

Our Customer Charter

The first progress report
February 2011



Dear Customer,

Last June, we made a public commitment to becoming Britain's most Helpful Bank. As part of this, we launched our Customer Charter, a set of 14 promises based on what you – our customers – told us was important from your bank. To show we're taking this seriously we promised to be transparent and share progress along the way. So here we are: our first official progress report.

I am pleased to say that we have made good progress. We set ourselves 25 specific and stretching goals and of those we've hit 20 outright. We said when we launched the Charter that these were long term goals, and thus we didn't expect to meet all of them right away. Nevertheless, I am encouraged by the improvements we have made, and hope that our willingness to be open about where we've come up short of our aspirations will give you confidence in our commitment to seeing these improvements through.

As part of our commitment to transparency, Deloitte LLP, our independent auditors, have reviewed progress against our goals and have provided us with an independent statement at the back of this report.

Some of the highlights of the report are:

- **Opening hours** – we've achieved our target by keeping 206 branches open longer, opening 846 branches on Saturdays and keeping 146 branches open where we're the last bank in town.
- **Queuing** – we've achieved our objective to serve the majority of people within five minutes. Based on 'mystery shoppers' in our busiest branches, we know that we serve 75% of customers within five minutes, and that the average waiting time is four minutes. However, we are also aware that there are still some times and places where customers have waited much longer than five minutes so, we've still got a lot to work on in this area.

- **Friendly and helpful service** – Our goal is for 9 out of 10 of our customers to be very satisfied with our service. We achieved 8 out of 10. That's close, but not good enough, and we're working on making this better.
- **Complaints** – we can't improve unless we know what's wrong, and complaints are an important part of this. In 2010, we re-trained our staff to make sure we resolve complaints more effectively. We are also working to understand and deal with the root causes of our most common complaints.
- **Replacement cards** – 97% of customers whose debit cards were lost or stolen had them replaced within 24 hours. The other 3% needed a new PIN, which was sent within 24 hours, with the card following the next day.

In summary, I believe we've made a great start but we've still got a long way to go.

From the feedback we've received, we know that the most important thing we can do is to deliver on the commitments that we've already made. So we will continue to work on these, and we'll report again on our progress in the summer. Our Customer Charter commitments are here to stay, and we believe that they will help us achieve our goal of being Britain's most Helpful Bank.

Thank you for your support, and I hope you find the report interesting reading.

Best wishes,



Brian Hartzer

Chief Executive Officer, UK Retail
RBS and NatWest

Long term Commitment No. 1

We will extend our opening hours in our busiest branches



2010 Goals	How we did	Achieved
> We will keep over 800 of our branches open on Saturdays.	Since launching the Charter in June last year, we have opened at least 846 of our busiest branches every Saturday.	✓
> This year we will open for early mornings and late evenings in an initial 200 branches.	We have extended the opening hours in 206 of our busiest branches, used regularly by 2.8 million of our customers. On average these branches are open 46 hours per week.	✓

Great idea to have branches open on a Saturday and some late evenings. I hope it isn't just main branches. They should be local branches as well.

NW / RBS customer

Long term Commitment No. 2

We will aim to serve the majority of customers within 5 minutes in our branches

2010 Goals	How we did	Achieved
<p>➤ We will roll out quick cash and deposit machines in 250+ branches by the end of 2010.</p>	<p>Since 2009 we have rolled out 488 cash and deposit machines in 276 branches, making it quicker to pay in cash and cheques and get printed receipts for these deposits.</p>	
<p>➤ We will introduce a new queue management programme.</p> <ul style="list-style-type: none">- 1,250 branches will receive specifically tailored training on how to reduce customer queuing time.- During busy periods every available member of staff will be serving customers.	<p>We have introduced a new queue management programme in 1,782 branches with more than 3 staff. All staff in these branches have received tailored training on how to reduce customer queuing time.</p>	

2010 Goals

How we did

Achieved

- A queue measurement tool will be rolled out to our 300 busiest branches.

