



Foreword

Joanna Causon Chief Executive

Overall customer satisfaction in the UK is flat: any improvement we saw in the latter part of 2021 has stalled since January 2022 and there are early signs that satisfaction is declining in some sectors. In the next 6 months, the environment will get even tougher through a combination of rising inflation, geopolitical upheaval, supply chain blockages, recruitment challenges, the escalating cost of living and potential future COVID-19 risks. Organisations cannot avoid these issues: they will need to develop service strategies that are responsive to evolving customer needs but also protect short and long-term business performance. For me it's clear that a carefully calibrated focus on service is crucial to addressing economic performance and productivity and broader challenges of societal polarisation, inclusivity and well-being.

Perhaps unsurprisingly, the number of problems and complaints continues to increase. This UKCSI shows that 17.3% of customers experienced a problem with an organisation, the highest level ever recorded in the UKCSI. Fortunately, customer satisfaction with complaint handling has improved over the last 2 years; organisations in general have got better at service recovery, proactive communication and managing problems. But the scale of problems and complaints is hugely damaging to productivity, costing organisations billions of pounds in time, resources and lost opportunities. Some of the growth in problems has been caused by macro and global issues that can't easily be solved by individual organisations. However, there is likely to be a growing expectation from customers, government, regulators and other stakeholders that organisations act with greater agility and innovation to prevent problems and improve productivity, communication with customers and service performance.

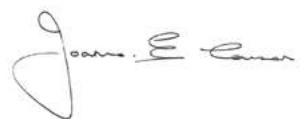
We are seeing deep-seated problems of financial, mental or physical well-being affecting significant numbers of customers. These issues are likely to be further exacerbated by the cost of living crisis. Organisations have a vital role in helping customers deal with the impact of rising prices through transparency about the best offers, practical advice about budgeting and household management, flexibility over payment options where it is appropriate and finding innovative ways of reducing costs. Individual organisations cannot remove the cost of living crisis or the causes of vulnerability or social exclusion. But the combined actions of organisations can make a significant positive impact on the lives of millions of customers. I also believe it's critical that organisations engage in and influence public policy to find the the most effective ways for government, organisations and other stakeholders to help customers manage the impact of rising costs.

Maintaining a personal connection with customers will be central to customer satisfaction and well-being in the next year. This means being available to speak to customers, especially for complex or personally sensitive issues. It will require empathy, emotional intelligence and the ability to respond to a customer's unique situation and needs. A stark finding in this UKCSI is evidence of the damaging impact caused by organisations failing to respond to the personal situation of customers who are experiencing low levels of financial, mental or physical well-being.

In responding to the cost of living crisis, organisations need to recognise that, for most customers, quality remains a leading consideration in choosing an organisation, product or service. Over a third of customers continue to say they would be willing to pay more to guarantee excellent service. Even customers who are most severely affected by rising prices want the best product or service they can afford from an organisation they trust. There is an increased need to understand the trade-offs different customers are willing to consider in terms of price, quality, availability, environmental sustainability and access to service and support. Organisations will need to ensure they maintain essential services and are transparent about the level of service they provide depending on the product, services and price points customers choose.

In tough economic times, it's tempting to focus solely on short-term sales and what is perceived to be cost reduction; the link between high levels of customer satisfaction and business performance can sometimes be obscured by current challenges. But evidence from the UKCSI and the breadth of our research suggests that focusing on customer service can help protect sales and market share, improve resilience to supply chain problems, retain key employees and build the capabilities required for future growth.

I hope that the UKCSI and indeed the range of research, products and services The Institute provides will help you evolve your service strategy, maintaining a focus on what is important but responding with agility to the changing environment and customer needs. Now, more than ever, I welcome your feedback and engagement and look forward to supporting your service strategy in the challenging months ahead with practical tools, knowledge and advice.





The Institute of
Customer Service



JULY 2022

UK Customer Satisfaction Index

The state of customer satisfaction in the UK

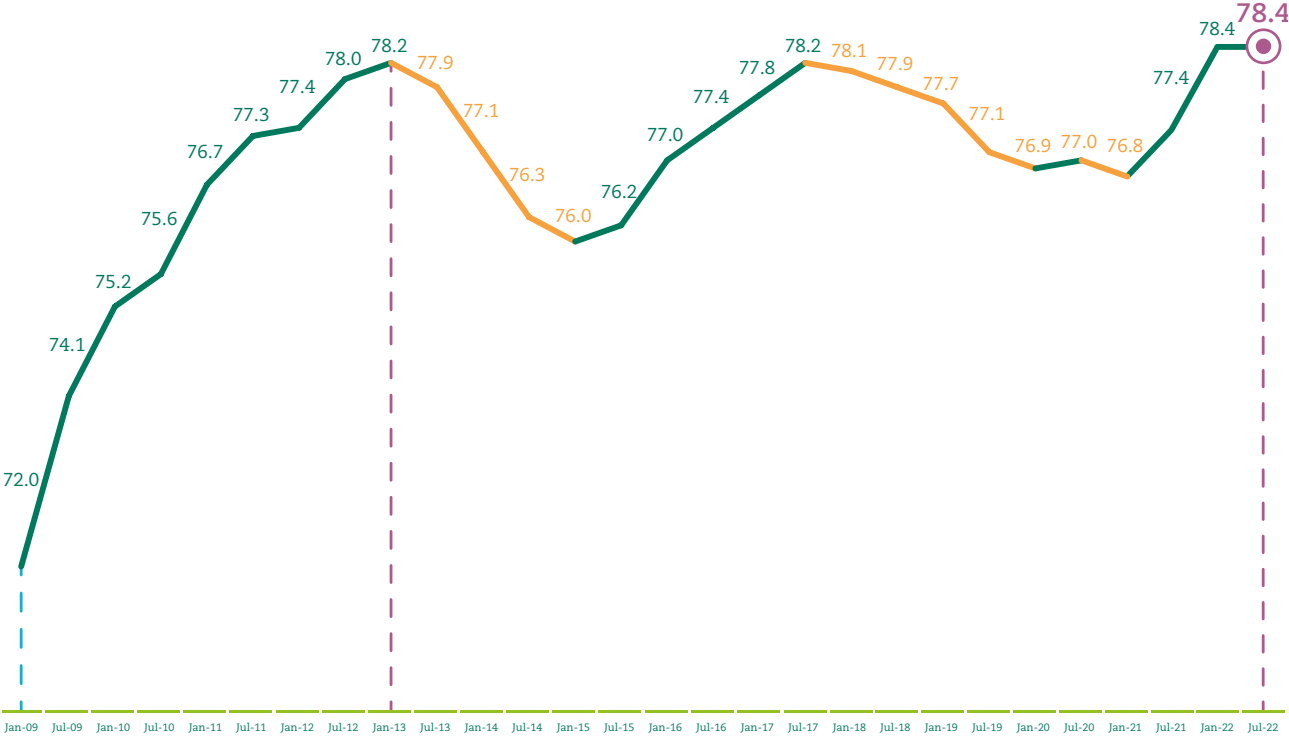
Contents

Executive summary	6
Part 1 The state of customer satisfaction in the UK	16
Part 2 Customer satisfaction and business performance	38
Part 3 Evolving customer expectations, behaviours and attitudes	46
Part 4 Recommendations for organisations	60
UKCSI Key facts	68
Organisations in the UKCSI	69
About the UKCSI	70
UKCSI sector reports	71
Breakthrough research from The Institute	72
About The Institute	74

Executive Summary

The UK Customer Satisfaction is a national benchmark of customer satisfaction based on 45,000 customer responses. The July 2022 UKCSI is based two sets of data, collected between 13 September and 8 October 2021 (after the relaxation of most Covid-19 restrictions in England but before the emergence of the Omicron variant) and between 21 March and 14 April 2022 (after the removal, from 24 February, of the legal requirement in England to self-isolate following a positive Covid-19 test).

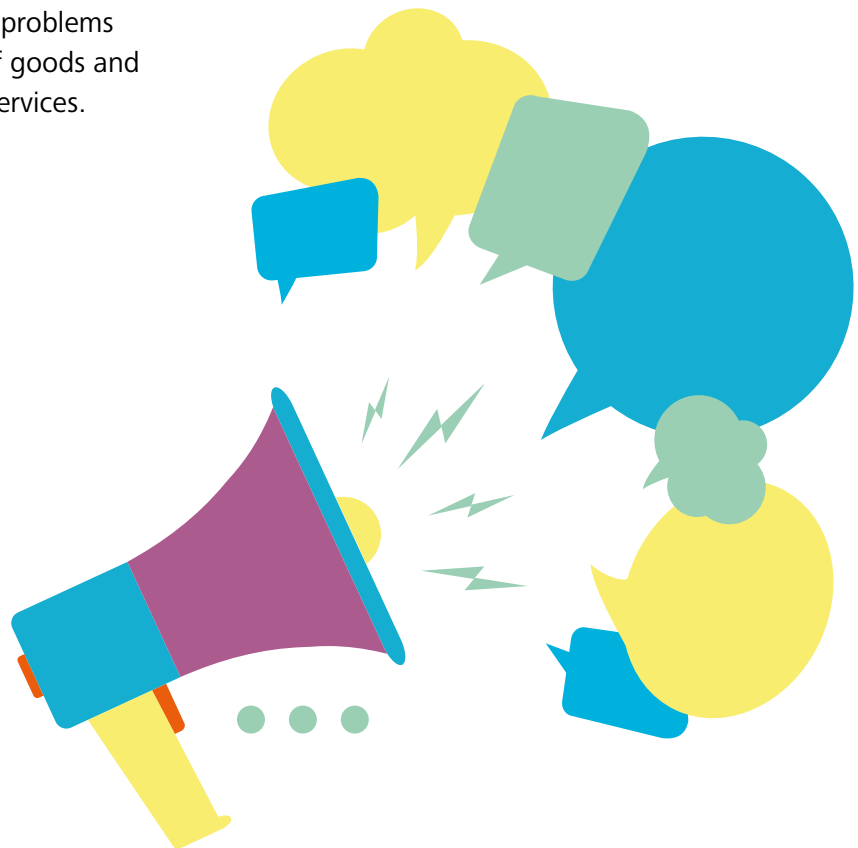
The July 2022 UK Customer Satisfaction Index (UKCSI) is 78.4 (out of 100), up 1 point compared to a year ago but the same level as in January 2022



The trend for improved complaint handling, alongside more customers experiencing a problem with an organisation, has continued

Measure	July-22	July-21	Year-on-year change
The handling of the complaint	6.6	6.0	0.6
Speed of resolving your complaint	6.6	5.9	0.7

Despite the improvement in complaint handling the number of customers experiencing a problem rose to 17.3%, higher than both July 2021 (14.9%) and January 2022 (16.4%). There has been an increase in the number of problems relating to the quality / reliability of goods and services and suitability of goods / services.



8 sectors have an average level of customer satisfaction that is at least 1 point higher than in July 2021 but the rate of improvement has slowed since January 2022

Sector	Jul-21	Jan-22	Jul-22	Change from Jul-21 to Jul-22	Change from Jan-22 to Jul-22	Highest scoring organisation in the sector	Highest organisation's score
Automotive	79.1	80.7	81.0	1.9	0.3	Suzuki	85.9
Banks & Building Societies	78.8	80.2	80.3	1.5	0.1	first direct	85.3
Insurance	79.0	80.5	80.8	1.8	0.3	SAGA Insurance	84.6
Leisure	80.7	81.7	81.8	1.1	0.1	Netflix	84.3
Public Services (Local)	73.7	73.4	72.3	-1.4	-1.1	your local Fire Service	83.5
Public Services (National)	77.3	76.9	75.3	-2.0	-1.6	Disclosure and Barring Service	81.6
Retail (Food)	80.4	81.0	81.7	1.3	0.7	Ocado	85.8
Retail (Non-food)	81.2	81.5	81.9	0.7	0.4	John Lewis	86.3
Services	76.6	77.4	76.7	0.1	-0.7	Timpson	86.4
Telecommunications & Media	75.2	76.3	76.6	1.4	0.3	Tesco Mobile	86.1
Tourism	78.8	80.4	80.7	1.9	0.3	Marriott	84.8
Transport	71.5	75.1	75.8	4.3	0.7	Merseyrail	83.6
Utilities	73.5	74.5	74.1	0.6	-0.4	UK Power Networks	86.5

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

Average customer satisfaction in the Transport sector improved throughout 2021 and is 4.3 points higher than in July 2021 but just 0.7 points more than in January 2022.

In Tourism, 6 of the 23 organisations listed in the UKCSI have an average level of satisfaction at least 4 points higher than in July 2021. Across the sector, customer satisfaction is 1.9 points higher than a year ago but almost at the same level (0.3 points higher) as in January 2022.

In the Utilities sector, average satisfaction improved by 0.6 points compared to July 2021 but is slightly lower (by 0.4 points) than January 2022. Satisfaction with Water companies is 76.1, up by 1.5 points compared to a year ago. Satisfaction with Energy companies is 73.2, almost the same as in July 2021 and 0.9 points lower than January 2022. Although the period in which the latest UKCSI data was collected (21 March to 14 April 2022) does not yet fully reflect recent energy prices rises, customers' average satisfaction with price / cost in the Energy sector dropped by 0.3 points compared to a year ago, to 6.6 (out of 10).

116 organisations (42 % of the total receiving a UKCSI score) have improved by at least 2 points compared to a year ago. 22 organisations (8% of those receiving a UKCSI score) have fallen by 2 points or more, compared to July 2021.

However, there are signs that the overall improvement in customer satisfaction has slowed. Only 46 organisations have improved by at least 2 points compared to January 2022, whereas 198 organisations have a UKCSI score that has moved (up or down) by fewer than 2 points.

279

Organisations and organisation types in the UKCSI

116↑

Organisations have improved yoy by at least 2 points, compared to July 2021

22↓

Organisations have experienced a yoy drop of at least 2 points, compared to July 2021

10 highest rated organisations

Jul-22 Rank	Organisation	Sector	Jul-22 Score	Jul-21 Score	Jul-21 Rank	Change in score Jul-21 to Jul-22
1	UK Power Networks	Utilities	86.5	78.6	101	7.9
2	Timpson	Services	86.4	77.5	131	8.9
3	John Lewis	Retail (Non-food)	86.3	84.4	2	1.9
4	Tesco Mobile	Telecommunications & Media	86.1	83.9	5	2.2
5	Suzuki	Automotive	85.9	84.0	3	1.9
5	M & S	Retail (Non-food)	85.9	82.1	24	3.8
7	Ocado	Retail (Food)	85.8	79.7	70	6.1
8	Waitrose	Retail (Food)	85.6	81.9	26	3.7
9	Apple	Retail (Non-food)	85.4	80.2	62	5.2
10	first direct	Banks & Building Societies	85.3	86.6	1	-1.3

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

Supermarket sales have fallen year on year. On average, supermarkets with customer satisfaction below the sector average have suffered the biggest drop in sales

Supermarket sales fell by 4.4% during the 12 weeks to 15 May 2022, compared to the same period in 2021, according to Kantar's latest take-home grocery data¹.

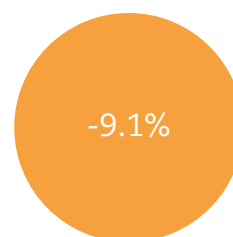
The overall drop in sales has affected most of the Retail (Food) organisations that appear in the UKCSI. But organisations with a UKCSI score at least 1 point below the sector suffered an average drop in sales of 9.1%, compared to a 3.8% drop for those with a UKCSI score that is 1 point or more higher than the sector average.

Annual sales growth for the 12 weeks to 15 May 2022

Food retailers with UKCSI at least 1 point above sector average



Food retailers with UKCSI at least 1 point below sector average



In the Banks and Building Societies sector, the volume of current account switching is close to its pre-Covid 19 level

The number of current account switches completing 1 October – 31 December 2021 was 32% higher than for the same period in 2020 and approaching the volume of switches completing between October and December 2019, just before the onset of the Covid-19 pandemic².

Santander achieved the highest number of net current account gains, 36,494. Its January 2022 UKCSI³ score of 80.1 was almost at the same level as the sector average (80.2) and 2.2 points higher than the previous year. Nationwide recorded 33,691 net current account gains: its January 2022 UKCSI score of 83.7 was 3.5 points higher than the sector average.

Banks and Building Societies receiving a UKCSI score at least 1 point below the sector average sustained an average of 8,811 current account losses.

¹ Source: Kantar World Panel

² Source: Current Account Switching Service Dashboard: Issue 34

³ The January 2022 UKCSI corresponds most closely to current account switches completed between 1 October and December 2021

45% of customers chose an organisation because of at least one aspect of its local relevance or commitment

Key aspects of localness appear to be an organisation employing local people (22% chose an organisation for this reason), followed by support for, or engagement in the community (20%) and feeling a personal connection to the organisation (17%). Customers who feel a personal connection to an organisation have a particularly high average level satisfaction (85.7 out of 100), followed by people favouring an organisation because it supports the local community (83.5) or employs local people (82.7).

Did you choose to use xx for any of following reasons?

