

ABI Customer Impact Survey 2009/10 / **AXA Life Report**



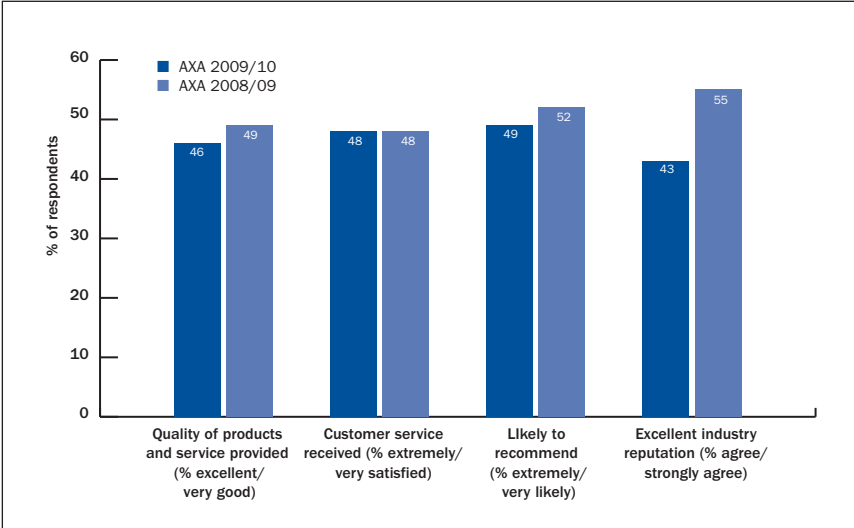
redefining / standards



How the survey works

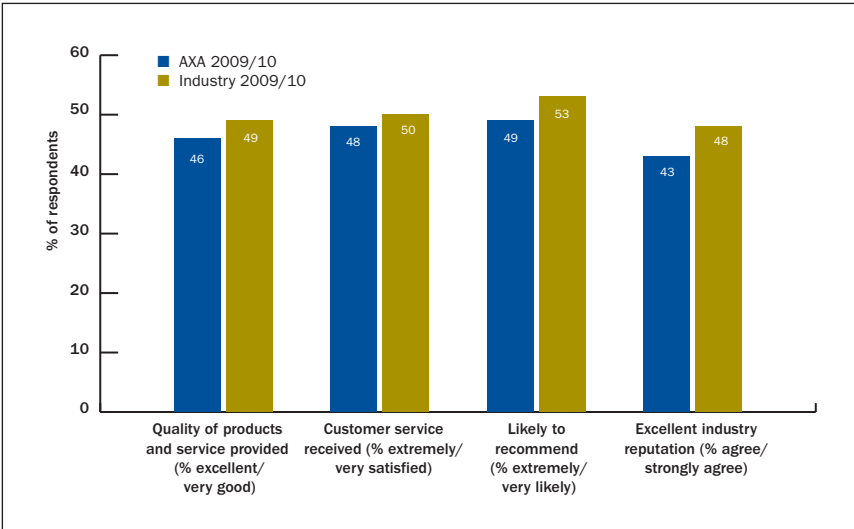
- Three separate groups of customers are included within the survey
 - recent customers (purchasing within the last nine months);
 - customers who have made a claim or received a payment (in the last nine months);
 - general customers.
- The survey covers feedback on the customer service centre, the buying process, advocacy, products and payment processes.
- There were 750 AXA customers covered by the survey, 250 in each customer group; the products they hold are representative of all AXA's customers.
- Most questions had five possible answers – Excellent, Very Good, Good, Fair, Poor – and the graphs show the combined percentage of customers selecting the first two options. Where the rating scale is different this is shown on the graph.
- Up to the 2008/09 survey (published last year), AXA's scores included AXA Sun Life Direct customers. They were excluded from this year because of the change of brand to Sun Life Direct. It has not been possible to adjust 2008/09 comparisons on an equivalent basis, but the commentary highlights where this adjustment has led to the movement in the 2009/10 result.
- Interviews with customers were conducted in November 2009.
- On 24th June 2010 AXA UK announced that an agreement had been reached with Resolution Ltd to sell to Resolution part of AXA Life's operations. Those products to be sold to Resolution will, in due course, be re-branded Friends Life and the Customer Impact action plans in respect of these products will be re-appraised and as appropriate, taken forward by that organisation.

