of interest might arise or be thought to arise. These guidelines should be available for internal and external publications;
- Commission officers should take particular care to explain to correspondents the nature and purpose of their involvement with a case, to avoid unnecessary confusion and manage expectations;
- As part of the revision of review procedures, the Commission should consider its internal and public information about "review", with the aim of incorporating changes to provide clear information on the appeals process and the criteria used in assessing a request for a review.

The Commission has accepted all of the recommendations that the ICR has

made to date. Some customers have received formal apologies and, on occasion consolatory payments have been made. In addition, the Commission has implemented a number of systemic and procedural changes which have had a significant effect upon its work.

Public information

A significant number of the complaints that we receive involve a misunderstanding or misplaced expectation about the role and powers of the Commission. Customers often express an expectation that the Commission should take rigorous regulatory action, but usually the issues raised fall outside of its remit.

Managing expectations
Mr B brought to the Commission's attention various concerns regarding the administration of a religious charity. He had an expectation that the Commission would take the
appropriate action to address his concerns, and felt let down that the Commission did not open an
investigation and intervene to put things right.
The ICR did not uphold Mr B's complaint. She found that the
Commission had done all that it could in the circumstances and had acted
within its regulatory function and powers. She felt it necessary, however, to explain the limits of the
Commission's role when dealing with complaints, as the general public
perception of this can be a complicating factor. She recommended that the Commission should explain its
role and the limits of its powers of intervention at the outset of a case, to
ensure expectations are not unduly high.

On a number of occasions the ICR has recommended that the Commission revise and clarify its guidance leaflets to explain more fully its role in dealing with complaints about charities. This appears to be a somewhat grey area for the public and one where customers often have inflated expectations of the Commission, which are not within its powers to deliver.

Guidance leaflets
Mrs C complained to the ICR that the Commission had failed to take appropriate action to address the
concerns that she had raised about the governance of a local charity. She
considered, amongst other things, that the trustees were making the wrong
decision with regard to the sale of charity property. She expected that the
Commission would investigate her concerns and open a formal inquiry
into the activities of the charity.
The ICR accepted that the Commission had addressed the issues raised fully
and taken appropriate action. The ICR did not uphold Mrs C's complaint. She
recommended that the Commission draw up an explanatory leaflet for
issuing to complainants in these situations. The ICR recommended that
the leaflet should outline the Commission's remit in these cases and
give advice on how members of the public can expect the Commission to
deal with their complaints

In response to this recommendation, the Commission is in the process of devising a new guidance leaflet to explain its role in dealing with complaints about charities. The ICR has been consulted on the content of the leaflet, which should be available in spring 2003. During next year we will monitor the impact of the new guidance leaflet to see if it has had the

desired effect of reducing complaints concerning this issue.

Process change

The ICR receives a number of complaints about the processes of the Commission. Where these complaints are upheld or problems are identified, the ICR has made recommendations to alter or improve procedures

Getting the right balance

Mr D acted as a trustee of a local charity and had the responsibility of submitting the charity's accounts and Annual Return forms to the Commission. His complaint centred on the fact that he had hand delivered the relevant forms to the Commission two days before the submission deadline. However, a week later the charity received a standard reminder letter from the Commission stating that failure to return the forms was a serious matter and it was considering referring the matter to Enforcement Division. Mr D complained that the Commission had unreasonably issued the reminder letter, given that he had already sent the forms back, and he was distressed at its tone.

The ICR investigated the case and concluded that the Commission had acted in accordance with its usual practice and the procedures in place at the time. She noted that the procedure had subsequently been amended, in part as a result of the complaint by Mr D. Reminder letters are now issued at a much later stage. The complaint was reasonable in the circumstances, however, the ICR did not uphold it, as she found that the Commission had taken reasonable and appropriate action to address matters prior to the referral to this office.

The ICR did, nevertheless, recommend that consideration be given to including the facility for noting the receipt of returns up front of them being processed substantively in order to avoid future similar complaints.

As a result of the ICR's recommendations, the Commission has reviewed its procedures for dealing with Annual Return forms and accounts. Annual Returns are now date stamped on arrival and entered onto the computerised system on that date. This new system should prevent further complaints and demonstrates the positive attitude that the Commission has taken toward ICR recommendations. The Commission has shown that it is open to improving and changing its procedures, thereby using constructive criticism in a positive manner.

A Charities Ombudsman

Since her appointment, the ICR has noted the receipt of a number of complaints from customers dissatisfied with the way that the Commission has handled their complaints about charities. Often the issues raised fall outside of the Commission's remit and customers are dissatisfied when no action is taken.

