

NATIONAL MEDIA RELEASE

Customer Charters should pay cash, not lip service

With the release of its 2004-2005 Customer Charter results today, leading insurer AAMI is urging customers to push for more accountability from organisations, especially with respect to their customer charters.

“There are a lot of customer charters around these days making all sorts of promises to customers, but the *AAMI Customer Charter* is unique in that it holds us accountable financially, and compels us to rectify breaches if something goes wrong, “ said AAMI Chief Operating Officer Michael Kay.

Consumer consultant Denis Nelthorpe agrees: “More organisations are introducing customer charters but they often seem to be created as tools for marketing rather than customer service.

“While it is a positive step forward that organisations introduce these checks and balances for quality customer service, they are only as strong as the commitment that the management and staff of the organisation makes to them.”

AAMI pays a \$30 penalty to customers if it fails to meet the service commitments outlined in its Customer Charter. Also, AAMI’s performance against its Charter is independently audited and reported each year.

Independent organisations and representatives have applauded AAMI’s Customer Charter and commitment to customers, demonstrated by AAMI winning a national Australian Service Excellence Award presented by the Customer Service Institute of Australia in May this year.

“In 2004-05, a total of 2520 penalty payments were made to customers to a value of \$75,600,” said Mr Kay.

“More than 98 per cent of those payments were initiated by staff, demonstrating that AAMI people continue to be their own harshest critics.

“While our penalty payments for the past year were higher than the previous year, we don’t view that negatively. We made some mistakes, we’ve owned up to them, apologised to our customers, paid them a penalty and continue to work on getting it right.”

Putting money where the mouth is

In the past decade, AAMI has paid more than 6000 penalty payments to customers for breaches of its *AAMI Customer Charter* promises, totalling more than \$200,000.

“Of those 6000-plus penalty payments, more than 90 per cent were initiated by AAMI staff, which proves that AAMI is not, nor ever was, a company that pays only lip-service to its promises,” said Mr Kay.