They employ local people



They support and are active in the local community



I feel a personal connection to them

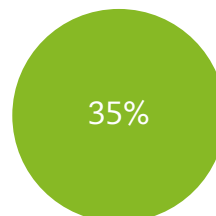


Across the UKCSI, there is evidence of a widening polarisation in expectations about affordability of excellent service

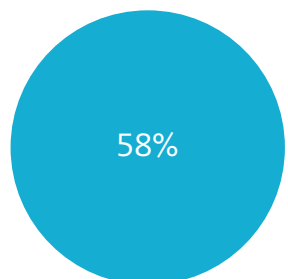
35% of customers indicated that they would be prepared to pay more to guarantee excellent service⁴, whereas just 12% would be willing to sacrifice quality of customer service to receive the lowest possible price. But in the Energy sector, 20% of customers prefer low-cost, no frill service, a higher level than any other sector and 2 percentage points more than in July 2021.

Reflecting increased financial pressures, 58% of customers⁵ say that low prices will become more important in influencing their choice of organisation, product or service across all sectors in the next 2 years.

% customers who would be prepared to pay more to guarantee excellent service



% customers for whom low prices will be more important when choosing an organisation, product or service, in the next 2 years



⁴ Customers were asked, to score the balance of price and service they would prefer to accept. A score of 8-10 implies a preference for excellent service, even if it costs more. A score of 1-3 is interpreted as a preference for low-cost, no-frills service.

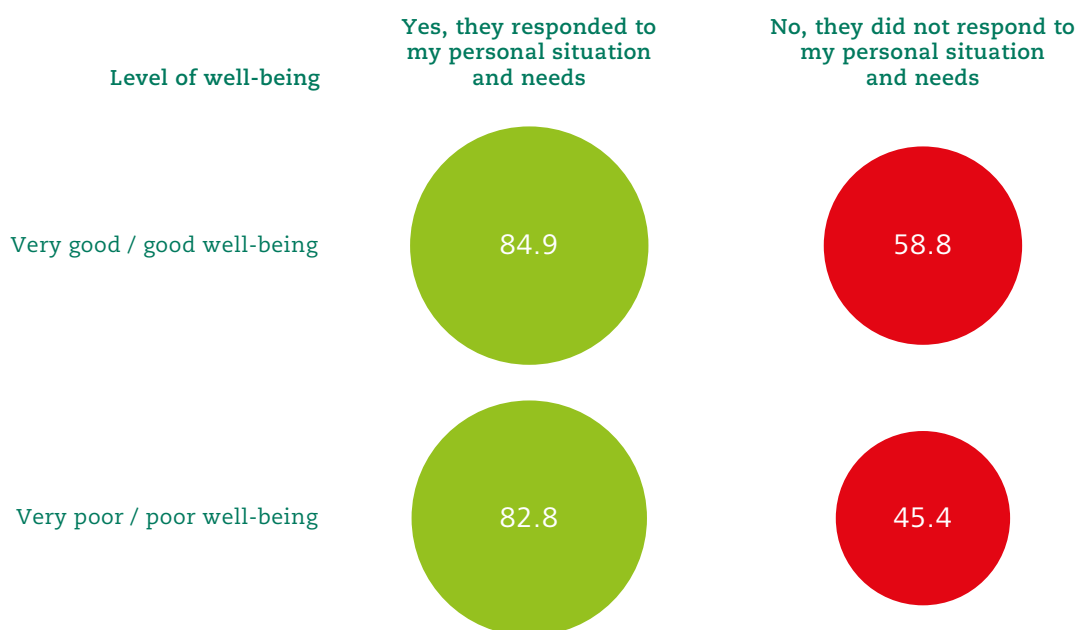
⁵ This data is from The Institute's research, Customer Behaviour: Evolution or Watershed?, published in May 2022.

60% of customers felt an organisation responded to their personal needs and situation but 11% said the organisation they dealt with failed to do so

Customers who felt an organisation responded to their personal needs and situation gave an average UKCSI score of 83.7, much higher than when an organisation failed to respond to personal needs (53.9) or when a customer did not require a personalised experience (76.4). Customers who felt that an organisation did not respond to their personal needs and situation were much more likely than others to cite more friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response and resolution as key priorities for improvement.

Increased risks of vulnerability mean it has become more important to respond to a customer's personal situation and needs

For customers who suffer from poor financial, mental or physical well-being, the impact of an organisation failing to respond to personal needs and context is stark. These customers' average satisfaction of 45.4 is 37.4 points lower than similar customers who dealt with an organisation that understood and responded to their personal needs.



Customer satisfaction index scores out of 100

10 areas of focus for organisations

On the surface, the overall profile of customer satisfaction in the UKCSI appears to be flat. Many organisations received higher customer satisfaction scores compared to a year ago but in many sectors the rate of improvement has slowed since January 2022. However, a combination of evolving customer expectations and behaviours, geopolitical upheaval, supply chain blockages, the severity of the cost of living crisis and potential future COVID-19 risks mean that the future outlook is hazardous. We conclude our update on the state of customer satisfaction in the UK by highlighting 10 areas of focus which will be critical to customer experience and business performance in the next 6 months.



1 Make a personal connection and respond to individual customer needs



2 Demonstrate transparency, ethical governance and practice



3 Understand and respond to the impact of the cost of living crisis on your employees and customers



4 Deliver efficiency in key transactions and interactions



5 Develop strategies to prevent problems from occurring



6 Maintain focus on problem and complaint handling



7 Invest in developing the skills, capabilities and behaviours for excellent service



8 Enable customers to make environmentally sustainable choices



9 Demonstrate local relevance and engagement



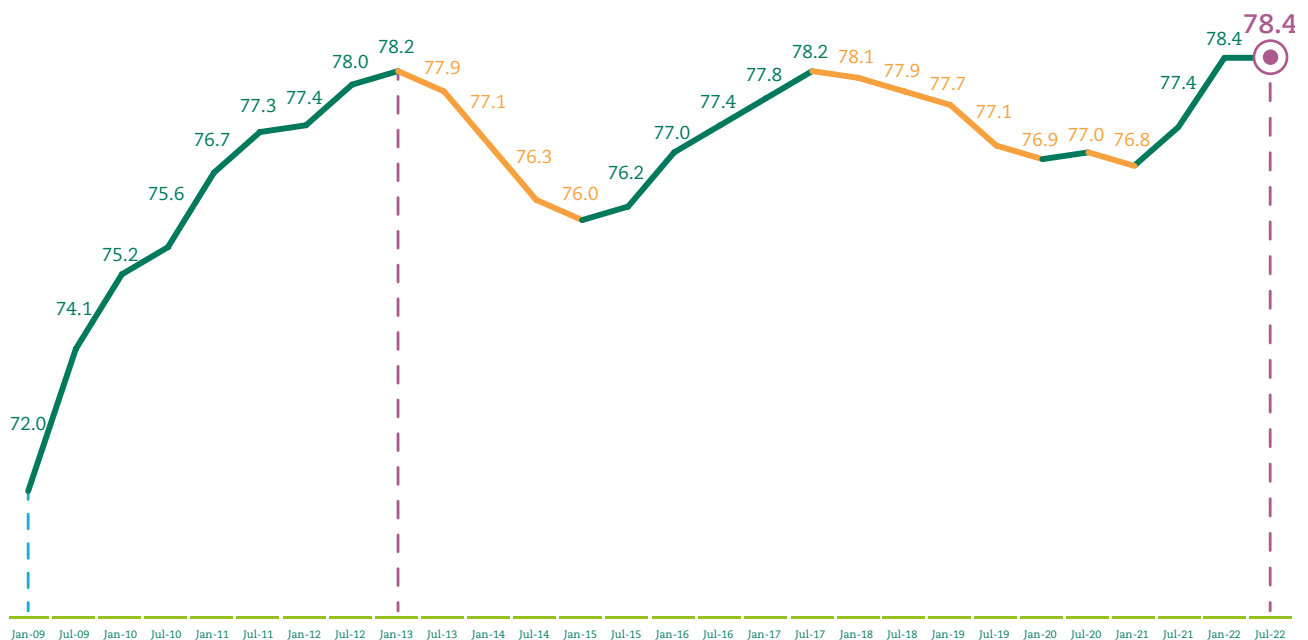
10 A sustained commitment to customer service

1

The state of
customer
satisfaction
in the UK

Customer satisfaction
in the UK is at the same
level as 6 months ago

The July 2022 UK Customer Satisfaction Index (UKCSI) is 78.4 (out of 100), up 1 point compared to a year ago but the same level as in January 2022



The July 2022 UKCSI is based two sets of data, collected between 13 September and 8 October 2021 (after the relaxation of most Covid-19 restrictions in England but before the emergence of the Omicron variant) and between 21 March and 14 April 2022 (after the removal, from 24 February, of the legal requirement in England to self-isolate following a positive Covid-19 test).

The trend for improved complaint handling, alongside more customers experiencing a problem with an organisation, has continued

The biggest area of improvement in customer satisfaction is complaint handling. Average satisfaction with organisations' handling of a complaint is 6.6 (out of 10), an increase of 0.6 points compared to a year ago.

Complaint handling measures (scale of 1 – 10)

Measure	July-22	July-21	Year-on-year change
The outcome of the complaint	6.8	6.1	0.7
The handling of the complaint	6.6	6.0	0.6
The attitude of staff	6.9	6.3	0.6
Speed of resolving your complaint	6.6	5.9	0.7

Despite the improvement in complaint handling the number of customers experiencing a problem rose to 17.3%, higher than both July 2021 (14.9%) and January 2021 (16.4%). There has been an increase in the number of problems relating to the quality / reliability of goods and services and suitability of goods / services, especially in the Insurance, Retail (Non-food), Tourism, Transport and Utilities sectors.

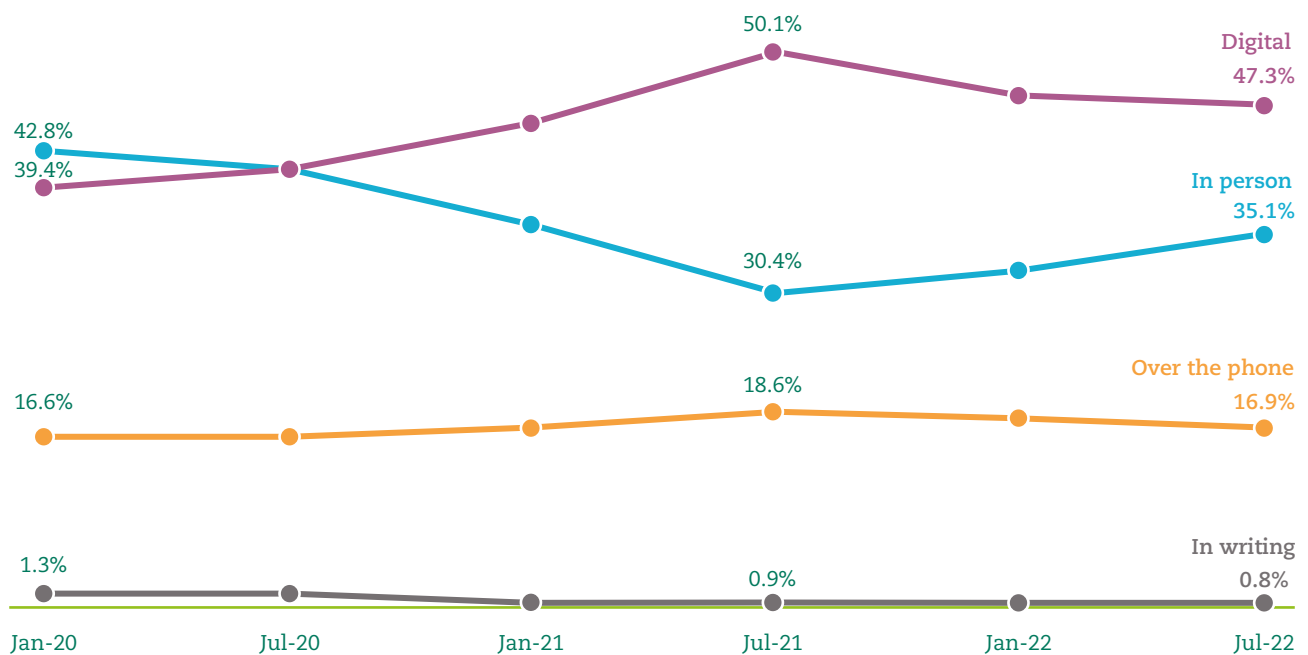
Number of times each issue was cited as the cause of a customer's problem with an organisation

Type of problem	July-22	July-21	Year-on-year change
Quality or reliability of goods / services	42.8%	35.7%	7.1%
Suitability of goods / services (e.g. didn't do what you expected)	26.4%	21.4%	5.0%
Availability of goods / services (e.g. couldn't find what you wanted)	23.8%	20.9%	2.9%
Late delivery or slow service	19.4%	21.1%	-1.7%
Staff competence	19.8%	18.2%	1.6%
Staff attitude	15.4%	16.0%	-0.6%
Cost	10.7%	11.5%	-0.8%
XX not keeping its promises and commitments	14.6%	15.5%	-0.9%

More customer experiences were conducted in person, compared to the July 2021 UKCSI

35.1% of the customer experiences recorded in the UKCSI were conducted in person, 4.7 percentage points more than in July 2021. The increased number of in person experiences is particularly evident in the Leisure, Retail and Tourism sectors.

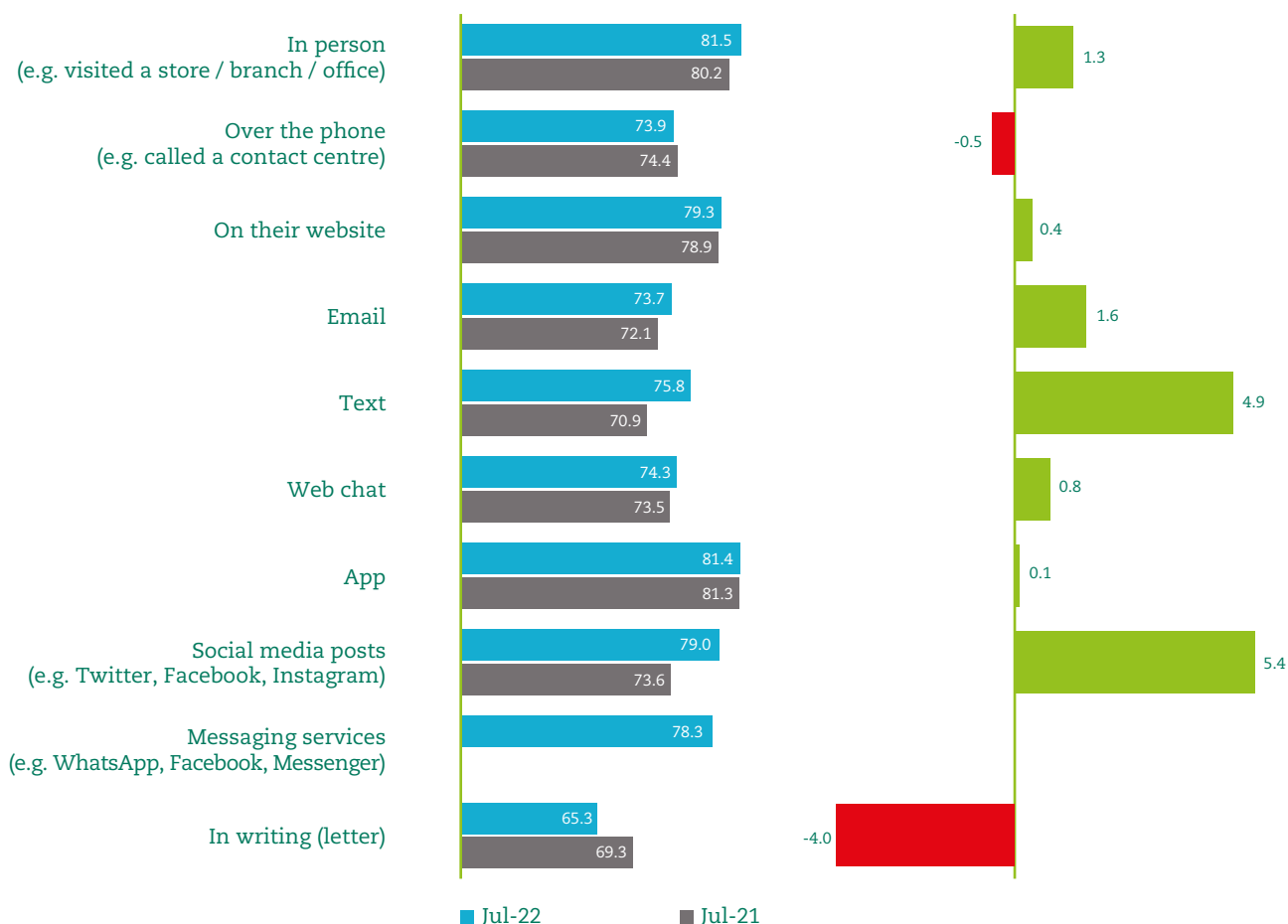
Breakdown of customer experiences in the UKCSI by channel 2020 - 2022



Customer satisfaction with in person experiences was 1.3 points higher than in July 2021. Average levels of satisfaction are higher than a year ago for experiences in all channels except for over the phone (0.5 points lower) and in writing (4 points lower).