The Commission's regulatory role is specific and limited, as it is barred by law from interfering in the administration of a charity, except in rare and prescribed circumstances. Trustees are broadly left to administer a charity as they see fit. It is only where the Commission has evidence that funds are at risk or serious maladministration has occurred, that it will consider intervening in the running of a charity. In general terms the Commission will endeavour to support a charity in order to help it

overcome its problems, before considering regulatory action.

On a number of occasions the ICR has highlighted the need for a ‘charities ombudsman’, to respond to those issues that the Commission has no power to resolve. The ICR has provided case examples to the Commission that she asserts would have benefited from intervention or investigation by a sector ombudsman.

ICR felt that this complaint would have had a far greater chance of resolution, had the charity been accountable to an ‘ombudsman’ for its actions.

Our performance

In 2002, we completed 14 reports. The average time taken to complete our reports was 27.2 weeks from the date that the summary was agreed. This is well within agreed targets.

Formal reports involve extra stages that allow opportunities for comments to both the complainant and the Commission, and consequently these reports take longer to complete.

Although time is an issue and one which we monitor closely, our experience shows that the diligence and quality of our investigations is of paramount concern to complainants.

When the Commission can’t help

Ms E was dismissed by the trustees of a charity providing sports facilities to the disabled and told that she could no longer use its facilities. She complained to the Commission that she was dissatisfied at the nature of her dismissal and requested an explanation.

The Commission tried to assist Ms E, however, it was unable to compel the charity to provide her with an explanation. Ms E then complained to the ICR that the Commission had not taken the appropriate action to address her serious concerns.

The ICR did not uphold her complaints as she found that the Commission had done all that it could in the circumstances. She explained that the Commission had no authority to act to resolve complaints made by charity users and compel charities to offer appropriate redress.
--

As things stood, Mrs E was in no position to argue against her dismissal and the Commission could provide little practical assistance. This meant that the charity concerned could deal with her in what she saw as a high-handed manner, refusing to provide any explanation for its decision, without being accountable for this. The

Overview of the Charity Commission

The Charity Commission's complaints procedure was revised during the year, in light of the experience gained during the pilot. Internal staff guidance for dealing with complaints was re-issued. It is now published on the Commission's website and is available for public access.

The Commission aims to resolve complaints as quickly as possible and, to this end, the revised policy encourages caseworkers to deal informally with complaints in the first instance. Consequently, some complaints are resolved without the need for the formal complaint procedure.

The Commission has a three-stage formal complaint process. The first stage is investigation and response by the Customer Service Manager. Each Charity Commission office, (London, Liverpool and Taunton) has a 'resident' Customer Service Manager who is able to provide a quick response to customer concerns and, where necessary, undertake a review of their complaints.

In 2002 the Commission placed responsibility for the second stage of the process within the same offices, as they were undertaken under the 'direction' of the Regional Operations Manager (ROM). The ROM can carry out the review personally or can remit its consideration to a senior member of staff. The new process also includes the ability to "fast-track" a complaint to the ICR. We have already received a small number of "fast-track" cases and are confident that this process can benefit both customers and the Commission.

The new procedures seem to be bedding in well, but there are more changes on the way for 2003. In particular, changes in the senior management structure of the Commission from April 2003, together with the welcome appointment of a Head of Customer Service, will open the way for a more objective 'second stage' process. We will continue to monitor the handling of complaints to ensure that recent high standards are maintained.

Complaint Figures

The Commission closed 98 complaint cases in 2002, including both Stage 1 and Stage 2 complaints. This compares well with the figures for a nine-month period in 2001, where the Commission closed a total of 88 complaints.

Figure 4 : Number of complaint cases closed by the Commission in 2001 and 2002.

	2001	2002
Stage 1	63	70
Number of issues	84	124
Stage 2	25	28
Number of issues	46	41

The number of complaints dealt with by the Commission has remained fairly constant. It is a positive sign that complaint figures are not rising, despite changes that mean the Commission is more open to receiving and acknowledging complaints than in the past and its efforts to publicise this fact and the available procedures more widely.

It is also a good sign that the Commission appears to be resolving

the majority of complaints at Stage 1. Less than 50% of customers remain dissatisfied and take their complaints forward. This demonstrates that Customer Service Managers provide an effective service, which can and does resolve many complaints satisfactorily.

It is also noteworthy that the number of issues complained about at later stages of the review process diminishes to about a third, as Customer Service Managers are able to resolve many of the problems that people originally bring to their attention.

Recording complaints

The Commission has continued to electronically record the number of complaints received and the issues dealt with. Nowadays it also tracks the outcome of ICR reports and its actions in response to them.

Although recording mechanisms have improved, the ICR continues to have concerns that the recorded number of complaints does not reflect the true position. As things stand, it appears that approximately a third of complainants are dissatisfied with the Commission's own response and seek independent review. This year we received 31 complaints, against the Commission's internal recorded figure of 98 closed complaints.