Overall satisfaction



There are small decreases in scores for the quality of AXA’s products and services and the likelihood of customers to recommend AXA. When combined with the scores from Sun Life Direct customers to show a “like for like” comparison the scores increase to 50% and 54% respectively, taking the result to industry norms and slightly better than last year.

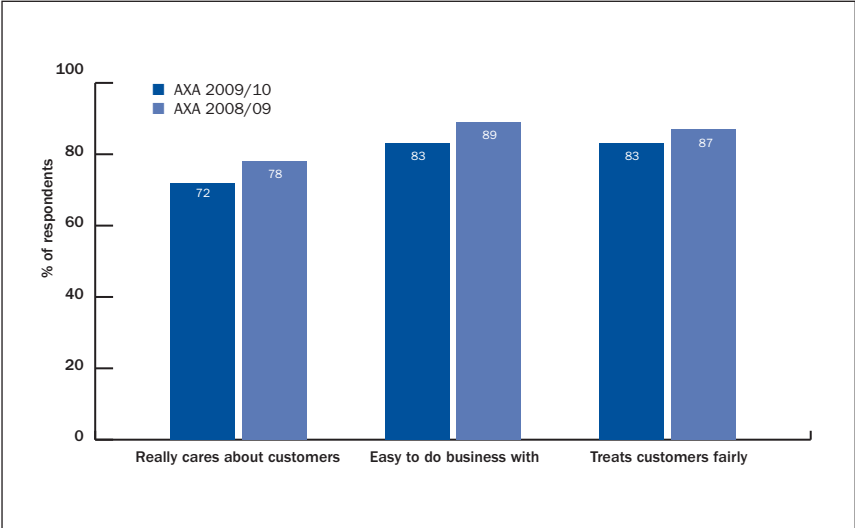
There is a sharp drop in the percentage of AXA customers agreeing that the industry has a good reputation and this is an area where AXA falls significantly below industry norms. We are therefore planning to do much more to increase consumer confidence overall through the provision of more guidance and education on financial products, particularly to customers who do not have a financial adviser.



Excluding the Sun Life Direct branded products, AXA’s scores lag a little behind industry average scores across all areas. The following sections look more closely at the underlying elements of our products and service from which we have determined more specifically where the most action is needed.

We will also demonstrate how we are improving the areas that are most important for our customers.