Average customer satisfaction by channel used

Year-on-year change

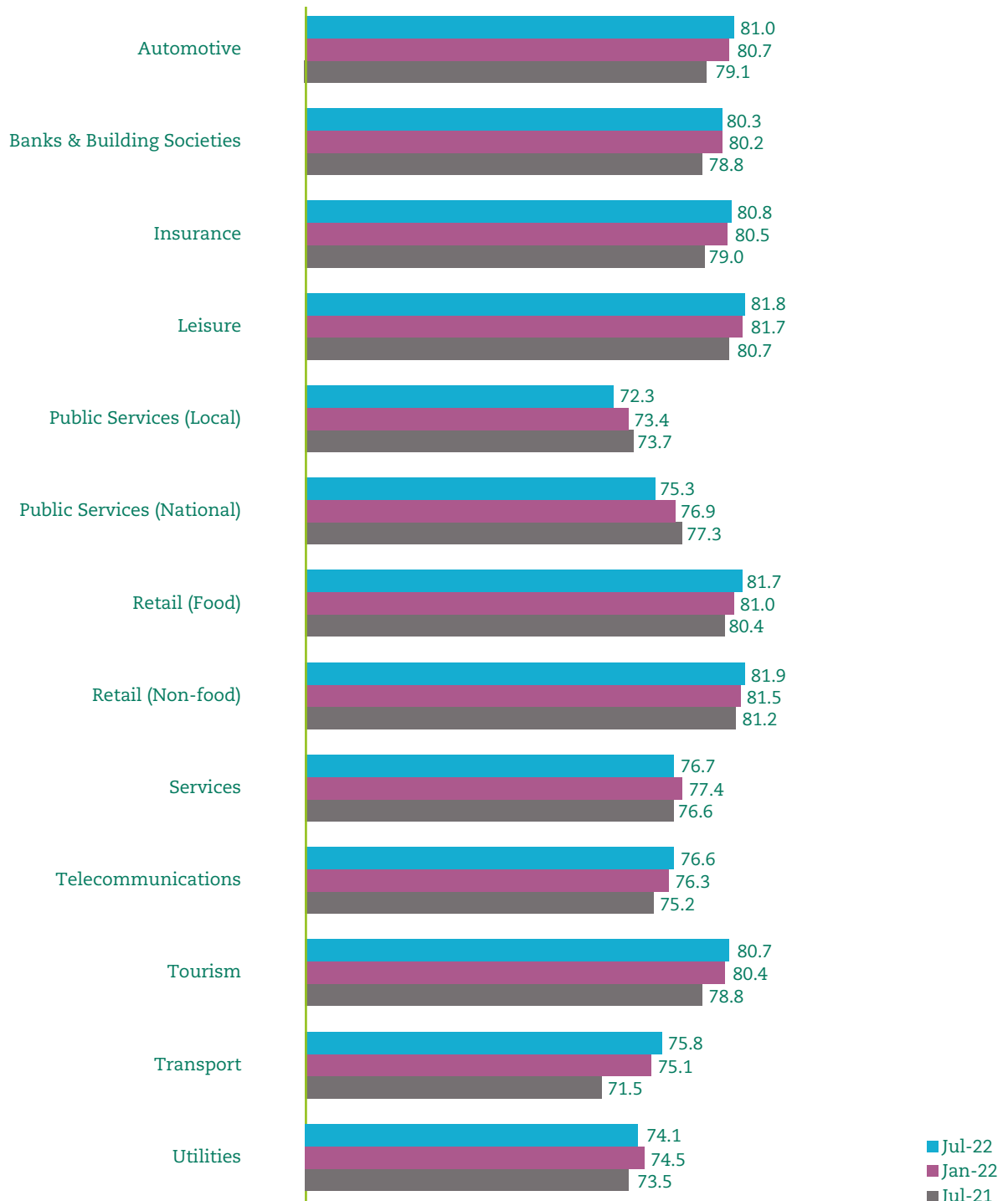


Index scores out of 100

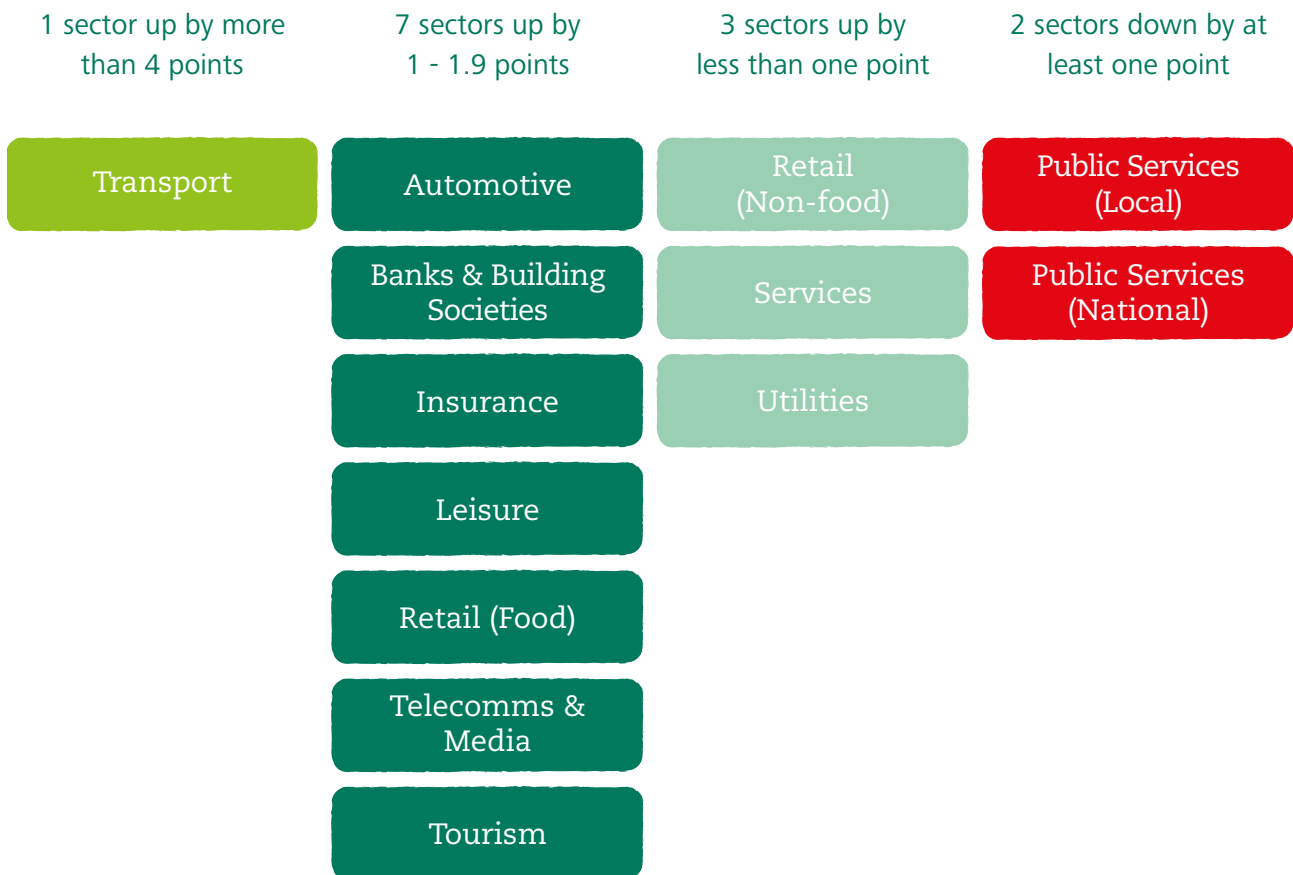
⁵ In the July 2022 UKCSI, Social media posts and Messaging services are reported separately. Previously, Social Media was reported as a generic channel

8 sectors have a an average level of customer satisfaction at least 1 point higher than in July 2021 but the improvement has slowed since January 2022

Customer satisfaction by sector: July 2021 – July 2022



Change in customer satisfaction compared to July 2021, by sector

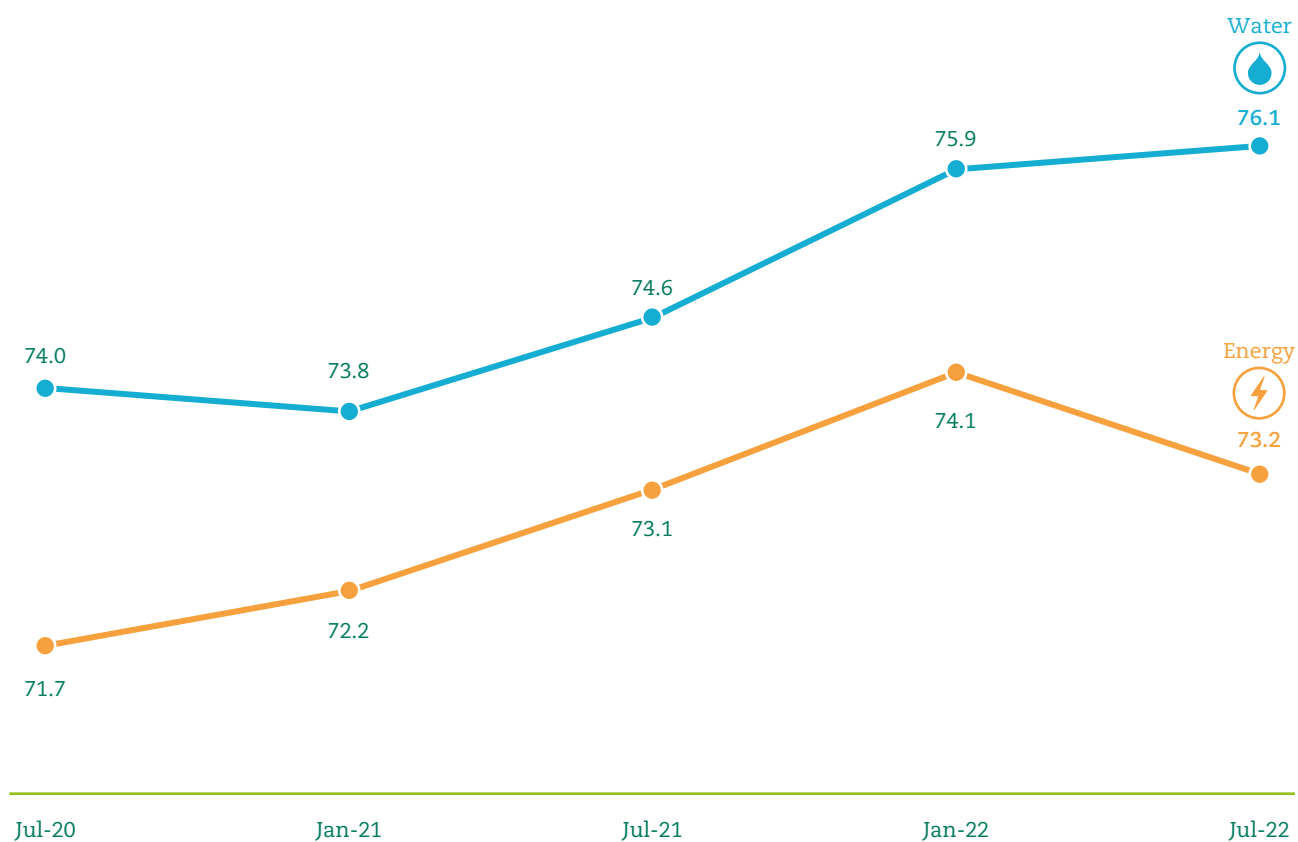


Average customer satisfaction in the Transport sector improved throughout 2021 and is 4.3 points higher than in July 2021 but just 0.7 points more than in January 2022.

Average customer satisfaction with organisations in the Automotive, Banks and Building Societies, Insurance, Leisure, Retail (Food), Telecommunications and Media and Tourism sectors is more than 1 point higher than in July 2021. However, the overall improvement has slowed; in each of these sectors, the average level of satisfaction in the July 2022 UKCSI is similar to its January 2021 level.

In the Utilities sector, average satisfaction with Water companies improved by 1.5 points to 76.1. Satisfaction with Energy companies is 73.2, almost the same as in July 2021 and 0.9 points lower than January 2022. Although the period in which the latest UKCSI data was collected (21 March to 14 April 2022) does not yet fully reflect the scale and impact of recent energy prices rises, customers' average satisfaction with price / cost in the Energy sector dropped by 0.3 points compared to a year ago, to 6.6 (out of 10).

Customer satisfaction with Energy and Water companies



Index scores out of 100

The overall fall in customer satisfaction in the Public Services sectors conceals a mixture of results for organisations and organisation types.

Average customer satisfaction in the Public Services (Local) sector fell year on year by 1.4 points to 72.3. Most of the decline was caused by a 4.6 drop for GP surgery / health centre, to 70.8, its lowest ever score. By contrast, each of your local Fire Service, your local Ambulance Service and your local Police Service improved by at least 3 points compared to a year ago.

In the Public Services (National) sector, Disclosure and Barring Service, HM Passport Office and National Highways all have a UKCSI score at least 3 points higher than in July 2021.

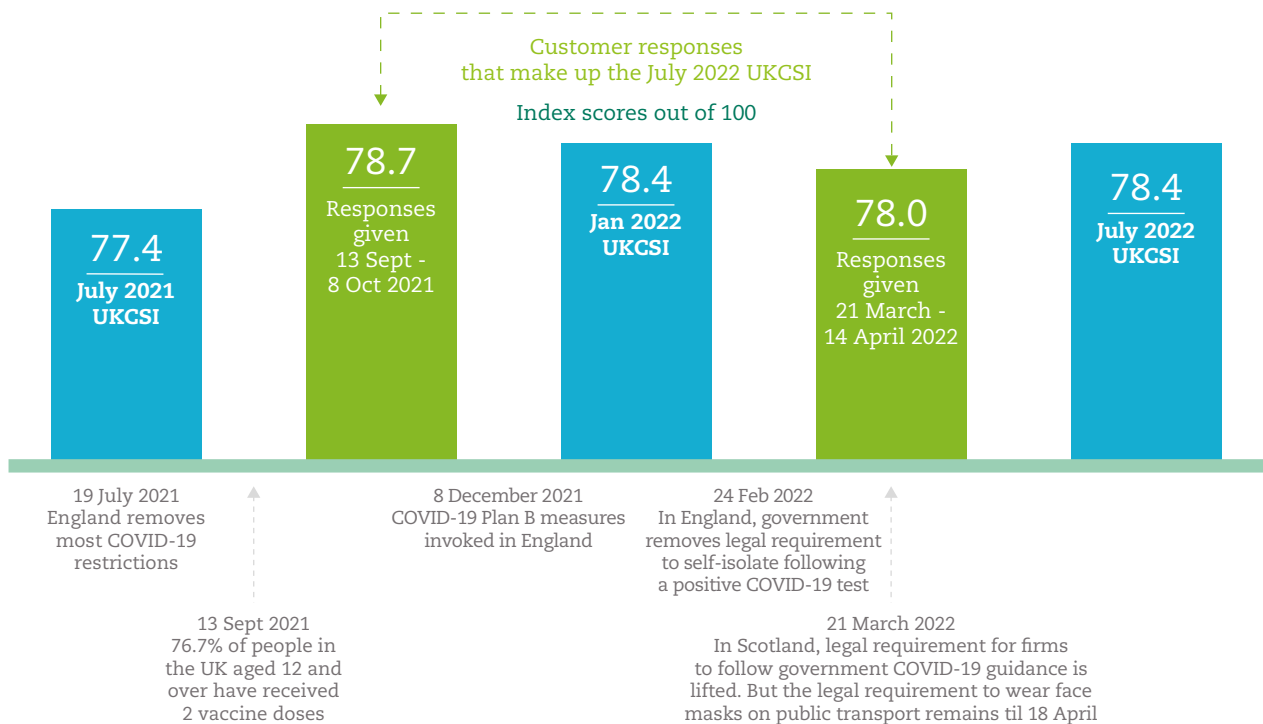
Customer satisfaction in the context of the COVID-19 pandemic

The January 2022 UKCSI is based on two sets of data, collected between 13 September and 8 October 2021 (after the relaxation of most Covid-19 restrictions in England but before the emergence of the Omicron variant) and between 21 March and 14 April 2022 (after the removal, from 24 February, of the legal requirement in England to self-isolate following a positive COVID-19 test).

The UKCSI usually focuses on year on year comparisons and trends in customer satisfaction. Since the July 2020 UKCSI, we have also reviewed how customer satisfaction has evolved through phases of the COVID-19 pandemic by examining data about customer experiences from the specific time periods in which the research was conducted.

Average satisfaction for customer experiences recorded in March and April 2022 was slightly lower, by 0.7 points, than for those recorded in September and October 2021. In the Automotive and Utilities sectors, average satisfaction for experiences recorded in March and April 2022 is at least 2 points lower than for the those received in September and October 2021. This evidence suggests that, across several sectors, there are likely to be substantial challenges in maintaining or improving customer satisfaction in the next 6 months.