Anecdotal information suggests that this comparison short-changes the effectiveness of internal procedures and does not do credit to the efforts that Commission staff make to resolve problems and complaints presented to them.

The ICR is hopeful that the appointment of the new Head of Customer Service will focus the

Commission's efforts on providing accurate complaints statistics, which recognise staff commitment to dealing with complaints in a proactive manner.

Verbal complaints

In the ICR's last annual report we noted that the Commission did not monitor and record informal complaints made to caseworkers by telephone. We advised that the Commission was missing out on vital management information, and should consider developing ways to capture this data.

The Public Accounts Committee (PAC) and National Audit Office (NAO) also highlighted the need for the Commission to gather and analyse this information. In response, the Commission carried out a review of its communications and information capture, and developed a means to collate quantitative and qualitative information on verbal complaints.

During the year a template was issued to Commission staff to enable them to capture information about verbal complaints and compliments. This template is available to staff and a bi-annual validation exercise has been introduced to highlight the need for staff to record this data.

We see this as a positive sign that the Commission is actively seeking to analyse customer communication and has recognised its value. It is also good to see that the Commission is now recording compliments, as this is a useful measure of what an organisation is getting right. Communicating this information to staff can be a boost to staff morale.

Customer Service

In 2001 the Commission set up a Customer Service Group, to review the recommendations made by the ICR and to direct their implementation. In 2002, membership of the group was enlarged to ensure that all business areas with customer-facing roles were included. The work of the group was also expanded to cover a wider range of business areas and needs.

The Group has retained responsibility for considering ICR reports and recommendations but, under the catchall of improving customer service, it also includes a remit to consider issues such as customer feedback reports, customer service training, service delivery to black and ethnic minority customers and quality review processes.

The Commission has demonstrated that it is prepared to put best intentions into practice. The continued development and expansion of this Group is encouraging. Without this proactive approach to customer service issues, the Commission could not aspire to providing a first rate service to its customers. As things now stand, the Commission is well placed to make best use of the lessons that arise from robust internal and independent complaint review mechanisms.

Quality review

In 2001 the Commission initiated an internal review designed to develop its approach to casework quality. This review was carried on into 2002 and a formal pilot stage is expected in 2003. The review is designed to introduce a more structured approach to the whole consideration of quality in casework.

The ICR has been consulted about the development of a draft framework for casework quality, which sets out the standards to which the Commission is aspiring. The intention is to make information available to customers about the service levels that they can expect from the Commission. The framework sets out the criteria that underpin quality in the Commission's casework. These criteria include factors such as effective communication, which responds to one of the main issues identified as needing attention by the ICR.

The ICR welcomes this initiative and will take an interest in the pilot by assessing the impact that it has on Commission case handling and complaints.

External Influences

In July 2002 the Public Accounts Committee (PAC) published its report on the role of the Charity Commission. The PAC recognised that the Commission's complaints procedure had been strengthened through the appointment of an independent reviewer.

The PAC did, however, make a number of recommendations about customer service, in particular that the Commission should interpret flexibly its three-month time limit for the referral of cases to the ICR. This was also an ICR recommendation prior to the establishment of the 'permanent' scheme. The Commission accepted this recommendation and the formal time limit for referral of a complaint to the ICR has been extended from three to six months. We are now accepting referrals right up to the six-month deadline.

Learning from complaints

Listening to our customers

During the year we received only two internal complaints about our service. The ICR specifically welcomes complaints, looking to see whether we can improve the service that we offer to future customers.

We strive to ensure that, even where we do not uphold complaints, a complainant can feel assured that they have received the best level of service possible.

“While I should have preferred a more favourable response, I must thank you for your time and trouble in investigating my complaint. I am somewhat reassured by your findings.”

Complainant.

Monitoring and improving our service

The ICR recognises the importance of continuous improvement. We make every effort to seek comments from our customers. All feedback is treated seriously and considered in the ongoing review of our procedures.

This year, we also sent a survey to a random sample of staff from all three Charity Commission offices. In general, responses from Commission staff about the ICR service were very positive.

“It introduces an element of security from outside the Commission which adds credence to the departments accountability to the sector”

“The ICR gives objective and independent feedback on the

Commission’s performance, particularly on aspects of performance not covered by other external bodies such as the PAC”

“It has given the Commission a route and a means to bring long running matters to a conclusion.”

“An independent reviewer maintains transparency and objectivity. Internal reviews are always viewed with suspicion by complainants who often perceive a protective culture. This may or may not be true, but perception is enough to damage.”

Some Commission staff do, however, retain misgivings about the ICR service.

