

# Complaint Handling by Charities and Not-for-profits

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## Acknowledgements

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We thank Sue-Anne Wallace AM, the former chair of the Australian Council for International Development Code of Conduct Committee, who drove this initiative as well as coordinated and developed this resource. She began researching this area of charity activity in 2014 and is currently Chair of the Customer Owned Banking Code Compliance Committee, Deputy Chair of the Code Authority of the Fundraising Institute Australia and Vice-President of the Humanitarian Quality Assurance Initiative (Geneva).

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This work has been informed by the following:

- Australian and New Zealand Standard Guidelines for complaint handling in organizations AS/NZS 10002:2014
- 'Handling Privacy Complaints' Office of the Australian Information Commissioner (October 2016)
- NSW Ombudsman Complaint Handling Model Policy 2015
- 'Building better relationships through complaints' The Society for Consumer Affairs Professionals Australia (SOCAP) and The Australian Centre for Justice Innovation (ACJ), Monash University

## Overview

The new policy will ensure that complaints are handled confidentially and safely, enhancing community trust and confidence in the work of charities. In this regard, the sector will also have access to complaint data which will ensure lessons learnt can be applied to their charitable activities.

This initiative has been welcomed by the Australian Charities and Not-for-profits Commission's Commissioner in 2018 the Hon. Dr Gary Johns who said 'Improving the governance of charities and how charity boards manage risk and enhance accountability are key concerns of the ACNC. We encourage charities of all sizes to review their procedures and consider adopting these and other like tools to assist them to manage community expectations of charitable activities.'

# Complaint Handling by Charities and Not-for-profits

## Complaints to charities and not-for-profits

Charities and other not-for-profits should provide a safe and effective service to those who wish to make a complaint to or about a charity, whether regarding mismanagement of people's information and data, use of donations, costs of fundraising or fundraising methods, the provision of services or the quality of the service. Many complaints happen because of alleged services failures, relevant information is not readily available, is difficult to understand, incomplete or misleading, does not appropriately address common concerns or frequently asked questions, is not provided or made available within a reasonable period of time.

Complaints and compliments are best viewed as a positive interaction with the people and communities which charities serve.

## Benefits of handling complaints well

Good complaint handling can provide you with knowledge which can be used to:

- Improve products and services
- Build better relationships with your donors and those you serve
- Improve your bottom line
- Empower your staff to resolve issues fairly and efficiently

Bad complaint handling can cost your organisation

- Donor and customer loyalty
- The lifetime value of a donor
- The public reputation of your organisation
- Direct financial expenses in relation to the complaint

## Consider the following:

- Is it easy to make a complaint to your organisation? For example:
  - Is the information about who to contact easy to find?
  - Do you have feedback or complaint forms in print and electronic formats?
- Consider whether it is possible to resolve a complaint informally by talking to the individual and providing an explanation or apology.
- Are there regular reviews of the issues raised by complaints to or about your organisation?

## How to use these model documents

These documents – Model Policy and Model Procedure – are intended to provide guidance to organisations on the key principles and concepts of an effective and efficient complaint management system.

The **Model Policy** is designed to be used as a guide for the development or update of your organisation's complaint handling policy.

The **Model Procedure** accompanies the complaint handling policy. Such a document provides guidance to staff on how complaints will be managed by the organisation in accordance with its documented policy.

The documents can be used as a template for adaption and then adoption by your organisation. You need to consider your organisation's particular circumstances such as ensuring the documents fit with your organisation's constitution (or other governing document), any accreditation standards or contract obligations as well as calibrating these documents for your size, nature, style, character and program delivery structure. You may wish to consider details such as time frames when modifying the policy and procedure to suit your particular needs.

Your CEO (or President) and your governing body (your Board or Management Committee, for example) should formally consider and adopt your organisation's complaint handling policy and ensure that staff (paid and volunteer) and contractors adhere to it through regular reporting and reviews.

