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1 September 2017

Dear Alexander

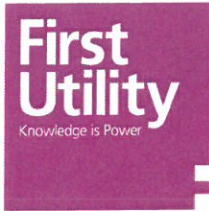
Energy supplier rating - consultation on proposed changes, July 2017 (the “rating consultation”)

We set out below our comments on the rating consultation.

There is real benefit to consumers in being able to compare different supplier offerings, on price and more generally. We are therefore very supportive of metrics that go beyond price and look at other aspects of supplier service offerings that are important to customers. As noted in the rating consultation itself, there is a balance to be struck between managing the metrics to ease comparability and ensuring that the results accurately reflect, or otherwise contextualise, the performance of each supplier: any metrics arrived at cannot misrepresent, cause confusion or smooth away any differences which may themselves be beneficial to the consumer in making a choice of supplier, service or checking whether their current service is as good as that available elsewhere.

It follows that we are supportive of inclusion within the rating table being extended to as many suppliers as possible. This reflects the welcome changes in the market - now a very different place given the number of new entrants - and enabling wider choice for consumers. We would also welcome the ability for other suppliers to be included on a voluntary basis and think the requirements to support this are sensible. We recognise that due to the limitations of survey sample size, the metrics as currently constructed need to be changed. We do however have some concerns around some of these proposed changes.

It is critical that the rating system as amended does not end up misleading customers and that it does not work to disincentivise engagement. The more detailed the metric, the more explanation we consider is needed to ensure customers can compare outcomes in a fair way. Key here is the ability of customers to be able to frame the outcome as against the different approaches of the suppliers being rated, e.g. where frequency of billing differs, but also an overall recognition that many customers do not engage with their existing supplier to any extent, including in the submission of reads. This speaks to careful framing of “accuracy” and “accurate bills”, noting of course the



obligations on suppliers, and also the very real challenges faced by suppliers when reads are not provided or are not correct on provision.

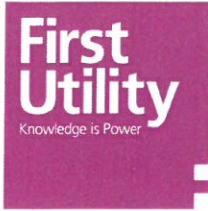
We are concerned that the options proposed for the accurate bill metric will not lead to the right framing and context, unless this can be provided in another way that does not detract from ease of use for consumers or add too much to the complexity. How for example would any weighting control for frequent bills based on estimated readings where prompts to submit a meter reading (in a number of ways) are sent out (through a number of means) at the same frequency? We note that the ability to gather the appropriate data and its comparability still needs to be tested but our current view is that we are concerned that without a fair amount of description and context or a complicated weighting approach, the options could be misleading for suppliers and more importantly, for consumers.

Timeliness of bills does not appear to be a material concern in terms of billing error cases, although of course there are other measures. We think that the proposed approach may be too reductionist given that many suppliers have online accounts using monthly billing, with varying levels of meter read submissions per customer and overall. Given this and the potential lack of material concern on the part of customers, this may not be the most important metric to be included.

We understand and agree with the need to consider pre-pay customers and their interests and concerns and note the rating consultation itself sets out the challenges here given the differences in proportion of pre-pay customers between suppliers. Our overall view is that in principle, option 1 is too complex and option 2 seems to avoid some of the complexities whilst enabling comparisons. As with the parallel information requests and analysis, this may be an area all respondents would want to circle back to once that analysis can be made.

We also believe it is important that all suppliers can learn from the metrics, and any changes to those metrics over time, in order to effect improvements for consumers. Where e.g. a reduction in score against one or more metrics does not accord with a supplier's own internal equivalent metrics, all possible information, consistent with the need to protect customer privacy, needs to be made available so that the rating system forms a part of the industry's efforts continuously to improve. This may be more a feature of the current metrics but we think that the principle is important.

On customer service, we agree that this is an area consumers are keen to understand and to be able to compare. However, we are concerned that "ease of contact" is not the right metric given the approach to alternative contact channels, even, as proposed, measured quantitatively (which in principle we agree with as an approach). It is very helpful to consider how best to address alternative channels but a one-additional-channel opt-in does not seem the most appropriate way to give as accurate a picture as possible of different suppliers. On complaints, we agree with the proposal to include consumer outcomes in the metric.



We do not think that non-compliance with an information request should lead to a zero rating. We agree that there should be a consequence for suppliers in not meeting requests they have had advance notice of and been able to comment on, discuss with Citizens Advice and raise any difficulties on. However, as proposed, consumers may take this to be poor substantive performance against the metric and not failure to provide the information. This may adversely impact on their ability to take decisions that they may otherwise benefit them. This risk leads us to suggest that where there has been non-compliance, the score would be described as "supplier did not provide information" or "supplier did not provide the information in time". If there are alternative sources of information, the rating table could point the consumer to those.

In terms of timing, we do think that December 2017 for implementation may provide too short a time to work through the information being requested, an expanded rating (both in terms of suppliers and substantively) and to enable you, suppliers other stakeholders to consider and comment on any conclusions reached once the information request responses are in.

We are keen to be involved in these next steps and happy to provide any further information in the meantime.

Yours sincerely

Matthew Chapleo
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