Average customer satisfaction by UKCSI reporting period



UKCSI reporting periods: July 2021 – July 2022

Customer responses
that make up the
July 2022 UKCSI

Overall CSI	July 2021 UKCSI	Responses given 13 Sept - 8 Oct 2021	Jan 2022 UKCSI	Responses given 21 March - 14 April 2022	July 2022 UKCSI	yoy change	Change between March / April 2022 and Sept / Oct 2021 responses
UK all-sector average	77.4	78.7	78.4	78.0	78.4	1.0	-0.7
Automotive	79.1	82.1	80.7	79.9	81.0	1.9	-2.2
Banks & Building Societies	78.8	80.8	80.2	79.9	80.3	1.5	-0.9
Insurance	79.0	81.4	80.5	80.2	80.8	1.8	-1.2
Leisure	80.7	82.0	81.7	81.6	81.8	1.1	-0.4
Public Services (Local)	73.7	72.3	73.4	72.3	72.3	-1.4	0.0
Public Services (National)	77.3	75.6	76.9	75.1	75.3	-2.0	-0.5
Retail (Food)	80.4	81.8	81.0	81.5	81.7	1.3	-0.3
Retail (Non-food)	81.2	81.5	81.5	82.3	81.9	0.7	0.8
Services	76.6	77.5	77.4	75.8	76.7	0.1	-1.7
Telecommunications & Media	75.2	76.7	76.3	76.4	76.6	1.4	-0.3
Tourism	78.8	80.6	80.4	80.9	80.7	1.9	0.3
Transport	71.5	75.9	75.1	75.7	75.8	4.3	-0.2
Airlines (Transport Sector)	70.5	78.6	76.6	77.9	78.3	7.8	-0.7
Utilities	73.5	75.1	74.5	73.0	74.1	0.6	-2.1

Average satisfaction with airlines showed the biggest drop of any sector (or subsector) during the height of the Covid-19 pandemic in 2020 – 21 but in the last year has improved more than any other sector. Average customer satisfaction with airlines is 78.3, up 7.8 points compared to a year ago. However, average satisfaction for the most recent set of customer responses, collected in March and April 2022 is slightly lower than for those collected in September and October 2021, suggesting that disruption caused by staff shortages and flight cancellations is likely to have an adverse impact on customer satisfaction.

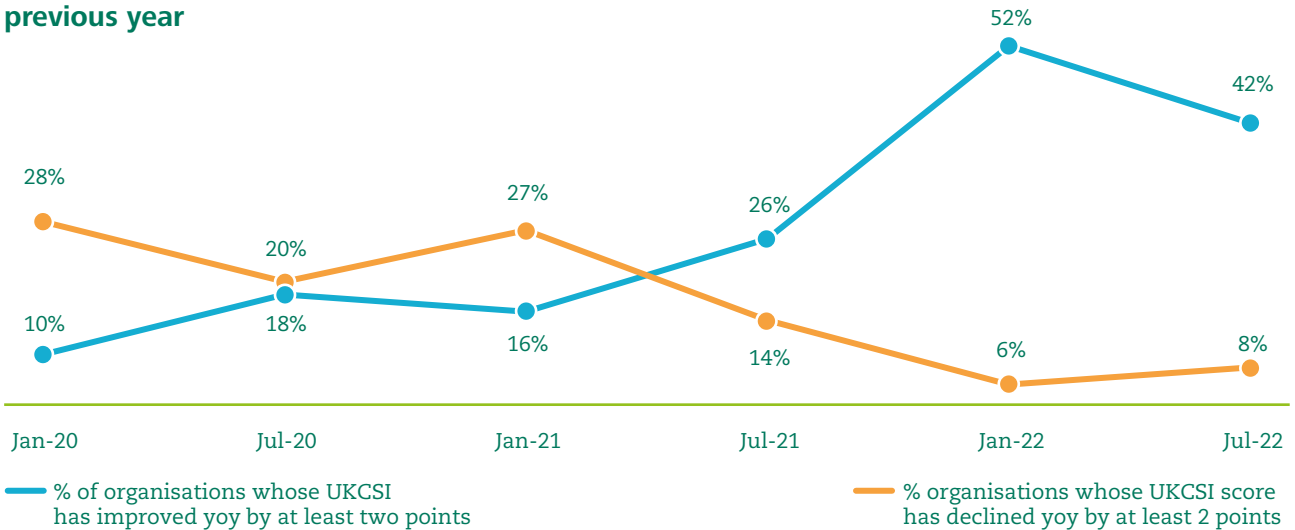
279
Organisations and organisation types in the UKCSI

116 ↑
Organisations have improved yoy by at least 2 points, compared to July 2021

22 ↓
Organisations have experienced a yoy drop of at least 2 points, compared to July 2021

In the July 2022 UKCSI, 116 organisations (42% of the total receiving a UKCSI score) have improved by at least 2 points compared to a year ago. 22 organisations (8% of those receiving a UKCSI score) have fallen by 2 points or more. However, since January 2022, there are signs that the overall improvement in customer satisfaction has slowed. Only 46 organisations improved by at least 2 points compared to January 2022, whereas 198 organisations have a UKCSI score that has moved (up or down) by fewer than 2 points.

% of organisations that have improved or declined by at least 2 points, compared to the previous year



6 of the organisations that declined by at least 2 points, compared to July 2021, are from the Utilities sector and 4 are from the Public Services (National) sector. The smallest gap between the highest and lowest rated organisations in any sector is 7.8 points, in Insurance and Retail (Food). The gap between the highest and lowest rated organisations is greatest in the Utilities (20.8 points), Public Services (Local) (19.7 points), Services (18.9 points) and Telecommunications and Media (16 points) sectors.

Number of organisations in each sector whose customer satisfaction has improved or declined, compared to July 2021

Sector	Total number of organisations	Number of organisations that have improved by 2 points or more	Number of organisations that have dropped by 2 points or more	Number of organisations that have moved by less than 2 points	Gap between highest and lowest organisation
Automotive	27	13	2	11	11.5
Banks & Building Societies	18	8	0	9	11.9
Insurance	26	11	2	12	7.8
Leisure	24	10	0	10	11.3
Public Services (Local)	7	4	1	2	19.7
Public Services (National)	13	3	4	3	15.9
Retail (Food)	12	5	0	6	7.8
Retail (Non-food)	23	8	2	11	8.2
Services	19	5	3	10	18.9
Telecommunications & Media	14	3	0	10	16.0
Tourism	23	6	1	14	8.8
Transport	38	27	1	8	15.4
Utilities	35	13	6	15	20.8

6 organisations have appeared in the UKCSI for the first time.

HM Land Registry (Public Services National)	74.7	C2C (Transport)	75.8
Natural Resources Wales (Public Services National)	76.1	Merseyrail (Transport)	83.6
easyjet Holidays (Tourism)	78.7	Scottish and Southern Electricity Networks (Utilities)	67.4

The top 50 organisations

Jul-22 Rank	Organisation	Sector	Jul-22 Score	Jul-21 Score	Jul-21 Rank	Change in score Jul-21 to Jul-22
1	UK Power Networks	Utilities	86.5	78.6	101	7.9
2	Timpson	Services	86.4	77.5	131	8.9
3	John Lewis	Retail (Non-food)	86.3	84.4	2	1.9
4	Tesco Mobile	Telecommunications & Media	86.1	83.9	5	2.2
5=	Suzuki	Automotive	85.9	84.0	3	1.9
5=	M & S	Retail (Non-food)	85.9	82.1	24	3.8
7	Ocado	Retail (Food)	85.8	79.7	70	6.1
8	Waitrose	Retail (Food)	85.6	81.9	26	3.7
9	Apple	Retail (Non-food)	85.4	80.2	62	5.2
10	first direct	Banks & Building Societies	85.3	86.6	1	-1.3
11=	M & S (food)	Retail (Food)	85.1	82.6	18	2.5
11=	Pets at Home	Retail (Non-food)	85.1	83.2	16	1.9
13	Marriott	Tourism	84.8	78.9	91	5.9
14	Costco	Retail (Non-food)	84.7	NO DATA	NO DATA	NO DATA
15=	SAGA Insurance	Insurance	84.6	83.8	7	0.8
15=	Green Flag	Services	84.6	81.2	41	3.4
17	Netflix	Leisure	84.3	83.4	13	0.9
18	M & S Energy	Utilities	84.1	77.9	119	6.2
19=	Holland & Barrett	Retail (Non-food)	84.0	81.6	34	2.4
19=	Greggs	Leisure	84.0	83.5	9	0.5
19=	Amazon Prime Video	Leisure	84.0	81.4	37	2.6
22=	BMW	Automotive	83.7	79.6	73	4.1
22=	Jet2holidays.com	Tourism	83.7	83.5	9	0.2
22=	Amazon.co.uk	Retail (Non-food)	83.7	84.0	3	-0.3
25=	Merseyrail	Transport	83.6	NO DATA	NO DATA	NO DATA
25=	Virgin Money	Insurance	83.6	76.8	148	6.8

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

Jul-22 Rank	Organisation	Sector	Jul-22 Score	Jul-21 Score	Jul-21 Rank	Change in score Jul-21 to Jul-22
25=	Pizza Hut	Leisure	83.6	77.8	121	5.8
25=	Ikea	Retail (Non-food)	83.6	81.7	32	1.9
25=	Caffe Nero	Leisure	83.6	79.2	87	4.4
30	Next	Retail (Non-food)	83.5	81.4	37	2.1
31	Honda	Automotive	83.4	77.8	121	5.6
32=	Aldi	Retail (Food)	83.3	83.3	15	0.0
32=	Toby Carvery	Leisure	83.3	78.7	96	4.6
34=	Jet2	Transport	83.2	81.1	44	2.1
34=	Bank of Scotland	Banks & Building Societies	83.2	79.6	73	3.6
36	Yorkshire Bank	Banks & Building Societies	83.1	NO DATA	NO DATA	NO DATA
37	Nationwide	Banks & Building Societies	83.0	82.4	19	0.6
38	The Co-operative Bank	Banks & Building Societies	82.9	83.4	13	-0.5
39=	Kia	Automotive	82.8	79.8	67	3.0
39=	LV=	Insurance	82.8	82.2	23	0.6
39=	Superdrug	Retail (Non-food)	82.8	80.0	64	2.8
42=	Nissan	Automotive	82.7	81.8	29	0.9
42=	booking.com	Tourism	82.7	81.7	32	1.0
42=	Iceland	Retail (Food)	82.7	79.6	73	3.1
42=	Trivago	Tourism	82.7	81.9	26	0.8
42=	Subway	Leisure	82.7	78.5	104	4.2
47=	British Airways Holidays	Tourism	82.6	76.4	159	6.2
47=	Specsavers	Retail (Non-food)	82.6	83.5	9	-0.9
49=	Mercedes-Benz	Automotive	82.4	77.5	131	4.9
49=	Premier Inn	Tourism	82.4	82.0	25	0.4
49=	Audi	Automotive	82.4	78.9	91	3.5
49=	The Co-operative Energy	Utilities	82.4	70.7	238	11.7

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

23 of the top 50 rated organisations are from the Retail (Non-food), Retail (Food) or Leisure sectors. In July 2021, Tourism companies were absent from the top 50 UKCSI organisations. In July 2022, the presence of 6 Tourism companies in the top 50 illustrates the overall improvement in customer satisfaction in the sector. The number of Insurance companies amongst the 50 highest rated organisations has fallen from 8 in January 2022 to 3 in this UKCSI.






The biggest gap between the top 50 organisations and others are for the 4 complaint handling measures and the number of experiences rated as being right first time. On average, 12.9% of customers of top 50 organisations experienced a problem, up by 2.1 percentage points compared to July 2021 but 4.6 percentage points lower than the average of other organisations in the UKCSI.

Key differentiators of the top 50 organisations in the UKCSI (scores out of 10 unless stated)

	Top 50 Organisations	Remaining Organisations	Difference
UKCSI (out of 100)	83.7	77.7	6.0
Proportion of customers giving a 9 or 10 out of 10	39.5%	28.0%	11.5%
The outcome of the complaint	7.8	6.7	1.1
Speed of resolving your complaint	7.6	6.5	1.1
The handling of the complaint	7.6	6.6	1.0
The attitude of staff (dealing with a complaint)	7.8	6.9	0.9
Reputation of the organisation	8.3	7.6	0.7
XX makes it easy to contact the right person to help	8.3	7.6	0.7
Price/cost	8.2	7.5	0.7
% experiencing a problem	12.9%	17.5%	-4.6%
% of experiences right first time	86.3%	79.6%	6.7%
Effort	4.8	5.4	-0.6






5 dimensions of customer satisfaction

The UKCSI is based on 26 measures which are categorised in 5 dimensions of customer satisfaction.

	Dimension (score out of 100)	July 2022	July 2021	Year-on-year change
	Experience Measures the quality of customers' experiences and interactions with organisations	79.4	78.3	1.1
	Complaint Handling How organisations respond and deal with problems and complaints	66.4	60.2	6.2
	Customer Ethos Extent to which customers perceive that organisations genuinely care about customers and build the experience around their customers' needs	77.7	76.8	0.9
	Emotional Connection The extent to which an organisation engenders feelings of trust and reassurance	77.6	76.7	0.9
	Ethics Reputation, openness and transparency and the extent to which an organisation is deemed to "do the right thing"	76.6	75.8	0.8

Top rated organisations by customer satisfaction dimension

UKCSI dimensions

 Experience	 Complaint Handling	 Customer Ethos	 Emotional Connection	 Ethics
John Lewis Ocado Tesco Mobile Suzuki UK Power Networks M & S (Retail Non-food) first direct Amazon.co.uk Timpson Waitrose	UK Power Networks Northern Ireland Water CrossCountry Apple Essex and Suffolk Water Companies House London North Eastern Railway BMW Virgin Money M & S (Retail Non-food)	UK Power Networks Timpson Ocado Pets at Home Suzuki Tesco Mobile Waitrose Apple M & S (Retail Non-food) John Lewis	UK Power Networks M & S (Retail Food) Timpson John Lewis Waitrose Tesco Mobile Apple SAGA Insurance Pets at Home Green Flag	John Lewis UK Power Networks Waitrose Timpson Apple M & S (Retail Food) M & S (Retail Non-food) first direct Suzuki Costco Tesco Mobile

UK Power Networks is amongst the highest rated organisations on all 5 dimensions of customer satisfaction. John Lewis, Timpson and Waitrose are amongst the highest rated organisations on 4 dimensions: Experience; Customer Ethos; Emotional Connection and Ethics.

The Complaint Handling dimension features a wider spread of organisations amongst the top performers than the other dimensions. For Complaint Handling, only organisations for whom at least 10 complaints were recorded receive a published score. This means that, whereas for the Experience, Customer Ethos, Emotional Connection and Ethics dimensions every organisation receives a score, organisations generating particularly low levels of complaints may not receive published ratings for satisfaction with complaint handling.

20 most improved organisations

20 most improved organisations over one year	UKCSI score July 2021	UKCSI score July 2022	YOY Change	Compared to sector average	Sector
Ryanair	54.2	68.2	14.0	-7.6	Transport
The Co-operative Energy	70.7	82.4	11.7	8.3	Utilities
Virgin Atlantic	70.4	82.1	11.7	6.3	Transport
Timpson	77.5	86.4	8.9	9.7	Services
Virgin Holidays	70.9	79.8	8.9	-0.9	Tourism
More Than	73.5	82.1	8.6	1.3	Insurance
Grand Central	71.4	79.9	8.5	4.1	Transport
London North Eastern Railway	73.2	81.5	8.3	5.7	Transport
Great Northern	68.8	77.0	8.2	1.2	Transport
Lastminute.com	71.0	79.1	8.1	-1.6	Tourism
UK Power Networks	78.6	86.5	7.9	12.4	Utilities
Heathrow Express	73.5	80.8	7.3	5.0	Transport
Brittany Ferries	73.6	80.8	7.2	5.0	Transport
Essex and Suffolk Water	71.8	78.8	7.0	4.7	Utilities
Utility Warehouse	74.0	80.9	6.9	6.8	Utilities
Northern Ireland Water	72.7	79.6	6.9	5.5	Utilities
Virgin Money	76.8	83.6	6.8	2.8	Insurance
British Airways	73.7	80.3	6.6	4.5	Transport
TUI Airways	73.4	79.9	6.5	4.1	Transport
South Staffordshire Water	70.1	76.6	6.5	2.5	Utilities

■ Organisation is at least 1 point higher than the sector average

■ Organisation is at least 1 point lower than the sector average

9 of the most improved organisations, compared to July 2021, are from the Transport sector and 6 are from Utilities sector.

13 of the 20 most improved organisations have a UKCSI score at least 4 points higher than their sector average. Ryanair is the most improved organisation but its UKCSI score of 68.2 is 7.6 points below the Transport sector average.

Across these 20 most improved organisations, the biggest gains were for customer satisfaction with complaint handling, making it easier to contact the right person to help and speed of response, especially over the phone or via text, web chat or social media. However, 33.7% of the customer sample who interacted with these organisations experienced a problem, 8.8 percentage points more than a year ago. The average level of effort rose by 0.4 points to 6.6 (out of 10). Even though these organisations have achieved improved levels of customer satisfaction compared to a year ago, the extent of customers experiencing a problem is likely to have significant implications for cost and productivity.

2

Customer satisfaction and business performance

In this section we examine evidence of the relationship between customer satisfaction and business performance in the Retail (Food) and Banks and Building Societies sectors as well as the links between the high levels of customer satisfaction and the strongest ratings for trust, recommendation, loyalty and reputation.