Customer Focus

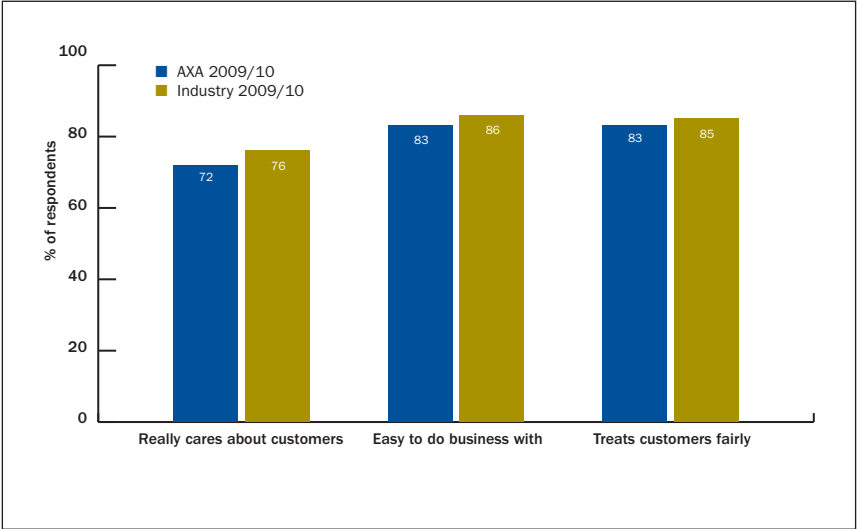


These are really strong scores for AXA. Whilst the scores have decreased slightly since last year, on a like-for-like basis (including Sun Life Direct customers) AXA's 2009/10 scores for "really cares about customers", "easy to do business with" and "treats customers fairly" increase to 77%, 86% and 85%, in line with industry norms, yet still slightly below 2008/09 in places.

It is encouraging that customers recognise AXA employees' desire to provide them with a really good service and make dealing with their financial product as easy as possible.

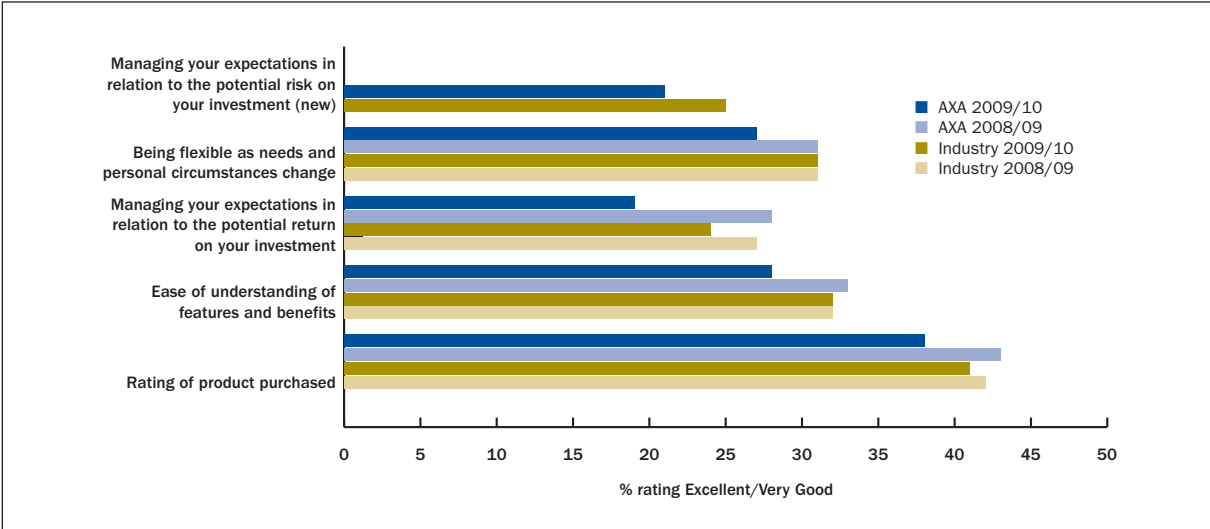
We want to build on this to ensure that the experience customers have is consistent from everyone in AXA and that it is joined up so that customers have confidence in us.

Although the scores for "treats customers fairly" have remained fairly static since last year it is clear that the industry emphasis on this over the last few years has had an impact on customers. AXA has enhanced our auditing of dealings with customers so that we focus on the elements that are important to customers and can quickly identify any potential issues. At the same time we make sure that customers are treated fairly in respect of our products and our service. This remains an area of focus for the forthcoming year.