## Proportional to size and risk

Your complaint policy should reflect your organisation's size, nature, style, character and program delivery structure. The size of the policy may therefore vary between organisations, dependent on these factors and the level and type of risk factors faced by each organisation. The complaint policy should refer to, and link with, your other organisational charters, policies, codes and procedure manuals in order to ensure that the complaint policy is relevant and integrated into your organisational culture.

# Model Policy Complaint Handling by Charities and Not-for-profits

## 1. Introduction

### 1.1. Purpose

This policy is intended to ensure that we handle complaints fairly, efficiently and effectively.

This policy provides guidance to our staff and people who wish to make a complaint on the key principles and concepts of our complaint management system.

### 1.2. Scope

This policy applies to all staff (paid and volunteer), contractors and our governing body, receiving or managing complaints from the public and clients made to or about us, regarding our products, services and staff, or our complaint handling process.

When member-based organisations are addressing complaints by their members, care needs to be taken that the complaint handling policy and procedure fits with other requirements that might be in the constitution or legislation like incorporated associations. Also note that for professional membership bodies or large membership bodies, other member-specific policies might be required e.g., code of conduct for members of sporting clubs. Often if a matter escalates to a member dispute it may be good to have a mechanism for mediation etc.

### 1.3. Organisational commitment

This organisation expects staff at all levels to be committed to fair, effective and efficient complaint handling. The following table outlines the nature of the commitment expected from staff and the way that commitment should be implemented.

Who	Commitment	How
CEO or chair of the governing body	Promote a culture that values complaints and their effective resolution	<p>Report to the governing body on our complaint handling.</p> <p>Provide adequate support and direction to key staff responsible for handling complaints.</p> <p>Regularly review reports about complaint trends and issues arising from complaints.</p> <p>Encourage all staff to be alert to complaints and assist those responsible for handling complaints to resolve them promptly.</p> <p>Encourage staff to make recommendations for system improvements.</p> <p>Support recommendations for service, staff and complaint handling improvements arising from the analysis of complaint data.</p>
Staff whose duties include complaint handling (may include CEO or chair of the governing body)	Demonstrate exemplary complaint handling practices	<p>Treat all people with respect, including people who make complaints.</p> <p>Assist people to make a complaint, if needed. Comply with our policy and associated procedures.</p> <p>Provide regular feedback to management and/or the governing body on issues arising from complaints.</p> <p>Provide suggestions to management on ways to improve our complaints management system.</p> <p>Implement changes arising from individual complaints and from the analysis of complaint data as directed by management.</p>
All staff	Understand and comply with our complaint handling practices.	<p>Treat all people with respect, including people who make complaints.</p> <p>Be aware of our complaint handling policies and procedures.</p> <p>Assist people who wish to make complaints access our complaints process.</p> <p>Be alert to complaints and assist staff handling complaints resolve matters promptly.</p>

## 2. Terms and Definitions

### **Complaint**

An expression of dissatisfaction made to or about us, our services, staff or the handling of a complaint where a response or resolution is explicitly or implicitly expected or legally required. (AS/NZ 10002:2014)

As well as complaints being made directly to our organisation, remember that some complaints (or at least negative comments) made be made on social media.

### **Complaint handling/management system**

All policies, procedures, practices, staff, hardware and software used by us in the management of complaints.

### **Dispute**

An unresolved complaint escalated either within or outside of our organisation.

### **Feedback**

Opinions, comments and expressions of interest or concern, made directly or indirectly, explicitly or implicitly, to or about us, about our services or complaint handling system where a response is not explicitly or implicitly expected or legally required.

### **Grievance**

A clear, formal written statement by an individual staff member about another staff member or a work-related problem.

### **Policy**

A statement of instruction that sets out how we should fulfil our vision, mission and goals.

### **Procedure**

A statement or instruction that sets out how our policies will be implemented and by whom.