In the Retail (Food) sector, the link between customer satisfaction and sales performance is shaped by a context of falling sales, price inflation and evolving channel use

Supermarket sales fell by 4.4% during the 12 weeks to 15 May 2022 compared to the same period in 2021, according to Kantar's latest take-home grocery data⁶. The drop in sales is likely to have been influenced by the resurgence of office-based working and re-opening of cafes and restaurants. Kantar also reported a 7% increase in food prices in the 4 weeks preceding 15 May, the highest level of grocery inflation since May 2009.

The proportion of online and email customer experiences is lower than a year ago but higher than pre-pandemic levels

Breakdown of customer experiences by channel recorded by the UKCSI in the Retail (Food) sector

	Jan-20	Jul-20	Jan-21	Jul-21	Jan-22	Jul-22
In person (e.g. visited a store/branch/office)	77.7%	77.9%	72.3%	65.7%	66.9%	69.6%
Over the phone (e.g. called a contact centre)	4.4%	3.7%	4.1%	5.0%	4.7%	4.1%
On their website	11.3%	11.3%	14.7%	18.3%	17.4%	15.3%
Email	3.8%	3.8%	4.9%	6.2%	5.5%	5.5%
Text	0.6%	0.5%	0.7%	1.0%	0.9%	0.6%
Web chat	0.5%	0.6%	0.7%	1.0%	1.0%	1.0%
App	1.2%	1.4%	1.7%	1.8%	2.4%	2.5%
Social media	0.5%	0.6%	0.8%	0.9%	1.0%	1.3%
In writing (letter)	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%

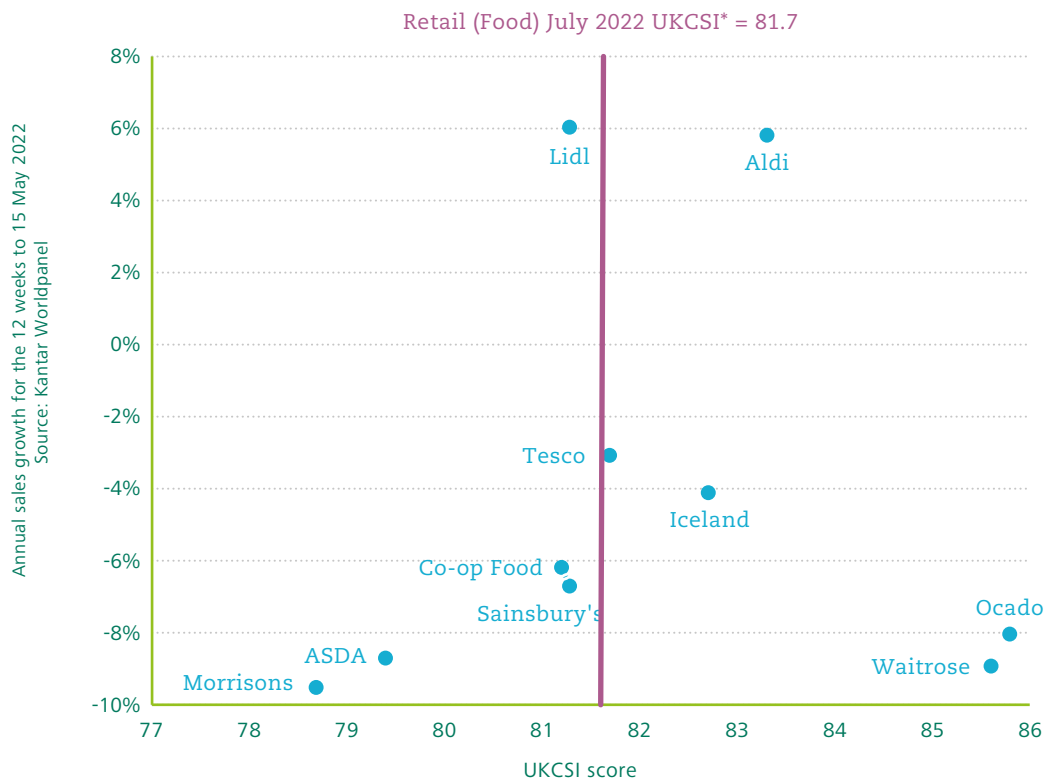
⁶ Source: Kantar World Panel

Aldi and Lidl were the only major supermarket chains for whom sales growth was recorded in the 12 weeks to 15 May 2022

Both appear to have recovered strongly from the downturn in supermarket sales in earlier phases of the Covid-19 pandemic, when there were more home deliveries and fewer visits to supermarkets. Aldi's sales grew by 5.8%. Its customer satisfaction score of 83.3 (out of 100) is the same as in July 2021 and 1.6 points higher than the sector average. Lidl's sales grew by 6%. Its UKCSI score of 81.3 is just below the sector average (81.7) but 2.6 points higher than a year ago.

The overall drop in grocery take-home sales has affected most of the Retail (Food) organisations that appear in the UKCSI. But organisations with a UKCSI score at least 1 point below the sector suffered an average drop in sales of 9.1%, compared to 3.8% for those with a UKCSI score that is 1 point or more higher than the sector average.

Customer satisfaction and sales growth: the Retail (Food) sector



* Note that M & S (food), which has a UKCSI score of 85.1 is not included in Kantar's research so does not appear here.

Annual sales growth for the 12 weeks to 15 May 2022

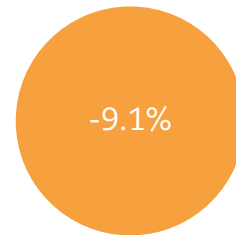
Food retailers with UKCSI at least 1 point above sector average



Food retailers with UKCSI within +/- 1 point of sector average



Food retailers with UKCSI at least 1 point below sector average



Ocado is the highest rated food retailer in the July 2022 UKCSI. Its rating of 85.8 is 4.1 points above sector average and 6.1 points higher than a year ago. Although Ocado's sales fell by 8%, its sales were 6.1% higher than 2 years ago.

Despite an 8.9% fall in sales, Waitrose's improvement in customer satisfaction has continued. Its UKCSI score is 85.6, an increase of 3.7 points compared to a year ago.

Tesco's market share increased by 0.4% to 27.4%. Its UKCSI score is 81.7, the same level as the sector average and slightly higher than its July 2021 score (81.1).

As the cost-of-living crisis intensifies, it is likely that more customers will need to make savings by reviewing the products or brands they choose, or cutting down on non-essential items. Retailers will therefore need to look creatively at ways to deliver value, by maintaining supplies of essential products, assessing the impact of price changes on customers and giving practical advice about how to budget and make the most of food purchases. Increasingly, organisations will need to understand the impact of personal context on the trade-offs customers are prepared to make between different buying criteria.

In the Banks and Building Societies sector, the volume of current account switching is close to its pre-Covid-19 level

In this UKCSI we have reviewed data from the latest Current Account Switch Service (CASS) dashboard⁷ covering switches completed between 1 October and 31 December 2021, alongside the corresponding UKCSI period, January 2022.

The number of current account switches completing 1 October – 31 December 2021 was 32% higher than for the same period in 2020 and close to the volume of switches completing between October and December 2019, just before the onset of the Covid-19 pandemic. The recovery in the level of account switches is likely to reflect incentives offered on new accounts and the need for customers to switch because of the closure of Tesco and M&S' current account offerings.

Volume of current account switches



Santander achieved the highest number of net current account gains, 36,494. Its January 2022 UKCSI score of 80.1 was almost at the same level as the sector average (80.2) and 2.2 points higher than the previous year. Nationwide recorded 33,691 net current account gains: its January 2022 UKCSI score of 83.7 was 3.5 points higher than the sector average. Starling Bank attracted 10,364 current account gains but did not receive sufficient responses to be listed in the January 2022 UKCSI.

Banks and Building Societies receiving a UKCSI score at least 1 point below the sector average sustained an average of 8,811 current account losses. HSBC's net current account loss was 14,875, although some of this was caused by the closure of its M&S branded current account.

⁷ Current Account Switching Service Dashboard Issue 34

Customer satisfaction and current account net gains and losses



Average current account quarterly net gains

Banks & Building Societies with a UKCSI at least 1 point above sector average

6,878



■ Net current account gains

Banks & Building Societies with UKCSI within 1 point (+/-) of sector average

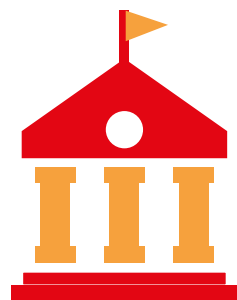
8,161



■ Net current account gains

Banks & Building Societies with a UKCSI at least 1 point below sector average

-8,811



■ Net current account losses

* Note: HSBC switching data includes first direct

Service related, non-financial benefits continue to be the main reasons people prefer their new current account to their old one. Online banking (53%), mobile banking/banking app ease (42%), customer service (40%) and location of branches (22%) were cited as leading reasons for people preferring their new current account.

Consumer research carried out for CASS⁸ found that 18% of people feel the cost-of-living crisis is pushing them to seek out product features such as additional overdraft facilities and 10% feel they need banking services that can help them better track their spending. The CASS dashboard highlighted that customers who have experienced a major life event in the past year (22%) are much more likely than other customers (9%) to consider switching their current account.

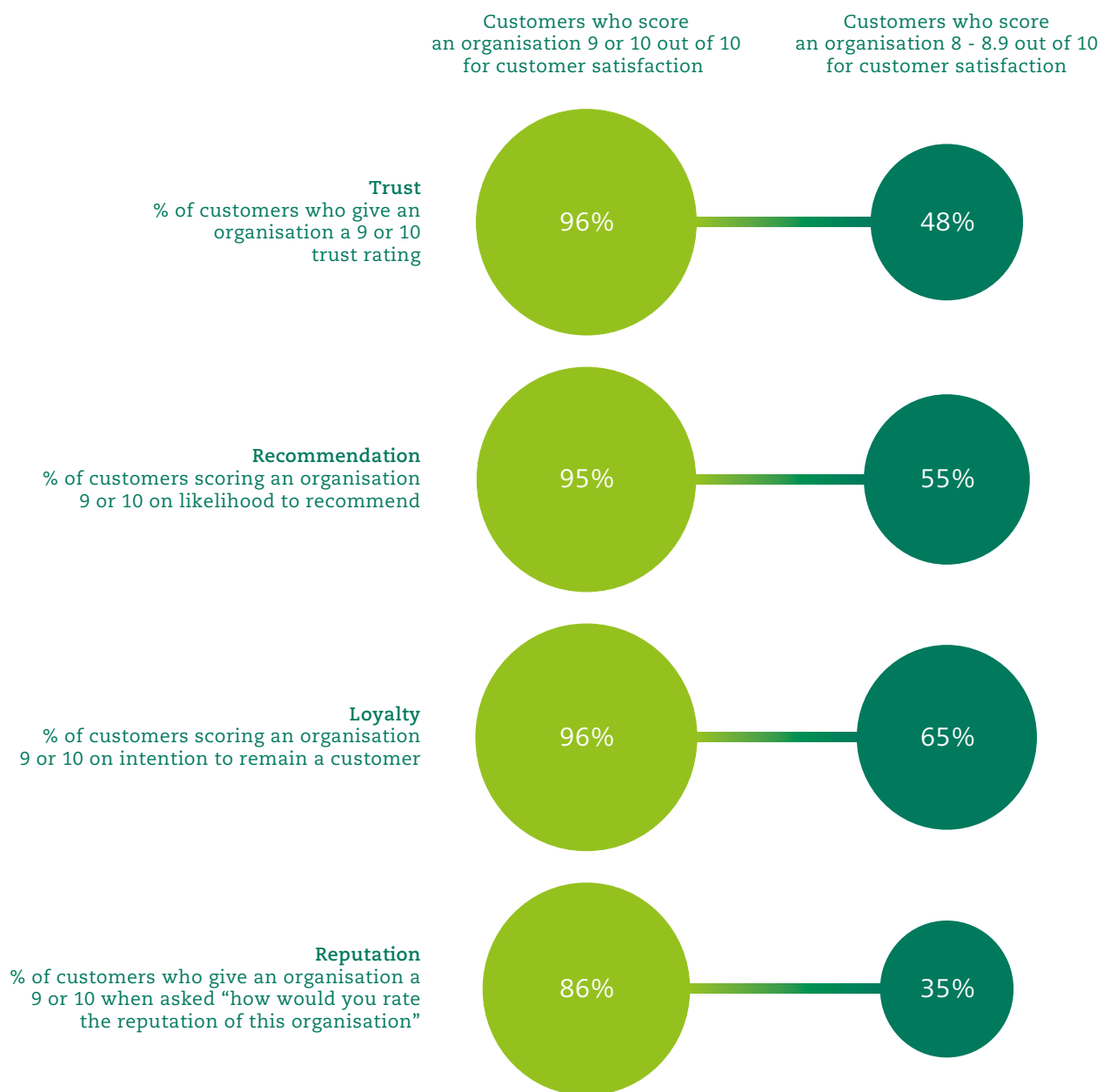
Financial organisations will need to respond to customers' concerns in the cost-of-living crisis

Evidence from the UKCSI and CASS suggests that financial organisations will need to respond appropriately to help customers mitigate the severity of the cost-of-living crisis, as many organisations did in the height of the COVID-19 pandemic. There will be a need for flexibility in policies and processes, for example in debt management, whilst recognising the need for organisations to manage their own financial sustainability. It will become more critical that employees are trained to identify customers who are experiencing financial difficulties, respond with empathy and offer solutions that are appropriate to changes in personal circumstances. Perhaps above all, there will be an increased expectation that organisations engage proactively with customers, providing practical help and advice, signposting support available from third parties and encouraging customers who are worried about their financial situation to make contact.

⁸ Source: www.independent.co.uk/money/more-than-8m-current-accounts-moved-under-ditching-and-switching-service-b2067148.html

Achieving a 9 or 10 for customer satisfaction is linked to especially high levels of trust, recommendation, loyalty and reputation

Across the average of all organisations in the UKCSI, achieving a 9 or 10 (out of 10) for customer satisfaction has a much stronger effect even than an 8 out of 10 in generating the highest levels of trust, recommendation, loyalty and reputation.



3

Evolving customer expectations, behaviours and attitudes

In May 2022, The Institute published new research⁹ examining how customer expectations and behaviours have evolved since 2020 and how they may change in the next 2 years. The research was conducted during February and March 2022, at a time when inflationary pressures were growing. Since then, rises in energy, fuel and food prices and Russia's invasion of Ukraine have further impacted business and consumer confidence. In this section, we assess the latest evidence about how the cost-of-living crisis is affecting customer needs and satisfaction.

⁹ Customer Behaviour: Evolution or Watershed? (2022)

There have been pronounced shifts in customer expectations and preferences since 2020

Being able to access UK-based customer service, speed and responsiveness, quality of products and services, online reviews and having a local connection have become more influential in many customers' choice of organisations. Expectations about organisations' effective use of technology and data, environmental sustainability and positive impact in local communities have also increased. Buying behaviour and consumption have become more considered and mindful; many customers have deliberately bought things that will last longer, thought more carefully about whether to make a purchase, or reduced their consumption of physical goods. More than half of customers have chosen an organisation for an ethical reason, with local engagement and environmental sustainability especially prominent.

In 5 key sectors, quality will be the biggest influence on customers' choice of organisations in the next 2 years

During February and March 2022, quality of products, service and experience remained the leading consideration for customers when choosing an organisation, product or service. In 5 sectors that provide essential services – Utilities, Retail (Food), Retail (Non-food), Insurance and Telecommunications – an average of 75% of customers rated quality as one of their top 3 priorities for choosing an organisation in the next 2 years, followed by convenience (53%) and low cost (42%).