In November we measured queue times in our 300 busiest branches. 75% of customers were served within 5 minutes and the average waiting time was 4 minutes. We know, however, that there are times and places where customers have waited longer and we have much more to work on.

We are testing a new tool to measure queues. We will monitor the results of this and assess how effective it is at both measuring queues and more importantly helping us to minimise them. We will then decide whether to use this system in our busiest branches or find a different solution.



Long term Commitment No. 3

We will provide you with friendly, helpful service whenever you deal with us

2010 Goal

- > 9 out of 10 customers will rate us friendly and helpful.

How we did

8 out of 10 customers rated us friendly and helpful during 2010. This is good, but not good enough.

This is core to our commitment to become the UK's most Helpful Bank and we know we have more work to do.

Achieved





A 9 out of 10 customer satisfaction rate is ambitious and does help to reassure me that they are serious about their commitment.

NW / RBS customer



Long term Commitment No. 4

We will help you make the right choices for you and your money, providing a clear product range with simply explained features and charges

2010 Goals	How we did	Achieved
➤ All of our branch literature will be simplified and re-written in line with your feedback.	Using customer feedback and in association with the Plain English Campaign, we have re-written the literature in our banking halls. Some of this updated literature was available in branches from December, but the remaining revised banking hall literature will not be available until the end of February 2011.	
➤ We will roll out a new Customer Review Programme to make it easier for you to choose the right product.	We have rolled out our new Customer Review Programmes across our branch network to enable our staff to help customers choose the right products for them. 6,300 of our staff have been trained to use these programmes.	

2010 Goals

How we did

Achieved

- We will send Personal Annual Statements to over 1 million current account customers.



We issued more than 1 million Personal Annual Statements in 2010. These statements give customers an overview of their account activity for the previous year on banking products they hold with us such as Current Accounts, Savings Accounts and Loans. The overview lets customers see how they managed their money and makes recommendations on how to make their money work harder for them.



Long term Commitment No. 5

We will provide a 24/7 telephone banking service from our UK based call centres



2010 Goals	How we did	Achieved
> We will ensure our telephone banking centre is available to help you 100% of the time, always giving you the option to speak to a real person based in the UK.	All our telephone banking centres remain in the UK with staff on hand to help 24 hours a day, 7 days a week.	✓
> We will answer 90% of calls in less than a minute.	We answered 91.4% of calls made to our telephone banking centres in less than a minute.	✓

 A UK based call centre and to be able to speak to someone in person will always get my vote. 
NW / RBS customer

Long term Commitment No. 6

We will work with you to keep you safe when you bank online with us

2010 Goals	How we did	Achieved
> We will publish our online banking security promise.	We published our online banking security promise in July: If a customer becomes a victim of fraud when banking online with us, we will refund any money taken from their account in full provided they have taken precautions to protect themselves such as keeping their personal details secure.	✓
> We will provide free market leading enhanced security software for all online banking users.	Since 2009, our free market leading security software has been downloaded more than 4.5 million times. This software has continued to provide protection to our customers against all new forms of banking malware (software specifically written to steal money).	✓

 It needs to be safe so that everyone will trust it. 
NW / RBS customer

Long term Commitment No. 7

We will help you quickly if your debit card is lost or stolen and you need access to cash



2010 Goals	How we did	Achieved
▶ We will despatch all lost and stolen replacement debit cards the next working day.	<p>We sent all replacement debit cards within 24 hours to customers who had lost or had their debit cards stolen, unless they had also requested a new PIN.</p> <p>In the 3% of cases where a new PIN was requested it was sent within 24 hours, followed by the card within 48 hours.</p>	✓
▶ We will offer an emergency cash service to all customers whose debit card is lost or stolen.	<p>Our emergency cash service was available to all customers throughout 2010 and will be offered free of charge from the beginning of February 2011. Emergency cash gives customers access to cash from their account at an RBS or NatWest ATM without a card.</p>	✓

