



Annual Activity Report for Ombudsman Services **[Energy]**

July 2019 – June 2020



Ombudsman Services: Energy

In June 2015 Ombudsman Services: Energy (OS:E) was approved by Ofgem to provide alternative dispute resolution services regarding energy supply to domestic and small business consumers under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the Regulations).

As part of that approval, under Schedule 5 of the Regulations, OS:E is required to produce an annual activity report which contains the information below:

a) The number of domestic disputes and cross-border disputes the ADR entity has received

OS:E received 98,683 disputes during the reporting period. A dispute is defined as a request from a complainant notifying OS:E of an unresolved complaint for investigation. Of these cases 61,347 fell within scope of what OS:E can deal with.

None of the total cases received related to Cross Border disputes.

b) The types of complaints to which the domestic disputes and cross-border disputes relate

The following tables set out the types of domestic disputes that were referred to OS:E within the reporting period which came within the scope of what OS:E can deal with.

Non-Cross Border Complaints	
Complaint Type	Number of cases
Billing	33,076
Payments/Debt	6,021
Transfers	5,343
Meters	4,884
Customer Service	4,236
Smart Meters	2,632
Back Billing	2,385
Other	2,770
Grand total	61,347



c) A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity

Billing in general remains the most significant area of complaint within the energy sector. A review of our billing complaint data shows that a lack of explanation around the billing of the account often gives rise to complaints. That is to say, in some situations the billing of account maybe accurate or have been resolved appropriately, but the explanation of the actions take around this are unclear. This results in the customer distrusting the position reached and escalating a complaint.

Other billing issues have seen us working with suppliers relates to the interpretation of the Guaranteed Standards of Service payments – in some cases suppliers were not making payments when required. We also encountered suppliers continuing to object to transfers in error due to debt, following a misunderstanding of the regulations.

Following the introduction of the new licence condition in 2018, OS:E has continued to see issues around consistent application of the back billing rules and in particular failure to account for failure to revise direct debit levels. To assist suppliers further we ran a workshop session at one of our Sector Liaison Panel meetings to discuss common scenarios and talk through our position. This was followed up with our overall stance being published to assist suppliers in the future.

In last year's report, we highlighted instances where consumers have experienced delays in receiving credit refunds through the Supplier of Last Resort process. We have seen the focus switch this year towards an increased number of mergers and acquisitions within the sector. This has brought about some challenges and while we have seen suppliers working to minimise disruption, some consumers will miss out on their right to ADR in situations where their supplier exits the market and they do not migrate across to the acquiring supplier.

d) Any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices

OS:E would advocate suppliers consider consultation and policy intent documents produced by the regulator prior to a new licence condition being released. From the queries raised by some suppliers, it was apparent that they had not considered the full extent and impact of some of the changes within the regulations.

We have hosted some workshops and sessions on the subjects raised above. We feel participation from suppliers in these events is a beneficial way of highlighting issues and formulating industrywide solutions.



We would also encourage suppliers provide regular and clear communication to their customers in relation to how an acquisition will affect their energy account and their rights surrounding pursuing ADR.

a) The number of disputes which the ADR entity has refused to deal with and upon what grounds

The number of disputes which OS:E has refused to deal with during the reporting period was 23,642. The percentage breakdown of the reasons for refusal is given below.

Reason for refusal	% of cases
(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	99.13 %
(b) The dispute is frivolous or vexatious.	0.45 %
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.39 %
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.00 %
(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than 12 Months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	0.00 %
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.03 %

b) The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation

The number of complaints that were discontinued by OS:E during the reporting period for operational reasons was 13,694.



The table below is the percentage breakdown of the reasons for the discontinuation:

Reason for refusal	% of cases
The subject matter of the dispute did not fall within the scope of what OS; Energy can consider under its scheme rules	2.90 %
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	96.92 %
The trader that the consumer is complaining about was not registered with OS as its ADR entity	0.09 %
The consumer was not a 'customer' of the trader	0.09 %

c) The average time taken to resolve domestic disputes and cross-border disputes;

The average time taken to resolve a domestic dispute is 36 days. No cross-border disputes were received.

d) The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures;

In the reporting period there have been 75,209 remedies confirmed, of which 65,157 or 86.63% were implemented within 28 days and 3,312 or 4.4% implemented outside of 28 days. Of the total confirmed remedies 6,740 or 8.96% remain unimplemented.

OS:E follows a process to pursue traders who fail to implement a binding decision within the required timeframe. OS:E will report a trader to the regulator for sustained failure to implement binding decisions within the required timeframes.

e) The co-operation if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes

OS:E is a member of the National Energy Ombudsman Network (NEON). NEON acts to promote alternative dispute resolution in Europe, facilitating cooperation between ADR entities that handle consumer and small business disputes about energy suppliers.