### 3. Guiding principles

An effective complaint handling system must be modelled on the principles of fairness, accessibility, responsiveness, efficiency and integration into organisational culture.



#### 3.1. Facilitate complaints

##### People focus

We are committed to seeking and receiving feedback and complaints about our services, systems, practices, procedures, products and complaint handling.

Any concerns raised in feedback or complaints will be dealt with within a reasonable time frame (as in AS/NZ 10002).

People making complaints will be:

- provided with information about our complaint handling process and how to access it
- listened to, treated with respect by staff and actively involved in the complaint process where possible and appropriate, and
- provided with reasons for our decision/s and any options for redress or review.

##### No detriment to people making complaints

We will take all reasonable steps to ensure that people making complaints are not adversely affected because a complaint has been made by them or on their behalf.

##### Anonymous complaints

We accept anonymous complaints if there is a compelling reason to do so and will carry out a confidential investigation of the issues raised where there is enough information provided.

##### Accessibility

We will ensure that information about how and where complaints may be made to or about us is well publicised on our website (if available). We will ensure that our systems to manage complaints are easily understood and accessible to everyone, particularly people who may require assistance.

If a person prefers or needs another person or organisation to assist or represent them in the making and/ or resolution of their complaint, we will communicate with them through their representative if this is their wish. Anyone may represent a person wishing to make a complaint with their consent (e.g. advocate, family member, legal or community representative, member of Parliament,



another organisation).

### **No charge**

Complaining to us is free.

## **3.2. Respond to complaints**

### **Early resolution**

Where possible, complaints will be resolved at first contact with us.

**Note:** Organisations may wish to consider recording complaints resolved at first point of contact, the frontline. Such record keeping will arguably add to the pool of data organisations regularly analyse to identify system issues and track more accurately the complaint handling activities of staff.

When appropriate we may offer an explanation or apology to the person making the complaint.

### **Responsiveness**

We will promptly acknowledge receipt of complaints.

We will assess and prioritise complaints in accordance with the urgency and/or seriousness of the issues raised. If a matter concerns an immediate risk to safety or security the response will be immediate and will be escalated appropriately.

We are committed to managing people's expectations, and will inform them as soon as possible, of the following:

- the complaints process
- the expected time frames for our actions
- the progress of the complaint and reasons for any delay
- their likely involvement in the process, and
- the possible or likely outcome of their complaint.

We will advise people as soon as possible when we are unable to deal with any part of their complaint and provide advice about where such issues and/or complaints may be directed (if known and appropriate).

We will also advise people as soon as possible when we are unable to meet our time frames for responding to their complaint and the reason for our delay.

### **Objectivity and fairness**

We will address each complaint with integrity and in an equitable, objective and unbiased manner.

We will ensure that the person handling a complaint is different from any staff member whose conduct or service is being complained about.

Conflicts of interest, whether actual or perceived, will be managed responsibly. In particular,

internal reviews of how a complaint was managed will be conducted by a person other than the original decision maker.

### **Responding flexibly**

Our staff are empowered to resolve complaints promptly and with as little formality as possible. We will adopt flexible approaches to service delivery and problem solving to enhance accessibility for people making complaints and/or their representatives.

We will assess each complaint on its merits and involve people making complaints and/or their representative in the process as far as possible.

### **Confidentiality**

We will protect the identity of people making complaints where this is practical and appropriate.

Personal information that identifies individuals will only be disclosed or used by us as permitted under the relevant privacy laws, secrecy provisions and any relevant confidentiality obligations.

## **3.3. Manage the parties to a complaint**

### **Complaints involving multiple agencies**

Where a complaint involves multiple organisations, we will work with the other organisation/s where possible, to ensure that communication with the person making a complaint and/or their representative is clear and coordinated.

Subject to privacy and confidentiality considerations, communication and information sharing between the parties will also be organised to facilitate a timely response to the complaint.

