Before the Headlines: Using Complaints as Strategic Intelligence

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I. READING THE SIGNALS

When serious service failures come to light - often in high-profile or widely publicised ways, they can take senior leaders by surprise. But in most cases, these failures were not hidden. They were softened, reframed or filtered before reaching the top. Two cultural factors contribute to this: positivity bias and a lack of psychological safety. Staff may minimise problems or avoid raising issues to protect themselves from negative consequences.

This is sometimes referred to as the iceberg effect (see diagram), where leaders only see a small proportion of the problems known at other levels of the organisation. Complaints can help reveal what lies beneath. They are often the first signal that something is going wrong. They show where strategic decisions have not translated into delivery, and where service failures threaten financial viability, regulatory compliance, and resident trust.

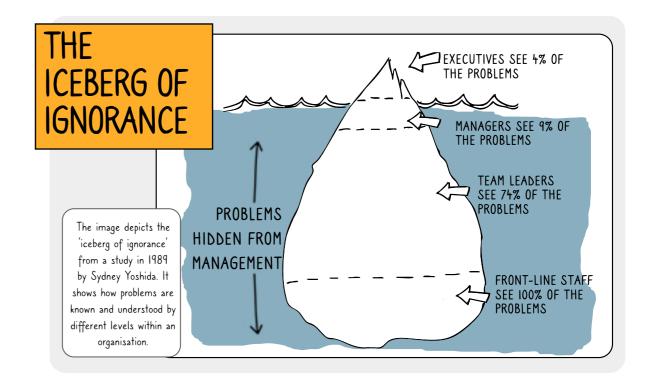
Leaders who treat complaints as strategic intelligence, are better placed to act early, rebuild trust, and avoid crises, before the headlines hit.

2. SYSTEMS BEHIND THE SERVICE

Attention tends to fall on the visible, resident-facing parts of the organisation when services fail. But operational teams are only as effective as the infrastructure supporting them. Many service failures begin in the systems and processes managed by corporate teams. Yet these teams are rarely held accountable for outcomes that affect residents, creating a distorted model of responsibility.

To deliver excellent services, all teams must take shared ownership of outcomes affecting residents. Poor data, disconnected systems, and weak information and financial management systems can block progress, undermining the effort from the most committed frontline teams.

Performance measures should reflect this. Success must be judged by how well **every** team helps services work for residents - not just by technical delivery and how they perform in isolation.



3. PARTNERS IN PERFORMANCE

The <u>Sector Risk Profile 2024</u> highlights the growing risks from outsourcing and weak contract oversight. In housing, there is often too little investment in professional contract management. It is common for high-value, even multi-million-pound contracts to be managed by experienced staff, with limited formal training in supply chain management.

This vulnerability has not gone unnoticed. Some commercial businesses have built entire models around exploiting it - most notably disrepair claim farms that target providers with poor repairs and complaints performance, using publicly available data. These claims come at significant financial and reputational cost.

The <u>Housing Ombudsman's latest Spotlight report on repairs</u> also notes that contract termination is often used as a solution, but transitions between contracts and poor mobilisation introduce further risks, including disruption, delays and more complaints. The focus must shift to building capacity within organisations to manage the supply chain more effectively.

Boards are accountable for the quality and safety of contracted services. Contractor performance must be seen as a strategic governance and risk issue, ensuring staff have the appropriate skills. When your contractors are failing, you are failing.



4. LISTENING BEYOND THE METRICS

Complaints are one of the clearest and most immediate forms of resident voice. But too often they are reduced to volumes and response times. This only tells part of the story.

To generate meaningful insight, organisations must connect complaint themes with stock condition data, satisfaction measures, equality impacts and qualitative feedback. Case reviews, resident scrutiny, and operational deep dives provide essential context. Feedback from staff in resident-facing roles and back-office teams is just as vital as they often see the cracks first.

Spotlight reports from the Housing Ombudsman distil national casework into sector-wide themes. They are a practical tool for reflection and self-assessment. Together, these sources show not only what went wrong, but how it was experienced, helping leaders decide what needs to change and where to act.

5. SHAPING THE CONDITIONS

Improvement starts with culture. Leadership sets the tone, but meaningful change depends on how the whole organisation responds to complaints.

When learning is valued and acted on, progress follows.

Five Enablers of Cultural Change:

Leadership Tone: Executives and boards model openess and learning from failure.

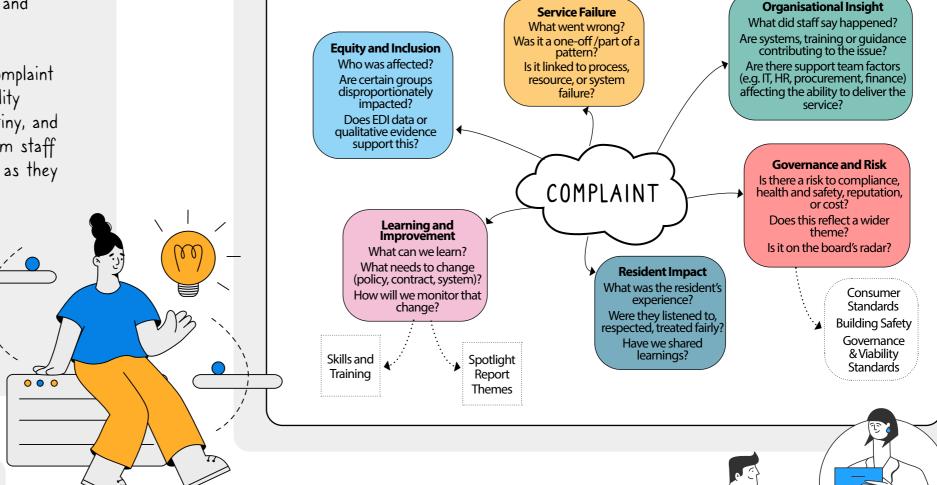
Psychological Safety: Staff can raise concerns without fear.

Resident Voice: Residents shape responses and priorities.

Systemic Thinking: Root cause analysis, and cross-organisational action.

Feedback Loops: Themes are captured, tracked, followed through and shared widely.

A COMPLAINT AS STRATEGIC INTELLIGENCE



6. FROM INSIGHT TO IMPACT

Once insight is gathered, the challenge is what to do with it. Start by identifying themes that cut across teams. Prioritise where residents face harm, where compliance risk is high, or where trust is under strain.

Embed complaints data and themes into improvement plans. Use them to focus, not just to flag. When legal and regulatory demands feel overwhelming, complaints can show where to begin, and where not to delay.

Most importantly, **share progress**. Let residents, staff and external stakeholders, see how insight turns into action. That is what builds trust and how complaints make services better - not just headlines.

ABOUT THE AUTHOR

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