% of customers rating each attribute as one of their top 3 priorities in choosing an organisation

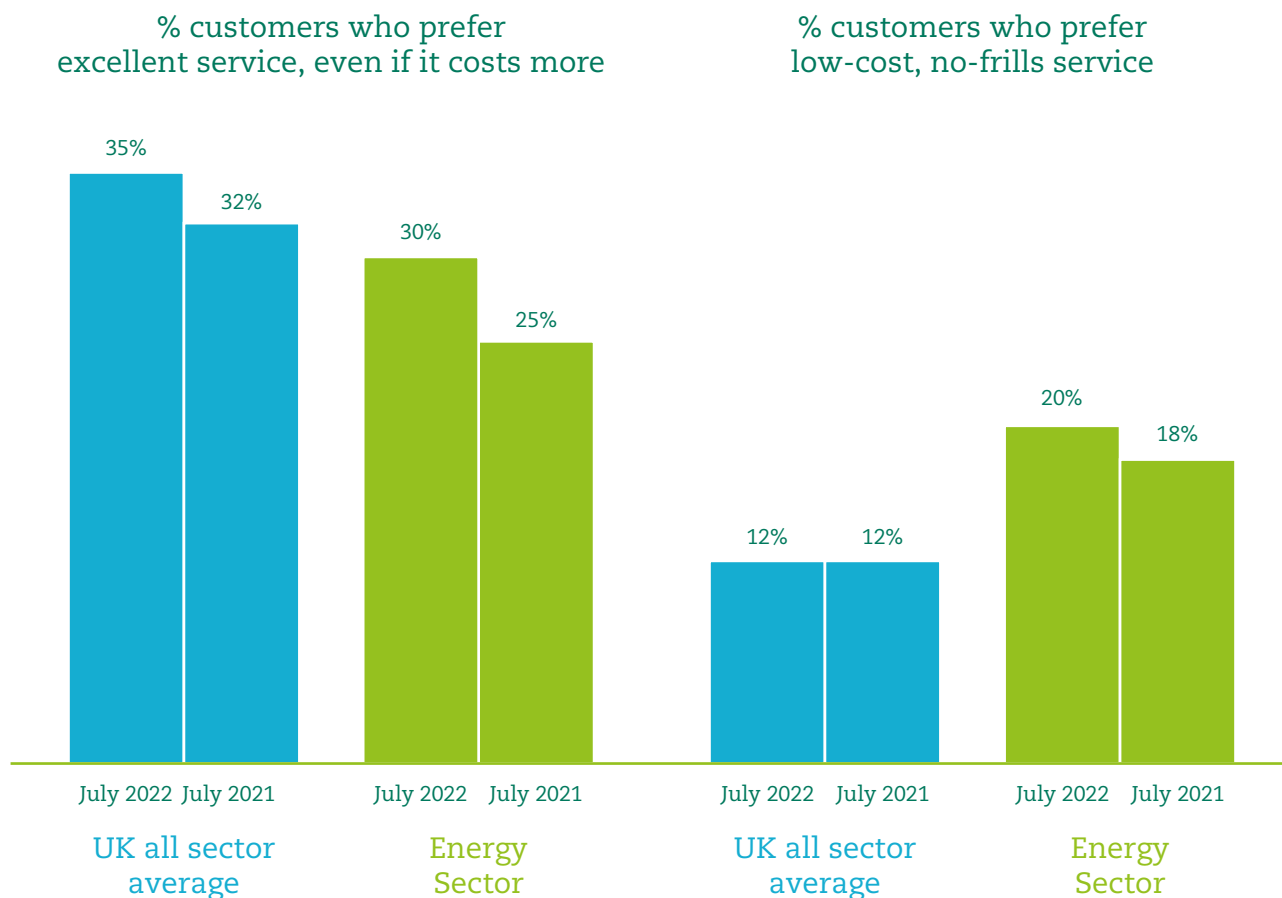
	Quality	Convenience	Low cost	Speed	Easy	Reputation	Environment	Ethical	Localness
Utilities	65%	46%	52%	31%	27%	29%	26%	18%	5%
Food	80%	61%	41%	27%	19%	14%	21%	16%	21%
Insurance	74%	50%	44%	32%	30%	35%	15%	17%	5%
Telecomms	77%	50%	40%	46%	26%	25%	17%	14%	4%
Retail (Non-food)	81%	57%	35%	32%	21%	20%	22%	19%	13%
Average of 5 sectors	75%	53%	42%	34%	25%	25%	20%	17%	10%

- At least 5 percentage points higher than the the average of the 5 sectors
- At least 5 percentage points lower than the average of the 5 sectors

Evidence of a widening polarisation in expectations about affordability of excellent service

In research conducted for the July 2022 UKCSI, 35% of customers indicated that they would be prepared to pay more to guarantee excellent service¹⁰, whereas just 12% would be willing to sacrifice quality of customer service to receive the lowest possible price.

In the Energy sector, 30% of customers would be willing to pay more for excellent service, 5 percentage points more than a year ago but 5 percentage points below the all-sector average. But 20% of customers prefer low-cost, no frills service, a higher level than any other sector and 2 percentage points more than in July 2021. This evidence may be indicative of a growing polarisation between customers who are relatively affluent and may even have increased the level of their assets during the COVID-19 pandemic and people on lower incomes who are increasingly threatened by financial hardship.

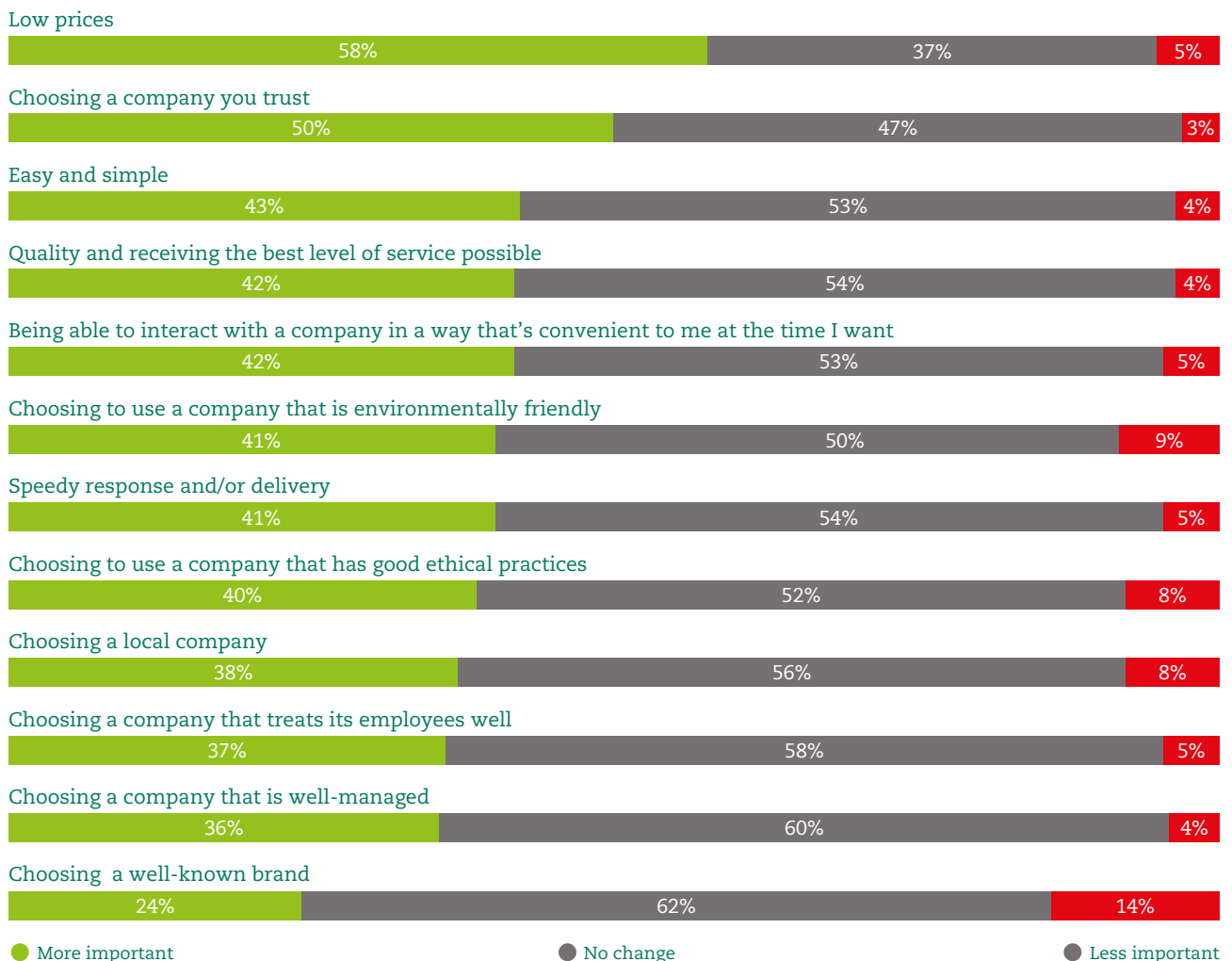


¹⁰ Customers were asked, to score the balance of price and service they would prefer to accept. A score of 8 - 10 implies a preference for excellent service, even if it costs more. A score of 1 - 3 is interpreted as a preference for low-cost, no-frills service.

Reflecting increased financial pressures, 58% of customers¹¹ assert that low prices will become more important in influencing their choice of organisation, product or service in the next 2 years

50% believe it will be more important to choose a trustworthy organisation. Over 40% of customers will attach greater importance to ease, simplicity, responsiveness and quality of customer service, being able to interact with an organisation in a convenient way and commitment to environmental sustainability.

Which factors will be more or less important when you buy things or choose an organisation in the next 2 years?



¹¹ This data is from The Institute's research, Customer Behaviour: Evolution or Watershed? (2022)

Increased risk of vulnerability means it has become more important to respond to a customer's personal situation and needs

Our research suggests that at least 30% of customers have experienced a deterioration in either their physical or mental well-being in the last 2 years. 22% of people have needed to take responsibility for caring for a family member. In the July 2022 UKCSI, 12% of customers describe their financial well-being as either poor or very poor. 13% feel they have poor physical well-being and 11% suffer from a low level of mental well-being. The risks of vulnerability and exclusion have become more acute, influenced by the impact of COVID-19 and deepening financial pressures. As a result, it has become more critical that organisations understand and respond to customers' particular circumstances and needs.

How customers rate their current level of well-being

Your financial well-being



Your physical well-being



Your mental well-being

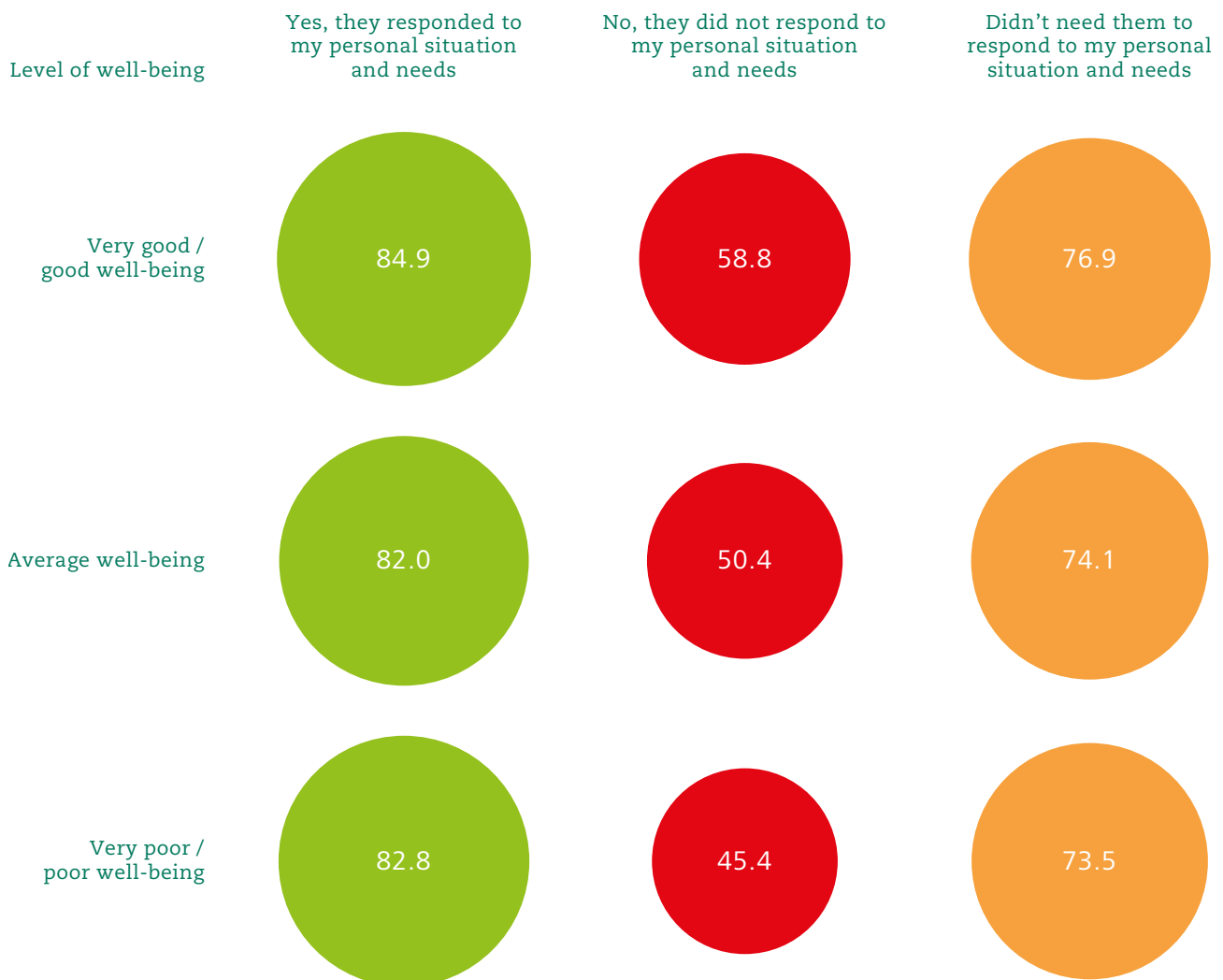


■ Very good / good ■ Average ■ Poor or very poor ■ Prefer not to say

For customers who suffer from poor well-being, the impact of an organisation failing to respond to personal needs and context is stark

Customers who feel an organisation responded to their personal situation and needs have relatively high and similar levels of satisfaction, whatever their claimed state of well-being. In general, customers are much less satisfied with organisations if they believe an organisation did not respond appropriately to their particular needs. For customers who suffer from poor well-being, the impact of an organisation failing to respond to personal needs and context is stark. These customers' average satisfaction of 45.4 (out of 100) is 37.4 points lower than similar customers who dealt with an organisation that understood and responded to their personal needs.

When dealing with XX, did you feel that they responded to your personal situation and needs? (average customer satisfaction index scores out of 100)



Across all customers, 60% of people felt an organisation responded to their personal needs and situation but 11% said an organisation failed to do so

A further 24% said that they didn't need an organisation to respond to their personal needs in relation to the experience they commented on in the UKCSI. Customers were most likely to feel an organisation responded to their personal needs and situation in the Automotive sector and least likely in the Utilities sector. They were more likely to say they didn't need an organisation to respond to their personal needs and situation in the Retail (Food) sector.

When dealing with XX, did you feel that they responded to your personal situation and needs?

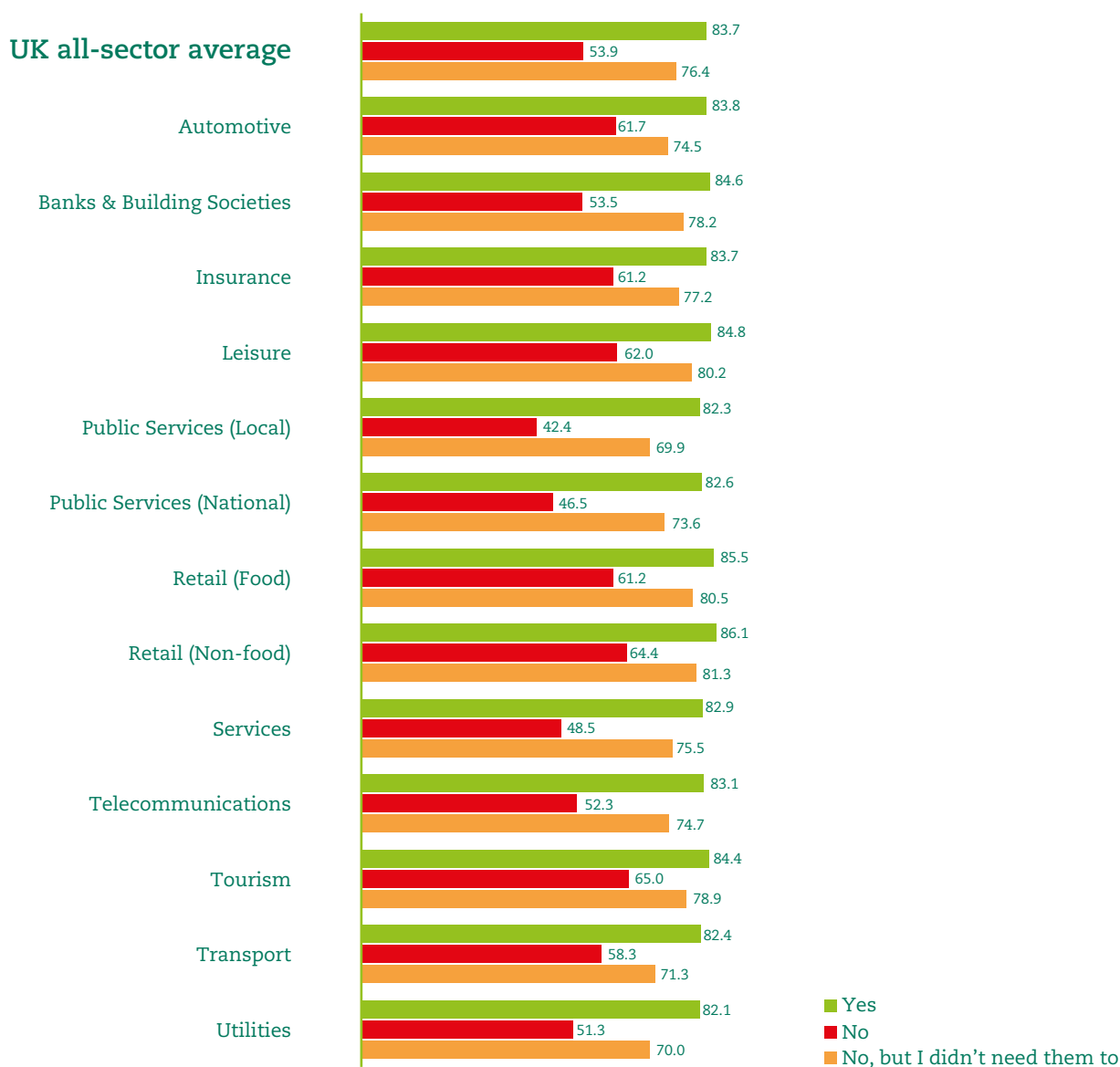
	Yes	No	No, but I didn't need them to	Don't know
UK all sector average	60.0%	10.9%	24.4%	4.7%
Automotive	71.1%	9.2%	16.6%	3.1%
Banks & Building Societies	61.5%	7.9%	26.7%	3.9%
Insurance	66.9%	7.3%	21.3%	4.4%
Leisure	60.5%	6.4%	28.7%	4.3%
Public Services (Local)	63.1%	19.0%	13.9%	4.0%
Public Services (National)	61.7%	13.6%	19.1%	5.6%
Retail (Food)	50.3%	6.1%	39.4%	4.1%
Retail (Non-food)	55.2%	8.0%	31.3%	5.5%
Services	61.5%	14.0%	20.1%	4.4%
Telecommunications & Media	59.5%	13.0%	21.5%	5.9%
Tourism	61.2%	9.0%	25.1%	4.7%
Transport	55.4%	12.8%	26.9%	4.9%
Utilities	51.8%	15.3%	27.0%	5.9%

■ At least 5 percentage points more than the UK average said that an organisation responded to their personal needs and situation

■ At least 5 percentage points more than the UK average said that an organisation failed to respond to their personal needs and situation

Customers who felt an organisation responded to their personal needs and situation gave an average UKCSI score of 83.7, much higher than when an organisation failed to respond to personal needs (54.9) or when a customer did not require a personalised experience (76.4). This gap in customer satisfaction is evident in all sectors and is most pronounced in the Public Services and Services sectors.

