

The logo for Ombudsman Services, featuring a stylized 'O' composed of four colored segments: blue, green, orange, and purple.

Ombudsman Services

Good for consumers – Good for business

Annual Activity Report for Ombudsman Services: Energy

July 2016 – June 2017

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 83,608 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 45,277 fell within scope of what OS:E can deal with.

182 of the total cases received were Cross Border complaints. Of these cases 70 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
Back Billing	3023
Backbilling (smart meters)	101
Billing	26393
Billing (smart meters)	550
Customer Service	4137
Feed in Tariff	230
FIT	6
Payments (smart meters)	32
Remedy failed	292
Sales	805
Smart Meters	677
Transfer	3581
Transfer (smart meters)	66
Equipment	1
Mis-Sell	1
Unknown	117
Payments and Debt	2351
Meters	2844
Grand Total	45207

Cross Border Complaints	
Complaint Types	Number of Cases
Back Billing	5
Billing	45
Billing (smart meters)	1
Customer Service	5
Sales	2
Transfer	3
Payments and Debt	7
Meters	2
Grand Total	70

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

An increasing volume of disputes has resulted from meter installation engineers missing appointments. It is not known why this is the case. However, it is felt that this may relate to the roll-out of SMART meters and the resultant pressure on meter instalers.

Cross metering issues associated with new build properties are common and lead to disputes. This happens on an individual basis as well as incidents involving entire housing estates. This was referenced in the OS:E annual report last year. OS:E continues to see cases where this issue has been the crux of disputes.

OS:E has seen evidence of traders failing to record all expressions of dissatisfaction as complaints. This has resulted in the trader being unaware when the complaint reached eight weeks old, preventing the timely issue of the consumer's referral rights to OS:E.

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

Improvements to the industry process, regarding the installation of meters to new build properties, will work to reduce disputes. This must be approached with a view to greater collaboration between the energy network, energy supplier and the property developer. This issue was reported in the last annual report and continues to be of relevance.

Regular review of complaint handling procedures by traders will act to ensure the regulations are adhered to. OS:E is committed to using its data to highlight any issues to the traders and regulator where this is not the case.

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 17,028.

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	88.9%
(b) The dispute is frivolous or vexatious.	0.0%
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.0%
(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.	10.5%
(f) <i>Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.</i>	0.6%

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 21,310. 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	18.7%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	78.0%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	1.2%
The consumer was not a 'customer' of the trade	2.1%
Grand Total	21310

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 33 days.

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

In the reporting period there have been 37,925 remedies confirmed, of which 33,801 or 89.1% were implemented within 28 days and 3,615 or 9.5% implemented outside of 28 days. Of the total confirmed remedies 509 or 1.3% 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.