“It arouses in complainants expectations that can seldom be met”

“..I have doubts as to whether it is truly independent as we have provided a member of Charity Commission staff and pay for the service ourselves”

“..I think that this sort of thing helps to bring about the complaints and compensation culture which is so pervasive in all walks of life. It is difficult however, to see how the CC might avoid this!”

The concerns raised by Commission staff centre on two main themes, the independence of the ICR, and the expectation that it raises in customers.

In response, the ICR points to the mission and ethos of the office, which underpin our independence. The ICR is committed to this principle. As far as the ‘raised expectations of customers’ are concerned, we try very hard to explain to complainants what can and

cannot be achieved through ICR review. Both these issues are addressed in greater detail a little later in the report.

On a positive note, of the Commission staff questioned, 95% think that the ICR is a good scheme. Also 95% state that they are aware of the ICR service and how it fits into the Commission's own complaints procedure. These results show that the Commission has been effective in educating staff about the procedures. This is a positive sign. When compared to last year's results, we were pleased to note that more staff are now confident that they can discuss the ICR process with customers.

The ICR visits the Commission offices regularly to discuss complaints handling, specific cases and any recommendations that she has made. These visits are an opportunity for her to explain her role and for staff to ask questions. It is clear from the survey results that there are a number of staff that have not yet had the opportunity to attend these meetings. Some felt that, *"meetings have been restricted to senior management only."* However, this is by no means the case and the ICR has sought opportunities to meet with a wide range of staff.

Another officer commented that the meeting *"was very helpful and I think that all new staff should attend a session at some time during their first year in the Commission."*

It is generally acknowledged that these meetings are worthwhile. Many case officers, particularly new staff, do not have experience of cases that reach ICR stage and so this is their opportunity to find out more about the process.

In late 2002 the Commission began placing ICR reports onto its internal intranet site. This enables staff to view the reports and consider the recommendations and issues raised. Better dissemination of reports is welcomed and we hope that all staff will access and make use of this valuable information.

Independence

The ICR's aim is to ensure that there is full confidence in the fairness and impartiality of the independent review system. She takes this very seriously and her staff are accountable to her in this respect. The ICR office deals with complaints against a number of public bodies. Funded through these organisations and thereby from the public purse, we are conscious of the responsibility that is placed upon us to carry out our role conscientiously. Both complainants and the Commission rely upon our objectivity and impartiality and we are committed to demonstrating the absolute independence of the complaints review process.

Staff seconded to the ICR are directly responsible to her for the manner in which they carry out their duties. They are careful to maintain both confidentiality and the integrity of our processes.

Meeting Expectations

Our leaflets and explanatory information fully explain our role and the limits of our remit. At the outset of a case we explain to our customers how we can assist them and which, if any, issues fall outside our remit. We try hard to ensure that complainants understand both our role and that of the Commission, in the hope that we do not fall short of their expectations. We

always inform customers of their right to approach the Parliamentary Ombudsman if they remain dissatisfied.

There are certainly a number of cases where customers have misunderstood our role and subsequently have been disappointed with the ICR's final conclusions.

"You say you cannot comment on whether the Commission went far enough... Why not?"

Complainant

However, the majority of our customers do understand the remit of the ICR, and even where complaints are not upheld, customers have been satisfied that we have dealt with them accordingly.

"Thank you for your diligent consideration of my complaint against the Charity Commission and for your comprehensive report"

Complainant

"I am on this occasion just writing to thank you for the helpful way in which you have responded to us during our strife with the Charity Commission. I feel that during that time you have on every occasion been very polite and reasonable and I do understand the position which you have had to take"

Complainant

Our strengthened 'gateway' process will, we believe, go some way to addressing such concerns.

About the Charity Commission

The Charity Commission for England and Wales is the regulator of charities. It operates to a current net budget of over £26.5 million. The Commission employs around 575 staff in London, Taunton and Liverpool.

Its legal duties include promoting the effective use of charity resources by encouraging better administration, giving information and advice to trustees, and investigating and checking abuses. It has adopted the aim of maintaining public confidence in the integrity of charity.

Charities range from small groups meeting local needs to large national and international professional bodies. An essential requirement of charities is that they operate for the public benefit and independently of government or commercial interests.

The Commission maintains a register of charities; routinely obtains and monitors accounts and reports from larger registered charities and makes them available for public inspection; provides guidance and advice to charities to help them operate efficiently and effectively; has strong legal powers to investigate and deal with abuse and maladministration; and develops policy to ensure that charities are working as well as they can do.

The Office of the Independent Complaints Reviewer
New Premier House, 150 Southampton Row, London,
WC1B 5AL
Tel: 020 7278 6251 Fax: 020 7278 9675 E-mail: icr@icrev.demon.co.uk