Where a complaint involves multiple areas within our organisation, responsibility for communicating with the person making the complaint and/or their representative will also be coordinated.

Where our services are contracted out, we expect contracted service providers to have an accessible and comprehensive complaint management system. We take complaints not only about the actions of our staff but also the actions of our service providers.

### **Empowerment of staff**

All staff managing complaints are empowered to implement our complaint management system as relevant to their role and responsibilities.

Staff are encouraged to provide feedback on the effectiveness and efficiency of all aspects of our complaint management system.

### **Managing unreasonable conduct by people making complaints**

We are committed to being accessible and responsive to all people who approach us with feedback or complaints. At the same time our success depends on:

- our ability to do our work and perform our functions in the most effective and efficient way

possible

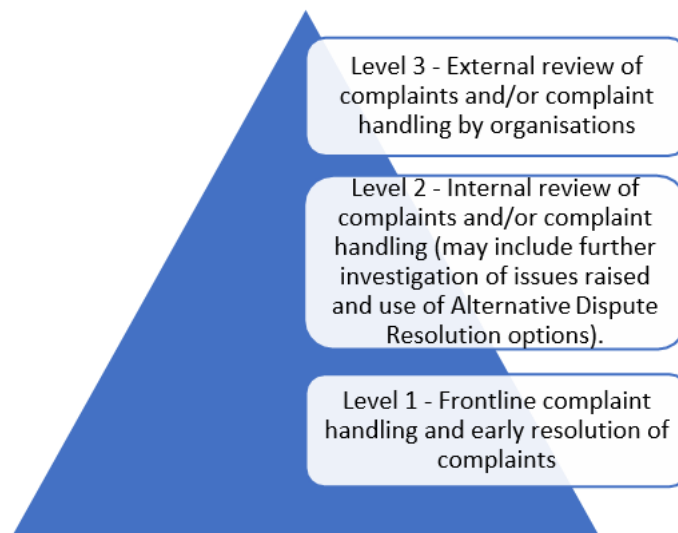
- the health, safety and security of our staff, and
- our ability to allocate our resources fairly across all the complaints we receive.

When people behave unreasonably in their dealings with us, their conduct can significantly affect the progress and efficiency of our work. As a result, we will take proactive and decisive action to manage any conduct that negatively and unreasonably affects us and will support our staff to do the same in accordance with this policy.

### **Alternative avenues for dealing with complaints**

We will inform people who make complaints to or about us about any internal or external review options available to them (including any relevant Ombudsman or oversight regulatory bodies).

### **The three levels of complaint handling**



#### *Level 1*

We aim to resolve complaints at the first level, the frontline. Wherever possible staff will be adequately equipped to respond to complaints, including being given appropriate authority, training and supervision.

#### *Level 2*

Where this is not possible, we may decide to escalate the complaint to a more senior officer within our organisation. This second level of complaint handling will provide for the following internal mechanisms:

- assessment and possible investigation of the complaint and decision/s already made, and/or
- facilitated resolution (where a person not connected with the complaint reviews the matter and attempts to find an outcome acceptable to the relevant parties).

#### *Level 3*

Where a person making a complaint is dissatisfied with the outcome of our review of their complaint, they may seek an external review of our decision (by the Australian Charities and Not-for-Profits Commission for example).

## 4. Accountability and learning

### 4.1. Analysis and evaluation of complaints

We will ensure that complaints are recorded in a systematic way so that information can be easily retrieved for reporting and analysis by management and the governing body of Directors.

We will run regular reports on:

- the number of complaints received
- the outcome of complaints, including matters resolved at the frontline
- issues arising from complaints
- systemic issues identified, and
- the number of requests we receive for internal and/or external review of our complaint handling.

Regular analysis of these reports will be undertaken to monitor trends, measure the quality of our customer service and make improvements.

Both reports and their analysis will be provided to our CEO, senior management and to our governing body for review, at least annually.