Product

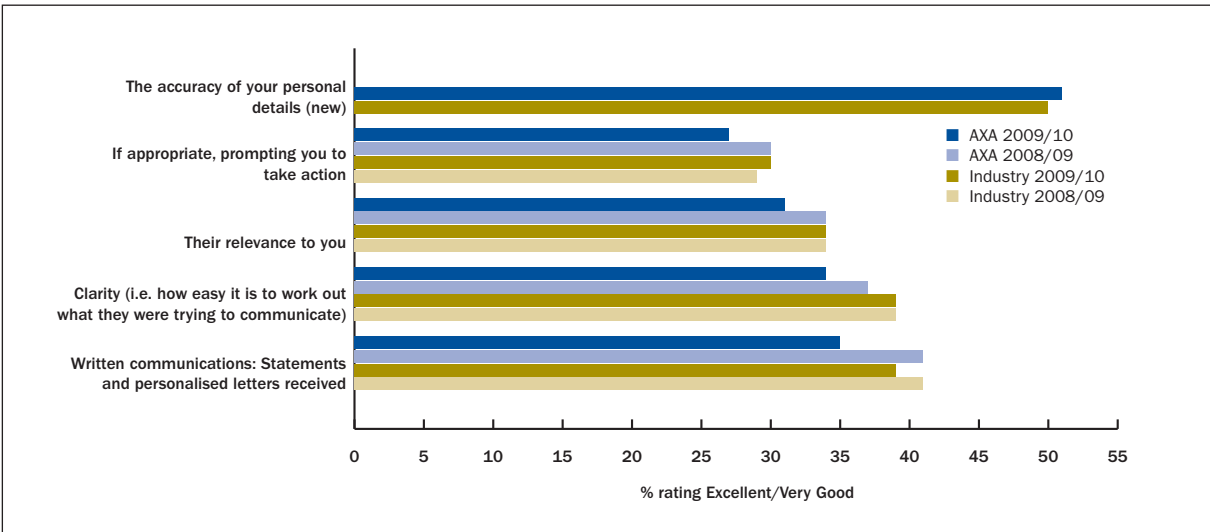
2009 was a difficult year for the economy and for investment markets and this resulted in increased expectations from customers with investment products for information and guidance concerning their products and benefits. AXA's scores for the product questions are low, possibly reflecting the fact that two thirds of respondents hold investment products and have been disappointed with their lack of growth. Recent purchasers gave higher ratings than general customers and claimants; customers with protection products (life cover, critical illness etc) are happier than those with investment products.



To give customers greater information and more control over their products AXA is developing online tools to enable customers to manage their own investments. Customers will be able to get more information about different funds and their relative risks and performance. We are developing additional solutions to make investment information more accessible to customers in a way that works for them.

Communication

There are similar themes emerging from responses to questions about written communications. We want our scores from customers to be much higher; they currently demonstrate customers' desire to have more and better communication from us, particularly in difficult economic times when they need more guidance.



As well as the improvements to the information available online, we have set up a team to help customers who no longer have contact with a financial adviser. This team will contact customers at important stages in either the life of the product or the life of the customer in order to prompt thoughts or actions as appropriate.

We have an ongoing programme, started in 2008, to review the most important documents we issue to ensure there are no unfair product terms or misleading wording.

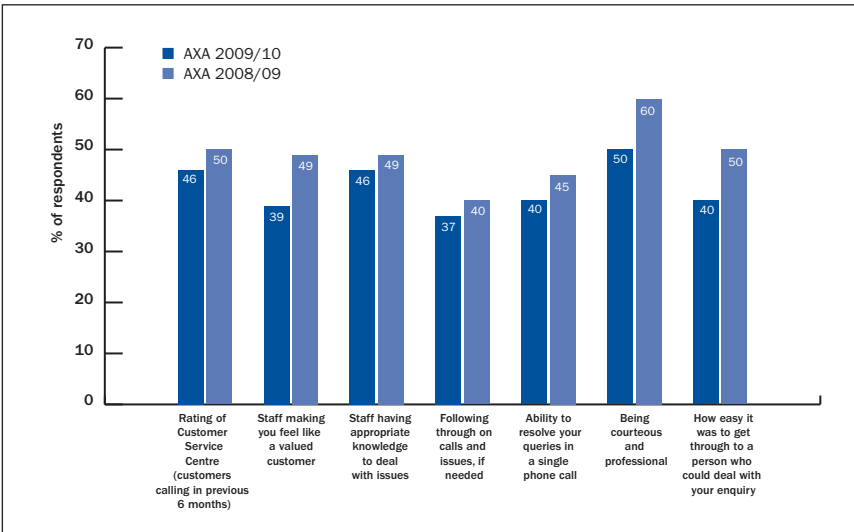
Alongside this we are reviewing all other communications with customers and improving their format and content so that they are clearer and easier for customers to understand. This includes providing customers with more general information and education on the products they hold and the services we offer.