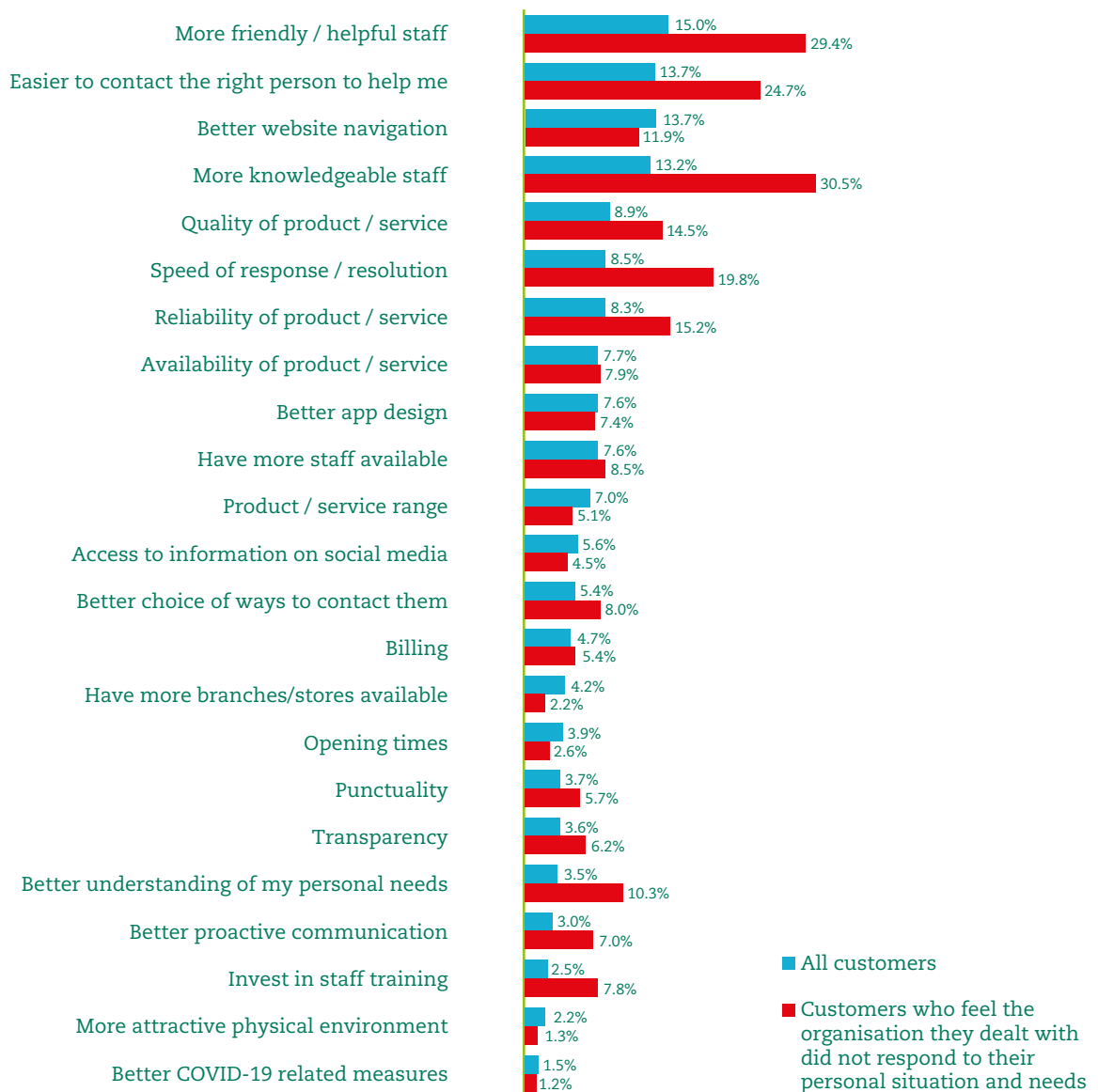
When dealing with XX, did you feel that they responded to your personal situation and needs? (average customer satisfaction index scores out of 100)



Responding to customers' personal needs and situation requires friendly, helpful, knowledgeable staff

The leading issues customers want organisations to improve are developing more helpful, friendly, knowledgeable staff, making it easier to contact the right person and better website navigation. Customers who felt that an organisation did not respond to their personal needs and situation were much more likely than others to cite more friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response and resolution as key priorities for improvement.

What are the top 3 things the organisation you dealt with should improve?



The growing salience of localness

This UKCSI provides further evidence of the growing relevance of “localness” in how customers perceive and choose organisations. In the July 2022 UKCSI, 45% of customers chose an organisation because of at least one aspect of its local relevance or commitment. Key aspects of localness appear to be an organisation employing local people (22% chose an organisation for this reason), followed by support for, or engagement in the community (20%) and feeling a personal connection to the organisation (17%).

% customers choosing an organisation for its local relevance or engagement



Top 3 reasons for choice:

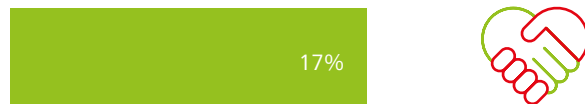
They employ local people



They support and are active in the local community



I feel a personal connection to them



Customers are most likely to choose an organisation because of its local relevance in the Automotive, Retail (Food), Tourism and Transport sectors.

Did you choose an organisation for any of the following reasons?

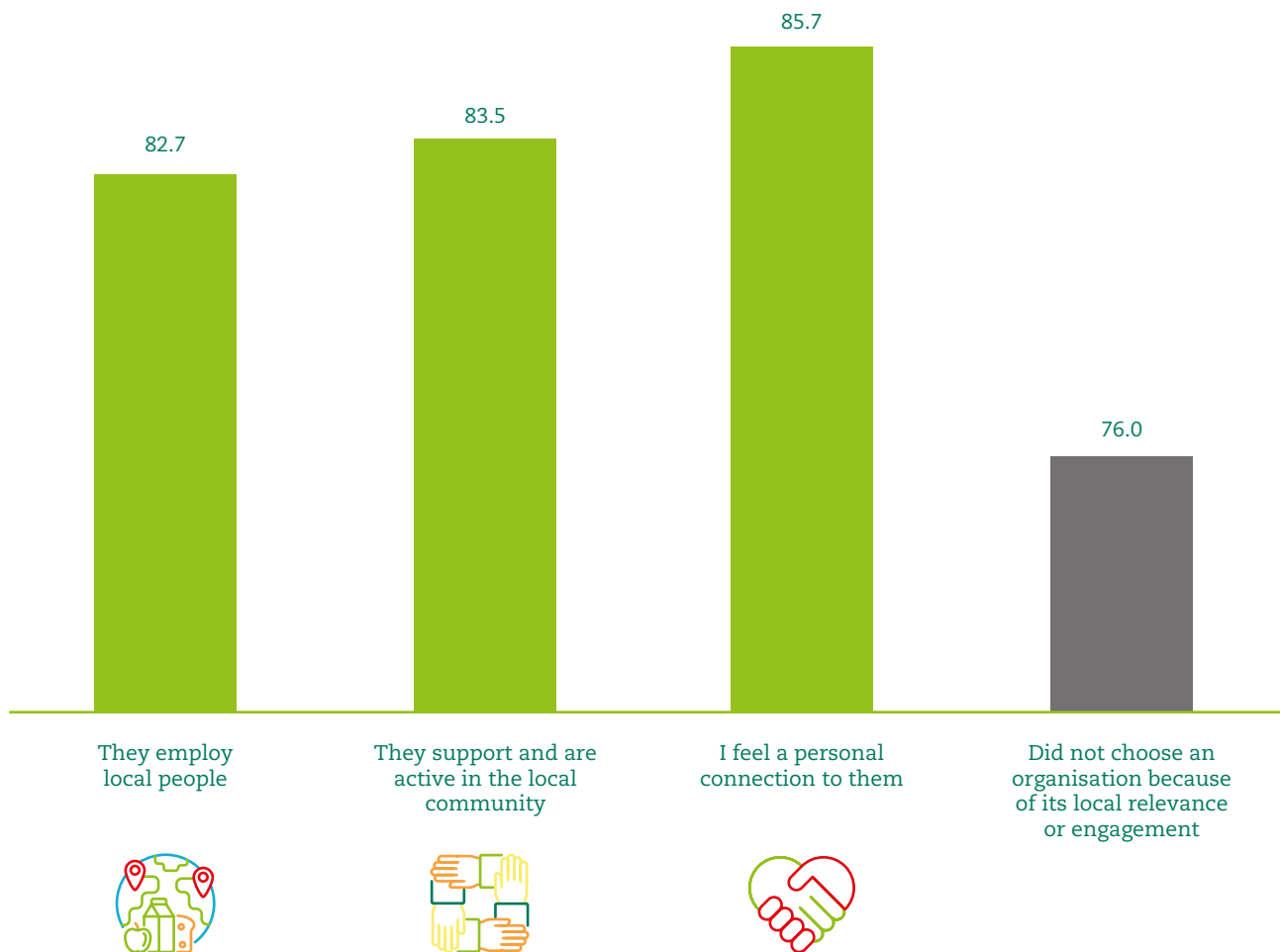
Sector	% customers who chose an organisation for at least 1 aspect of its local engagement	They employ local people	They support and are active in the local community	I feel a personal connection to them
UK all-sector average	45.4%	21.7%	19.9%	16.5%
Automotive	54.6%	25.7%	19.1%	20.0%
Banks & Building Societies	45.1%	20.0%	18.3%	18.3%
Insurance	43.0%	19.5%	17.9%	16.3%
Leisure	47.3%	25.5%	19.2%	16.1%
Retail (Food)	49.5%	26.1%	25.1%	16.9%
Retail (Non-food)	44.4%	19.4%	19.0%	20.5%
Services	46.2%	25.9%	19.1%	12.7%
Telecommunications & Media	37.0%	14.2%	17.4%	16.3%
Tourism	49.1%	21.0%	21.2%	18.9%
Transport	49.1%	26.0%	24.0%	14.3%
Utilities	34.6%	15.7%	18.5%	11.6%

■ At least 5 percentage points more than the UK all-sector average

Customers who chose an organisation because of its localness have higher levels of satisfaction than those who did not

Customers who feel a personal connection to an organisation have a particularly high average level of satisfaction (85.7), followed by people favouring an organisation because it supports the local community (83.5) or employs local people (82.7).

Did you choose an organisation for any of the following reasons?



Customer satisfaction index scores out of 100

Evolving customer expectations, behaviours and attitudes: key takeouts

- In 5 sectors that provide essential services – Utilities, Retail (Food), Retail (Non-food), Insurance and Telecommunications – an average of 75% of customers rated quality as one of their top 3 priorities for choosing an organisation in the next 2 years
- 35% of customers would be prepared to pay more to guarantee excellent service, compared to 12% who would be willing to sacrifice quality of customer service to receive the lowest possible price. But in the Energy sector, 20% of customers prefer low-cost, no-frills service, a higher level than any other sector and 2 percentage points more than in July 2021
- 58% of customers claim that low prices will become more important in influencing their choice of organisation, product or service in the next 2 years
- 12% of customers describe their financial well-being as either poor or very poor. 13% feel they have poor physical well-being and 11% suffer from a low level of mental well-being
- For customers who suffer from poor well-being, average satisfaction with organisations is 82.8 (out of 100), when an organisation responds to their personal needs and situation. When an organisation fails to do so, average satisfaction is just 45.4
- Across all customers, 60% of people felt an organisation responded to their personal needs and situation but 11% said an organisation failed to do so
- Customers who felt that an organisation did not respond to their personal needs and situation were much more likely than others to cite more friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response and resolution as key priorities for improvement
- 45% of customers chose an organisation because of at least one aspect of its local relevance or commitment. Key aspects of localness are an organisation employing local people (22% chose an organisation for this reason), followed by support for, or engagement in the community (20%) and feeling a personal connection to the organisation (17%)
- Customers who feel a personal connection to an organisation have a particularly high average level of satisfaction (85.7), followed by people favouring an organisation because it supports the local community (83.5) or employs local people (82.7).

4

Recommendations for organisations

On the surface, the overall profile of customer satisfaction in the UKCSI appears to be flat. Many organisations received higher customer satisfaction scores compared to a year ago but in many sectors the rate of improvement has slowed since January 2022. However, a combination of evolving customer expectations and behaviours, geopolitical upheaval, supply chain blockages, the severity of the cost of living crisis and potential future COVID-19 risks mean that the future outlook is hazardous.

We conclude our update on the state of customer satisfaction in the UK by highlighting 10 areas of focus which will be critical to customer experience and business performance in the next 6 months.

- | | | | |
|--|--|--|---|
| | 1 Make a personal connection and respond to individual customer needs | | 6 Maintain focus on problem and complaint handling |
| | 2 Demonstrate transparency, ethical governance and practice | | 7 Invest in developing the skills, capabilities and behaviours for excellent service |
| | 3 Understand and respond to the impact of the cost of living crisis on your employees and customers | | 8 Enable customers to make environmentally sustainable choices |
| | 4 Deliver efficiency in key transactions and interactions | | 9 Demonstrate local relevance and engagement |
| | 5 Develop strategies to prevent problems from occurring | | 10 A sustained commitment to customer service |

1) Make a personal connection and respond to individual customer needs

- Demonstrate empathy and emotional intelligence in interactions with customers and colleagues
- Enable customers to speak to an employee when it is needed
- Give relevant, practical advice and recommendations to help customers get the most from products and services
- Demonstrate flexibility in policies or processes to respond appropriately to changes in a customer's personal circumstances
- Proactively communicate relevant information and advice to support well-being
- Train employees to identify potential indicators of vulnerability and respond with appropriate behaviours, advice and action
- Enable employees to access key information about a customer's previous interactions or product usage, so they can offer informed, personal service
- Invite customers to give personal information that will enable better service; explain how the information will be used
- Respond to customers' channel preferences for different types of contact and experience
- Provide offers that recognise and reward customer commitment and loyalty
- Invite feedback from customers and communicate about action taken as a result of feedback
- Encourage employees delivering service or designing customer experiences to consider the expectations and needs of diverse customers.



2) Demonstrate transparency, ethical governance and practice

- Be clear and transparent about prices, terms and conditions and changes to these. Avoid hidden costs
- Provide transparent information about the consequences of product and service choices for levels of service and support
- Demonstrate fair treatment of all employees in pay, conditions and employment practices
- Ensure that sales or service incentives promote behaviours that support customer experience objectives
- Practise transparent governance and reporting of business and financial performance, customer satisfaction, employee engagement and environmental impact
- Develop collaborative and respectful relationships with regulators, suppliers, partners and other stakeholders
- Continually review how effectively the organisation identifies and meets the needs of vulnerable customers, or customers whose personal circumstances have changed
- Share best practice, especially about managing the needs of vulnerable customers, to help raise standards
- Ensure your risk management strategy and mitigation anticipates changing customer expectations and behaviours.