### 4.2. Monitoring of the complaint management system

We will continually monitor our complaint management system to:

- ensure its effectiveness in responding to and resolving complaints
- identify and correct deficiencies in the operation of the system, and
- monitoring may include the use of audits, complaint satisfaction surveys and online listening tools and alerts.

### 4.3. Continuous improvement

We are committed to improving the way our organisation operates, including our management of the effectiveness and efficiency of our complaint management system. To this end, we will:

- support the making and appropriate resolution of complaints
- implement best practices in complaint handling
- recognise and reward exemplary complaint handling by staff
- regularly review the complaint management system and complaint data, and
- implement appropriate system changes arising out of our analysis of complaints data and continual monitoring of the system.

# Model Procedure

## Model Policy Complaint Handling by Charities and Not-for-profits

### Introduction

When responding to complaints, staff (paid and volunteer) act in accordance with complaint handling procedures as well as any other internal documents providing guidance on the management of complaints.

Staff should also consider any relevant legislation and/or regulations when responding to complaints and feedback.

The five key stages in our complaint management system are set out below



### 1. Receive

Unless the complaint has been resolved at the outset, we will record the complaint and its supporting information. We will also assign a unique identifier/number to the complaint file.

The record of the complaint will document:

- Contact information of the person making a complaint and the date received
- Issues raised by the person making a complaint and the outcome/s they want
- Any other relevant information, and
- Any additional support the person making a complaint requires.

**Note:** Organisations may wish to consider recording complaints resolved at first point of contact, the frontline. Such record keeping will arguably add to the pool of data organisations regularly analyse to identify system issues and track more accurately the complaint handling activities of staff.

## 2. Acknowledge

We will acknowledge receipt of each complaint promptly, and preferably within 5 working days. When appropriate we may offer an explanation or apology.

Consideration will be given to the most appropriate medium (e.g. email, letter) for communicating with the person making a complaint.

**Note:** The suggested time frame may vary according to the size and capacity of your organisation.

## 3. Assess and investigate

### 3.1. Initial assessment

After acknowledging receipt of the complaint, we will confirm whether the issue/s raised in the complaint is/are within our control. We will also consider the outcome/s sought by the person making a complaint and, where there is more than one issue raised, determine whether each issue needs to be separately addressed. When determining how a complaint will be managed, we will consider:

- How serious, complicated or urgent the complaint is
- Whether the complaint raises concerns about people's health and safety
- How the person making the complaint is being affected
- The risks involved if resolution of the complaint is delayed, and
- Whether a resolution requires the involvement of other organisations.

### 3.2. Investigating the complaint

After assessing the complaint, we will consider how to manage it. We may:

- Give the person making a complaint information or an explanation
- Gather information about the issue, person or area that the complaint is about, or
- Investigate the claims made in the complaint.

We will keep the person making the complaint up-to-date on our progress, particularly if there are any delays. We will also communicate the outcome of the complaint using the most appropriate medium. Which actions we decide to take will be tailored to each case and consider any statutory requirements.

## 4. Determine outcome and provide reasons for decision

Following consideration of the complaint and any investigation into the issues raised, we will contact the person making the complaint and advise them:

- The outcome of the complaint and any action we took

- The reason/s for our decision
- The remedy or resolution/s that we have proposed or put in place, and
- Any options for review that may be available to the complainant, such as an internal review, external review or appeal.

## **5. Close the complaint: document and analyse data**

### **5.1. Document**

We will keep records about:

- How we managed the complaint
- The outcome/s of the complaint (including whether it or any aspect of it was substantiated, any recommendations made to address problems identified and any decisions made on those recommendations), and
- Any outstanding actions to be followed up, including analysing any underlying or root causes.

### **5.2. Analyse data**

We will ensure that outcomes are properly implemented, monitored and reported to the complaint handling manager, senior management or the Chair of our governing body.