Customer Service Centre

It is disappointing that our scores have decreased in all aspects of the service given by our call centres, compared to last year, particularly given the amount of coaching and auditing undertaken.

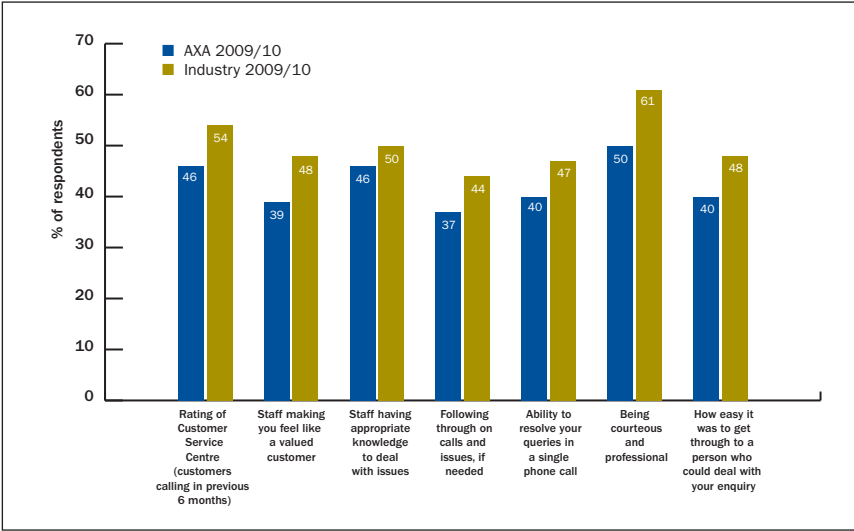
AXA is also well below the industry average, particularly for “staff making you feel like a valued customer” and “being courteous and professional”.

The customer service centre questions received the highest percentages of customers rating AXA as Poor. 22% of respondents rated “ability to resolve your queries in a single phone call” as Poor.