Long term Commitment No. 8

We will continue to be a responsible lender and are committed to finding new ways to help


2010 Goals	How we did	Achieved
> We will not provide credit limit increases if we know you are struggling to meet payments on your credit card.	We have not increased credit card limits for any customers who are struggling to meet the payments on their credit cards.	✓
> We will have a dedicated support team in place to look for signs that customers are falling into financial difficulty.	We have a dedicated team of 85 full time staff who actively monitor and help customers who are heading into financial difficulty. Since we established this team, we have spoken to 122,485 customers.	✓
> We will continue to work with independent organisations to help people in financial difficulty.	We consistently work with Citizens Advice, Money Advice Trust, Gingerbread and Toynbee Hall; and have donated over £1.8 million across these organisations who support people in financial hardship.	✓

In addition to achieving these goals, we provided £6.2 billion of net mortgage lending between March and December 2010 and, as a result, we are confident of achieving our government commitment.

 People do get into financial difficulty occasionally so if they have trained staff to assist it would be good. 
NW / RBS customer

Long term Commitment No. 9



We pledge to stay open for business if we are the last bank in town and consider a range of options to ensure a local banking service is available

2010 Goal	How we did	Achieved
➤ We have identified over 100 “Last bank in town” locations where we will continue to provide local banking services.	We have continued to provide banking services in 146 locations where we are the last bank in town. In addition our 19 mobile bank vans provide banking services to more than 300 local communities.	

Long term Commitment No. 10

We will provide young people with financial education through our independently accredited MoneySense programme

2010 Goal	How we did	Achieved
<p>➤ We will deliver 25,000 MoneySense lessons in schools.</p>	<p>We have continued to support Primary and Secondary school children by providing 30,653 lessons designed to develop good money management skills for everyday life. This year we estimate 368,625 students have benefited from these lessons.</p>	<p>✓</p>

 An excellent idea especially in this age of austerity coming up. 
NW / RBS customer

Long term Commitment No. 11

We will actively support the communities we work in

2010 Goals	How we did	Achieved
➤ We will create and launch a Community Fund.	We launched our Community Fund in July to support local charities and projects nominated by our customers across Britain. We had a tremendous response and received 27,726 nominations for local causes with the shortlist receiving more than 108,000 votes. In December we donated £1.6 million to 977 of 1,071 winning charities and projects with the remaining 94 receiving a share of £152,000 in early 2011.	✓
➤ All of our employees will be offered a day off for local volunteering with an aim of providing more than 22,000 days each year to community volunteering.	We offered all of our UK Retail employees the opportunity to take a day of paid leave to volunteer in their local communities when we launched the Charter. During 2010, one third of our employees took up the offer and gave 7,547 days of volunteering to their local communities. This excludes the work we did with Sport Relief which was the equivalent of 1,674 additional days. We continue to encourage all of our staff to volunteer in their communities and are committed to making it as easy as possible to do so.	✗


Long term Commitment No. 12

We will resolve customer complaints fairly, consistently and promptly

2010 Goal	How we did	Achieved
➤ We will aim for 75% of our customers to be satisfied with the way their complaint has been handled.	57% of our customers were satisfied with the way their complaint was handled. We have conducted an internal review of our complaint handling process and identified a number of issues which we are committed to putting right. We have already started to make significant improvements to address these issues, including simplifying our complaint handling process and retraining over 10,000 staff to help them handle complaints better.	X

Long term Commitment No. 13

Twice a year we will publish the most common areas of complaint and strive to address the causes

2010 Goal	How we did	Achieved
<p>➤ We will publish the 5 most common complaints.</p>	<p>We know that fixing the causes of complaints is very important to our customers, so we are addressing the 5 most common complaints in the following ways:</p> <p>1. Charges relating to Current Accounts We have simplified the charging structure on our current accounts and, in order to help customers avoid charges, introduced a text alert service to let them know when they have reached their overdraft limit.</p> <p>2. Charges relating to Credit Cards We have made it easier to pay credit card bills automatically, introduced new ways to pay a regular fixed amount, and made changes to ensure customers pay off the balance with the highest interest rate first.</p>	

2010 Goal

How we did

3. Problems with Payment Protection Insurance

Along with a number of other Banks, we are waiting for the outcome of a Judicial Review before we decide how we handle these complaints. Those Payment Protection Insurance complaints that are not affected by the Review are being resolved in the usual way.