3) Understand and respond to the impact of the cost of living crisis on your employees and customers

- Assess the financial, physical and mental well-being of your employees
- Provide advice and support to help employees manage the impact of inflation in their personal lives
- Understand the extent of vulnerability and your customers' exposure to the cost of living crisis
- Review debt management policy and processes for customers who are experiencing financial challenges because of rising costs
- Accelerate activity to identify cost savings
- Review pricing of all products and services in order to limit the need for increased pricing of essential services
- Be transparent about the reasons for price increases
- Train employees to respond with empathy, appropriate communication and procedures for customers who are experiencing financial challenges
- Ensure that resource planning takes into account increased need for customer contact
- Review your risk management planning to take into the impact of inflation and potential economic and geopolitical shocks
- Develop a public policy position about how best organisations, government and other stakeholders should help customers manage the impact of the cost of living crisis
- Share best practice about managing the needs of vulnerable customers, to help raise standards.

4) Deliver efficiency in key transactions and interactions

- Measure and benchmark the number of customer experiences that are right first time
- Deliver consistency in quality and performance of products and services
- Identify problems quickly and put in place actions to address them
- Make it easy to access accurate information and advice, whichever channel a customer chooses to use
- Ensure invoicing or billing is accurate and complete
- Review resilience of operations and supply chains, identify potential risks and contingency
- Ensure all service channels are appropriately resourced
- Measure the effectiveness and consistency of the customer experience across all key touchpoints and channels.



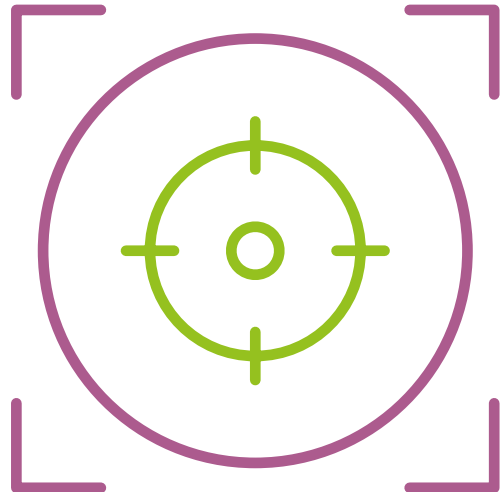
5) Develop strategies to prevent problems from occurring

- Benchmark and measure the number of experiences that are right first time, from the customers' perspective
- Conduct root cause analysis on the causes of complaints
- Review and map customer journeys to identify pain points and opportunities to improve
- Develop short and long-term strategies to prevent problems, especially those that significantly damage customer satisfaction
- Continuously review resilience of supply chains, operations and infrastructure and identify potential risks and contingency
- Develop capabilities and processes that promote innovation and agility.



6) Maintain focus on problem and complaint handling

- Provide straightforward ways to complain through all available channels
- Set standards for complaint handling including behaviours, expectations about time to resolve, ownership and empowerment, keeping customers informed until the complaint is resolved, when to escalate a complaint
- Focus on developing first point of contact behaviours that are empathetic and helpful
- Resolve complaints as quickly as possible
- Ensure there is clear accountability for resolving complaints
- Equip employees with appropriate skills and knowledge to manage complaints effectively and consistently
- Make sure there is an escalation point / process if customers do not accept the outcome of the complaint
- Follow up complaints to check they have been resolved from the customer's perspective
- Conduct root cause analysis, based on customer feedback, into the causes of complaints
- Develop strategic programmes to address causes of complaints and prevent them from occurring.



7) Invest in developing the skills, capabilities and behaviours for excellent service

The Institute's recent research on Customer Behaviours and evidence from this UKCSI suggest that many customers have heightened expectations about the quality of digital customer experiences alongside the desire for a direct human connection, especially for complex or sensitive issues. Skills shortages and recruitment challenges mean that the imperative to train and develop employees has become even more critical to customer satisfaction and business performance.

Our research suggests that the following skills, capabilities and behaviours will be central to customer experience:

- Empathy, emotional intelligence and the ability to make a personal connection
- Enhanced communication and relationship management skills
- Problem solving, managing complaints and complex issues
- Ability to use digital tools effectively and coach customers to use digital tools and applications
- Design of digital applications that enable better customer experiences
- Design of customer experience journeys in an omnichannel context
- Ability to interact with customers across different channels
- Specialist technical skills, for example in infrastructure maintenance, cybersecurity, risk management and logistics.

8) Enable customers to make environmentally sustainable choices

- Provide clear and transparent information that helps customers understand impact of their choices on environmental sustainability
- Integrate environmental sustainability into a coherent customer proposition alongside price, quality, convenience and customer service
- Create messages which are clear and specific about both environmental benefits of the product and personal benefits to the customer
- Demonstrate how the organisation is embedding environmental sustainability in its operations, products and services and supply chains
- Work with charities, independent third parties or other organisations to raise awareness, promote best practice and give practical advice about how customers can lead more sustainable lives.



9) Demonstrate local relevance and engagement

- Ensure that the make-up of the workforce reflects the communities in which the organisation operates
- Engage local suppliers where possible
- Develop an understanding of key local issues and challenges in the communities in which the organisation operates
- Support local charities and community engagement
- Give employees the opportunity to volunteer to support local community initiatives
- Support and participate in local economic development partnerships
- Consider locally focused communications channels, such as social media and local news media, in the context of the organisation's communications strategy
- Develop relationships with local schools and colleges to support students' education performance and motivation and give them a greater understanding of employment opportunities.



10) A sustained commitment to customer service

- Define clear customer service objectives and ensure they are communicated across the organisation
- Set clear accountability for customer service, with specific customer objectives and incentives for leaders across the organisation
- Measure, benchmark and report on customer satisfaction across key elements of the customer experience
- Use customer insight to inform strategy development
- Ensure there is customer service experience in the boardroom.



UKCSI

Key facts

14

Number of years UKCSI has run.
The UKCSI is published twice a year, normally in January and July.

13

Number of sectors the UKCSI covers.
11 in the private sector as well as the local and national public sectors. The Institute also publishes sector reports with a detailed breakdown of scores by sector and organisation.

45,000

Number of unique responses included in July 2022, from over 10,000 customers. Customers are geographically and demographically representative of the UK population and participate in the survey through an online panel. Customers are asked to provide a score for organisations based on their most recent interaction.

3,000

Number of responses per sector, except for Transport and Utilities which have 6,000 responses.

279

Number of individual organisations and organisation types which received a UKCSI rating. 265 named organisations which have exceeded a minimum sample size are scored in the 13 sector reports. In addition, scores are given for 14 generic providers including "your local Council", "your local restaurant/takeaway" etc.

Organisations included in the July 2022 UKCSI

Automotive

Audi
BMW
Citroen
Dacia
Fiat
Ford
Honda
Hyundai
Jaguar
Kia
Land Rover
Lexus
Mazda
Mercedes-Benz
Mini
Mitsubishi
Nissan
Peugeot
Renault
Seat
Škoda UK
Suzuki
Tesla
Toyota
Vauxhall
Volkswagen
Volvo

Banks & Building Societies

Bank of Scotland
Barclays
first direct
Halifax
HSBC
Lloyds
M & S
Metro Bank
Nationwide
NatWest
RBS
Sainsbury's
Santander
Tesco
The Co-operative Bank
TSB
Virgin Money
Yorkshire Bank

Insurance

AA Insurance
Admiral
Aviva
AXA
BUPA
Churchill
Co-op Insurance
Direct Line
Esure
Halifax
Hastings Direct Insurance
Legal and General

Lloyds
LV=
More Than
Nationwide Insurance
Petplan
Prudential
RAC
RIAS
SAGA Insurance
Sainsbury's
Swinton
Tesco
Virgin Money
Zurich

Leisure

Amazon Prime Video
Burger King
Caffe Nero
Cineworld
Costa Coffee
Deliveroo
Domino's Pizza
Greggs
Harvester
JD Wetherspoon
Just Eat
KFC
McDonald's
Nando's
Netflix
Now TV
Pizza Hut
Spotify
Starbucks
Subway
Toby Carvery
Vue Cinema
your local independent coffee shop
your local restaurant/takeaway

Public Services (Local)

GP surgery / health centre
Library
your Housing Association
your local Ambulance Service
your local Council
your local Fire Service
your local Police Service

Public Services (National)

Companies House
Disclosure and Barring Service
DVLA
HM Land Registry
HM Passport Office
HMRC (Inland Revenue)
Jobcentre Plus
National Highways
Natural Resources Wales
NHS / hospital service
Post Office

The Environment Agency
The university I attend

Retail (Food)

Aldi
ASDA
Co-op Food
Iceland
Lidl
M & S (food)
Morrisons
Ocado
Sainsbury's
Tesco
Waitrose
your local farmers' market/farm shop

Retail (Non-food)

Amazon.co.uk
Apple
Argos
B&Q
Boots UK
Costco
Currys/PC World
Ebay
H&M
Holland & Barrett
Home Bargains
Ikea
John Lewis
M & S
Matalan
Next
Pets at Home
Poundland
Primark
Specsavers
Superdrug
TK Maxx
Wilko

Services

AA
Autoglass
British Gas Home Services
DHL
DPD
Green Flag
Halfords autocentre
Hermes
Hertz
Homeserve
Kwik Fit
RAC
Royal Mail / Parcelforce
Timpson
Uber
Western Union
Yodel
your local solicitor
your local tradesman

Telecommunications & Media

BT
EE (including T-Mobile or Orange)
giffgaff
O2
Plusnet
Sky
Sky Mobile
TalkTalk
Tesco Mobile
Three
Utility Warehouse
Virgin Media
Virgin Mobile
Vodafone

Tourism

Airbnb
booking.com
British Airways Holidays
Butlins
Center Parcs
easyJet Holidays
Expedia
Haven Holidays
Hilton
Holiday Inn
Hoseasons
Hotels.com
Jet2holidays.com
Lastminute.com
Marriott
On the Beach
P&O Cruises
Premier Inn
SAGA Holidays
Travelodge
Trivago
TUI
Virgin Holidays

Transport

Arriva - Bus group
Avanti West Coast
British Airways
Brittany Ferries
C2C
CrossCountry
East Midlands Railway
easyJet
Eurotunnel
First Group - bus companies
Gatwick Express
Grand Central
Great Northern
Great Western Railway
Greater Anglia
Heathrow Express
Jet2
London North Eastern Railway
London Northwestern Railway
London Underground

Manchester Metrolink
Merseyrail
National Express
Northern / Northern Trains
P&O Ferries
Ryanair
ScotRail / ScotRail Trains
South Western Railway
Southeastern (train operating company)
Southern
Stagecoach (Bus)
Thameslink
The Trainline.com
TransPennine Express
Transport for Wales
TUI Airways
Virgin Atlantic
West Midlands Railway

Utilities

Affinity Water
Anglian Water
Bristol Water
British Gas
Bulb
Dwr Cymru (Welsh Water)
E.ON (energy)
EDF Energy
Essex and Suffolk Water
M & S Energy
Northern Ireland Water
Northumbrian Water
npower
Octopus Energy
OVO Energy
Power NI
Scottish and Southern Electricity Networks
Scottish and Southern Energy (SSE)
Scottish Gas
Scottish Power
Scottish Water
Severn Trent Water
Shell Energy
South East Water
South Staffordshire Water
South West Water
Southern Water
Thames Water
The Co-operative Energy
UK Power Networks
United Utilities (water)
Utilita
Utility Warehouse
Wessex Water
Yorkshire Water

About the UKCSI

A barometer of customer satisfaction in the UK since 2008

The UKCSI (UK Customer Satisfaction Index) provides insight into the state of customer satisfaction in the UK for 13 key sectors. The UKCSI is published twice a year, in January and July. Each UKCSI incorporates two sets of data to create a rolling measure of customer satisfaction. The July 2022 UKCSI includes responses from surveys conducted between 13 September to 8 October 2021 and 21 March to 14 April 2022.

45,000 customer responses

The UKCSI is based on an online survey of over 10,000 consumers, who are representative of the UK adult population by region, age and gender. The July 2022 UKCSI comprises 45,000 responses, 3,000 from each sector except for Transport and Utilities which include 6,000 responses each. Customers are asked to rate their experience of dealing with a specific organisation in the previous three months. Customers rate only one organisation per sector. Each customer can complete the survey for up to five different sectors.

Over 25 metrics of the quality of customers' interactions and relationship with organisations

Customers rate the quality of their experiences and relationship with organisations on over 25 metrics including employee professionalism, product / service quality, ease of dealing with an organisation, timeliness, complaint handling and attitudes towards trust, reputation, an organisation's customer ethos and ethical behaviour.

Metrics reflect the priorities identified by customers, as well as attributes that show a strong relationship with overall customer satisfaction. The UKCSI also includes measures of customer effort and a Net Promoter Score (NPS). Customers rate organisations on a scale of 1 – 10 except for the question "how likely would you be to recommend xx to friends and family", which is a scale of 0 – 10.

279 organisations received a UKCSI rating

These include 265 named organisations and 14 generic providers including "your local Council", "your local restaurant/takeaway" etc. Customers select an organisation to rate from a randomised list of leading and emerging players in each sector which is reviewed before each UKCSI. Customers can also select an organisation to rate that is not on the list. Organisations which exceed a minimum sample size are given a score and are named within one of the 13 sector reports.

How the UKCSI is calculated

Index scores are expressed as a number out of 100. The UKCSI score for each organisation is the average of all of its customers' satisfaction scores, multiplied by ten, with a weighting applied reflecting the priority score for each measure. The sector score is the mean average of all responses for that sector, multiplied by ten. The overall UKCSI is based on the mean average of each sector's score.

UKCSI sector reports*

13 reports are available with sector-specific insight and recommendations

- Customer satisfaction performance of leading organisations on over 25 customer experience metrics
- Channel use and satisfaction
- Drivers of complaints and satisfaction with complaint handling
- Links between satisfaction and future buying behaviours
- Recommendations and opportunities to improve



Sector resource packs

- Key sector and organisational measures in spreadsheet format
- Sector satisfaction by age, region, gender
- Key issues organisations should improve
- Satisfaction by product type in the Banking, Insurance and Telecommunications & Media sectors

Sub-sector customer experience measures

- Leisure (Quick Service Restaurants; Entertainment)
- Transport (Air; Rail; Coach / Bus)
- Retail Non-food (Fashion retailers)
- Utilities (Energy; Water)

Automotive

Banks & Building Societies

Insurance

Leisure

Public Services (Local)

Public Services (National)

Retail (Food)

Retail (Non-food)

Services

Telecommunications & Media

Tourism

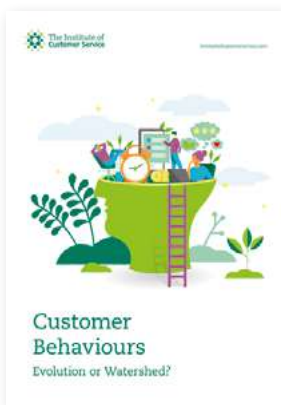
Transport

Utilities

* Two sector reports are available as a membership benefit to The Institute's Trusted Advisory Network members; one report for Discovery Roadmap and Council members. For Corporate and Pathway members, discounts apply.

Sector reports are available for purchase by non members at www.instituteofcustomerservice.com

Breakthrough research from The Institute



Customer Behaviours: Evolution or Watershed?

- Examines how customer expectations and behaviours have evolved in the last 2 years and how they will change in the future
- Assesses if there are customer segments that can be defined around key behaviours
- Identifies key actions and recommendations to help organisations respond effectively to evolving customer expectations and behaviours.



Work with a Purpose: Building a shared vision of the future

- Examines impact and learnings from Covid-19
- Identifies skills and capabilities organisations will need to achieve sustainable customer experience and business performance
- Assesses what employees want from work and how organisations will need to engage with and support their employees
- Highlights key factors that will influence work culture and practice and implications for job design, skills and training, organisational culture, structures and measurement.

To find out more about The Institute's research programme, contact us at:
T: 0207 260 2620



Who Do You Trust? **Improving trust through customer service**

- Highlights the key factors that influence customers' trust, or can reduce trust in organisations
- Introduces a model of customer trust based on 7 dimensions
- Defines actions and enablers for organisations to build trust in their relationships with customers, employees, suppliers and key stakeholders.



Green Goes Mainstream? **Customer service and the green agenda**

- Examines how customer attitudes and behaviours are influenced by the green agenda
- Reviews how organisations are addressing the green agenda through their operations, supply chains and in their engagement with customers and employees
- Identifies key enablers for organisations to incorporate the green agenda effectively in their customer proposition.

About The Institute of Customer Service

The Institute of Customer Service is the UK's independent, professional body for customer service.

Our purpose is to enable organisations to achieve tangible business benefits through excellent customer service aligned to their business goals and to help individuals maximise their career potential and employability by developing their customer service skills.

We provide tools and services to support continuous customer service improvement and a framework for our members to share and learn from each other.

We are independent – setting standards so that our customers can improve their customers' experiences and their business performance.

The Institute is the secretariat for the All Party Parliamentary Group on Customer Service.

Key Activities

- Research and reports on the latest customer service trends and thinking
- Publication of the UK Customer Satisfaction Index (UKCSI) twice a year
- Benchmarking customer experience to identify areas for improvement, drawing on the views of both customers and employees
- Bespoke customer insight and research
- Training and accreditation programmes for customer service professionals
- Professional qualifications for individuals at all stages of their career
- Public policy development.

For further information please visit
www.instituteofcustomerservice.com

T: 020 7260 2620

July 2022
instituteofcustomerservice.com

ISBN 978-1-913314-81-1