

08 September 2017

Alexander Belsham-Harris
Citizens Advice
200 Aldersgate Street
London
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Dear Alex,

Spark – Energy supplier rating consultation: response

We welcome the opportunity to comment on the consultation on proposed changes to the Citizens Advice energy supplier rating.

Spark entered the energy market with a focus on providing the underserved lettings industry with competitive prices and customer service build around their needs. Ten years later, we employ over 400 employees and have over 400,000 customer accounts

We would be delighted to discuss this in more detail if it would be useful.

Yours sincerely,

Mark Ferguson
Head of External Relations

1. Do you agree with our aim to introduce changes from December 2017?

In principle, we have no objection to the introduction of these changes from October 2017. However, we do have concerns around the speed of this introduction and recommend that Citizens Advice hold off until at least Q1 2018 to implement the changes.

Firstly, we would need assurances that Citizens Advice is fully prepared to implement the changes in full and to a high degree of accuracy. We are concerned that if the attempted improvement of the energy supplier rating is rushed, it will undermine the role the rating is intended to play for customers.

Secondly, if Citizens Advice is intending on introducing the updated rating in December 2017, it needs to give due consideration to the impact this will have on suppliers and their ability to provide the information that is needed to paint an accurate picture of supplier performance. If a rush to implement in December 2017 leads to only partial information being provided by suppliers then we miss an opportunity to improve outcomes for customers.

Thirdly, in the consultation document the suggested timeline provides no feedback loop to suppliers. This suggests that the consultation will close, Citizens Advice will make a decision on the new supplier ratings and then implement it. For suppliers to have full faith in the process, a form of feedback loop should be included. This could be in the form of a Citizens Advice response to all submissions they have received.

2. Do you support our proposed threshold for mandatory inclusion in the rating of 50,000 domestic customers?

Yes. It will be to the benefit of customers for Citizens Advice to expand the ratings tools to retailers with more than 50,000 domestic customers. This would be an important step in achieving this.

To ensure that the rating has a strong comparability element, we believe that Citizens Advice should consider that the ratings tool can be reported on by size of supplier. This would enable customers to provide a like for like comparison across different companies

3. Do you agree that accuracy of bills is a suitable metric for assessing billing performance? Do you have views on which of the options for measuring bill accuracy is most appropriate?

We acknowledge that providing our customers with accurate bills is of importance to our customers and a key method for us to engage with our customers. We also support accurate billing as one way of assessing billing performance.

Regarding the options that are set out in the consultation, we suggest that either Option 1 or Option 3 are the most appropriate for measuring bill accuracy.

Energy suppliers are still, to a large degree, dependent on customer engagement to provide timely and accurate meter readings that would ensure accurate bills. As a niche supplier to the letting industry we take a number of measures to engage with our customers but face a greater challenge than most in obtaining meter readings from some of our customer base. Therefore, any move to set a more ambitious target, such as in Option 2, would not provide an accurate reflection of performance.

4. Do you consider that timeliness bills is a suitable metric for assessing billing performance?

We think that this is the most suitable metric for assessing billing performance. As outlined in the consultation document it affords customers the ability to track their usage and manage their billing costs.

5. Do you favour using timeliness, accuracy of bills, or both, as metrics of supplier performance on billing? Are there other metrics that we should have considered?

We would favour using timeliness as the primary metric of supplier performance on billing for the reasons outlined in our response to Q6.

6. Do you support Option 1 (including prepayment where suppliers have sufficient PPM customers)? Do you support the proposed thresholds?

We do not support Option 1. While it is right to try to reflect the performance of predominantly PPM suppliers in the billing performance section of the rating, we think that there is a greater risk of skewing the overall metric and devaluing the output for customers.

7. Do you support Option 2 (scoring all suppliers according to billing performance only)?

We support Option 2. The vast majority of customers are on credit meters and as such and managing the rating on this basis provides the most clarity for customers when assessing performance.

We would however support Citizens Advice if they were to monitor the percentage of customers of prepayment meters and amend the supplier rating at a later date. For example, if number of customers on PPM rises from 16% to, say, 20%, then it might be worth considering a further change.

8. Do you support our focus on telephone support as the key route for consumers to contact their supplier? Do you support our proposed metric in this area (average wait time for telephone services)?

In principle, we support the focus on telephone support as the main way customers contact their supplier and we support the average waiting time as the metric.

However, we would request a lot more clarity on what will be included in this with regard to the IVR. There is the potential for IVR processes to skew the results that might create an incentive for suppliers to amend their systems in a way that overcomes this.

Any measurements or changes in this area must be considered with the experience of customers in mind.

9. Do you support the option to include additional contact methods in the scoring for some suppliers? Do you support the proposed threshold for including additional channels?

We think that it is increasingly important to consider the alternative methods that customers wish to contact us on. However, we believe that this might not be the right time.

As customers request new ways of interacting with their energy company it is important that suppliers are afforded the time to deliver these services in a way which satisfies the customer and not a ratings system.

We would recommend that Citizens Advice engage with suppliers on a regular basis to understand how different customer service tools are being used and monitor their uptake. However, this should not be included as a formal part of the energy supplier rating.

10. Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes? If not, please provide your reasoning.

Yes.

11. Do you agree with our proposed approach to non-compliance with information requests?

The approach to non-compliance that is set out in the consultation is fair. However, it would be beneficial for suppliers if Citizens Advice strengthened their commitment in this area.

For instance, we would welcome a commitment by Citizens Advice that no RFI will be issued with a deadline of at least four weeks from it being requested. This would remove any debate around what 'advanced' notice is and create a fair and transparent platform from which Citizens Advice and suppliers can work together in the interests of customers.