4. Replacement debit cards arriving late


We are introducing a new text alert service in February 2011 so that customers can track the progress of their new card.

5. Queried payments from Current Accounts

We have identified the key causes of these queries, such as customers who make a purchase and do not recognise the company name that appears on their statement. We are currently exploring ways to better address queried payments.

Long term Commitment No. 14

We will actively seek your thoughts and suggestions on how we can become more helpful

2010 Goal	How we did	Achieved
<p>➤ We will launch a new Customer Listening Programme to ensure our customers can share their needs and frustrations at first hand with our staff, including executives.</p>	<p>We have launched a new Customer Listening Programme where invited customers share their experience of banking with head office staff and executives. This has provided excellent insight about improvements to our products and processes, several of which are underway.</p> <p>Along with the feedback from the new programme, we listen to views from our larger surveys of 275,000 customers annually.</p>	

You can find out more about the terms and definitions in our report at [rbs.co.uk/basisofreporting](https://www.rbs.co.uk/basisofreporting)

Deloitte Assurance Statement

Independent assurance statement by Deloitte LLP ('Deloitte') to The Royal Bank of Scotland Group plc ('RBS') on the 2010 Customer Charter Report ('Customer Charter Report') for the six months ended 31 December 2010.

What we looked at: scope of assurance work

RBS has engaged us to perform limited assurance procedures on the "achieved" status of the 2010 Goals as stated in the Customer Charter Report for RBS and NatWest Retail Bank for the six months ended 31 December 2010.

What we did: assurance process and standards

Engagement assurance standards

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) for carrying out assurance engagements on non-financial information. This is a limited assurance* engagement, which is designed to give a similar level of assurance to that obtained in a review of interim financial information.

Assurance procedures

This standard requires that we review the systems, processes and controls that deliver the performance data and results. Our work consisted primarily of making inquiries of company personnel and carrying out analytical procedures and sample tests as follows:

- understanding, analysing and testing on a sample basis the collation, validation and reporting of the performance data by RBS in accordance with their definitions and basis for calculation which can be found at www.rbs.co.uk/basisofreporting; and
- reading and analysing the content of the Report against the findings of our work, industry practices and other relevant information and, as necessary, making recommendations for improvement.

The limited assurance* procedures engagement excludes procedures such as testing of source data and operating effectiveness of controls and is substantially less in scope than a reasonable assurance* engagement. Accordingly we do not provide reasonable assurance on those matters specified in this statement.

What we found: our conclusions

Except for the matters outlined in the 'Basis for qualification' paragraph below, nothing has come to our attention that causes us to believe that the Progress against Goals as stated in the Customer Charter Report 2010 which we were engaged to provide assurance on is materially misstated.

Basis for qualification

With respect to the goal that 'during busy periods every available member of staff will be serving customers', we were unable to verify whether this had been achieved because of the lack of a system within branches to record the relevant data.

Roles and responsibilities

RBS's responsibilities

- The Directors are responsible for the preparation of the Customer Charter Report and for the information and statements contained within it. They are responsible for determining RBS's goals in respect of Customer Charter performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities and independence

- Our responsibility is to independently express a conclusion on the Customer Charter Report as defined within the scope of work above to Royal Bank of Scotland Group plc in accordance with our letter of engagement. Our work has been undertaken so that we might state to RBS those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RBS for our work, for this statement, or for the conclusions we have formed.

Deloitte LLP
London
14 February 2011

Footnote*: The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a six-monthly interim financial report.