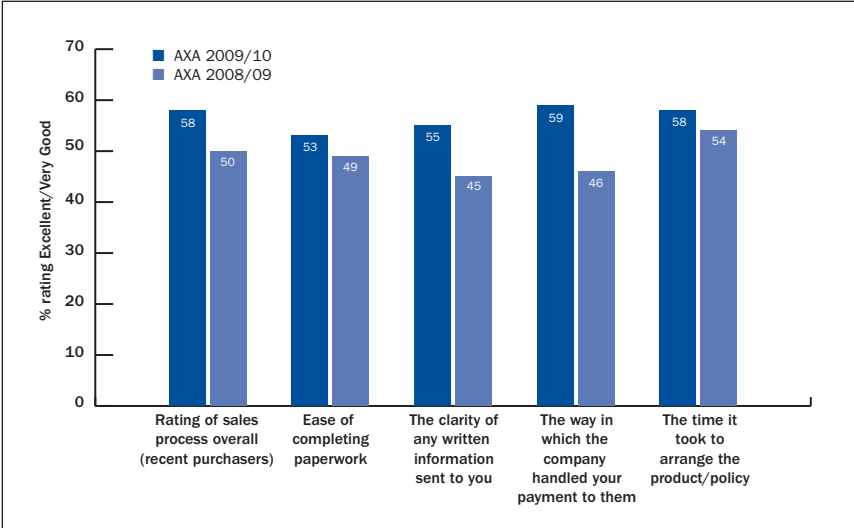


Shortly before the interviews for this survey took place (and therefore not in time to affect the results) we implemented a decision taken in response to earlier surveys to bring the call centres previously located in India back to the UK. This was in response to our customers clearly telling us that this was their preference. In research separately conducted by AXA (using the same scale as the Customer Impact Survey) the proportion of customers rating the service from the Call Centre as Excellent or Very Good increased from 61% when it was based in India to 82% when it was relocated to the UK. This will impact on the part of our business that looks after more than 50% of the respondents to this survey.

We have also put in place additional quality standards for call managers that better reflect what our customers value most and we are improving the way information passes between our call centres and other parts of the business so that customers do not have to repeat requests for information.



Sales

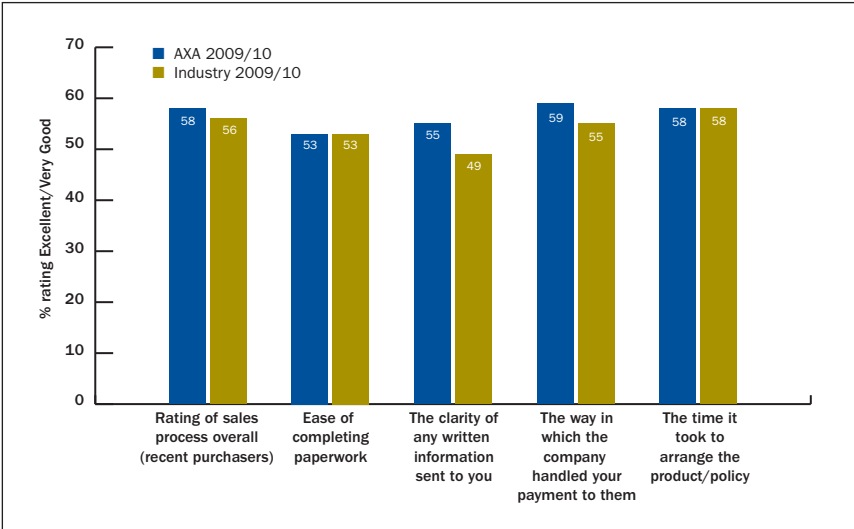


These are very encouraging results, especially given the exclusion this year of our Sun Life Direct customers who give very positive feedback in other surveys on purchasing a new policy.

It is interesting that the percentage of respondents rating the clarity of written information as Excellent or Very Good has increased to 59% in 2009/10 and rises to 91% when we include those rating it as Good. This appears to show that we are getting it right when customers buy their policy but other survey results indicate that we need to do far more with our communication and guidance after this point. We have a number of programmes in place that aim to achieve this (see under Communication).

The chart (below) shows that AXA has outperformed the industry average on all elements of the sales process.

However, we are not complacent and continue to work with financial advisers to give the best possible support to our mutual customers and ensure that they are treated fairly when they buy our products. For protection products, we are aiming to increase the proportion of customers who do not need to have a medical and, for those who do, reducing the time to arrange this.



Claims and Payments

Customers who cashed in their policies over the 9 months prior to the survey were understandably disappointed by the impact of the economic climate on the value of their investment. 93% of the AXA claimants in this surveys had investment products compared to 85% of the industry claimants so the difficult economic conditions had more impact on AXA respondents.

When customers come to make a claim on their policy or cash in their investment, they rightly expect a high standard of service so we place a great deal of emphasis on providing the best possible service to customers expecting a payment. Last year we paid out 98% of life claims on the AXA Protection Account and 93% of Critical Illness claims.

Previous feedback from customers plus the proportion of incomplete forms received indicated to us that our retirement forms were unclear. After making significant changes, members of our company pension schemes who transfer out or retire now have much simpler forms to complete. They are also kept informed by telephone of the progress of their payment.

