



Ombudsman
Services

Good for consumers – Good for business

Annual Activity Report
for Ombudsman
Services: Energy

July 2017 – June 2018

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 97,996 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 52,198 fell within scope of what OS:E can deal with.

33 of the total cases received were Cross Border complaints. Of these cases 26 fell within the scope of what OS:E can deal with.

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

The following tables set out the types of domestic and cross-border 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 Types	Number of Cases
A meter installation	45
Billing	30886
Contract Issues	8
Customer Service	5637
Feed in Tariff	129
I have a problem with my Feed in Tariff	1
I have been mis-sold my contract	16
Meters	3445
Mis-Sell	7
My meter or smart meter display	36
My payments	40
My prepayment account	6
Payments and Debt	3992
Sales	1119
Security	3
Service Quality	2
Switching suppliers	49
The billing of my account	399
The level of customer service	35
Transfer	4436
Other	1888
Grand Total	52179

Cross Border Complaints	
Complaint Types	Number of Cases
Billing	15
Customer Service	2
Sales	1
Transfer	3
Payments and Debt	2
Meters	1
Other	2
Grand Total	26

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

Incorrect calorific value information entered into billing systems has resulted in disputes about accuracy of bills. This has been an issue affecting a number of suppliers.

Failure of smaller suppliers in the energy market to handle sudden increases in customer numbers, leading to significant problems with customer service and poor performance against complaint handling standards.

Poor performance in complaints signposting across the majority of the sector.

Lack of consistency with how credit files are marked when a customer opts to pay off a balance using a prepayment meter. Gas and Electricity Supply Licence Conditions require energy suppliers to offer customers in debt a range of options. One of the options is the installation of a prepayment meter. Some of their payment will go towards the outstanding debt, with the rest used for ongoing consumption. The amount collected for debt is agreed between the supplier and the customer. OS:E has seen multiple cases where a prepayment meter was installed several years ago, at a time when an energy supplier had no engagement with the credit reference agencies. Where debts from several years previous remained outstanding (as they were still being paid through the prepayment meter), the energy supplier marked the credit file to show the customer was late in making

payment. The result has been complaints from consumers that this was not reflective of their credit status.

- 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**

More stringent checks on the ability of companies to handle growth and the financial risk around customer complaints before entering the market.

Specific guidance on the correct marking of credit files in relation to energy accounts.

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

The number of disputes which OS has refused to deal with during the reporting period was 21,865.

The percentage breakdown of the reasons for refusal is given below:

Reason for Refusal	Number 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	96.68%
(b) The dispute is frivolous or vexatious.	0.01%
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	2.61%
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.0%
(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.	0.0%
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.7%

f) 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 during the reporting period for operational reasons was 23,894. Below is the percentage breakdown of the reasons for the discontinuation:

Reason for Refusal	Number of Cases
The subject matter of the dispute did not fall within the scope of what OS; Communications can consider under its scheme rules	25.81%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	67.26%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	0.74%
The consumer was not a 'customer' of the trade	6.19%

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

The average time taken to resolve a domestic dispute is 38 days and for a cross-border dispute is 40 days.

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

In the reporting period there have been 39,012 remedies confirmed, of which 36,058 or 92.4% were implemented within 28 days and 2,524 or 6.5% implemented outside of 28 days. Of the total confirmed remedies 430 or 1.1% remain unimplemented after 28 days.

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 a binding decision within the required timeframes. OS:E will also consider the membership status of participating companies who fail to comply with binding decisions, with a view to terminating that membership.

i) 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.