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Ecotricity Response – Consultation on changes to the energy supplier rating

Dear Alex,

Ecotricity is an independent renewable energy generator and supplier, with around 200,000 gas and electricity customers. At Ecotricity, we have three principal attractions: the greenest energy with the emphasis on investing in new sources of renewable energy; the best customer service as demonstrated by the lowest level of complaints in the industry, as an average, since records began; and an ethical pricing policy. It is this focus on ethics and principles of excellent customer service that's key to our growth.

We welcome the opportunity to comment on the changes to the rating tool, and broadly agree with the proposed changes. Whilst the use of quantifiable metrics is a helpful evolution of the rating tool, this shouldn't displace customer satisfaction data.

We have concerns that if the sole focus is on numeric reporting, Citizens Advice would be losing sight of the real purpose of the tool – whether a customer is receiving great service from their supplier.

Some further key thoughts on the proposed changes are listed below:

- We support the widened scope of the tool. However, any suppliers joining the tool should demonstrate that they have adequate and robust data prior to inclusion. We would not be in support of suppliers being included on a voluntary basis.
- Billing should be made up of a hybrid of metrics to accurately reflect performance and satisfaction.
- The quantitative assessment of customer service will need to be carefully managed to avoid any skewing of the data. Specifically, time spent being directed through an IVR system should be accounted for in reporting.

- We agree with the proposed weighting changes for the complaints metric. However, Citizens Advice should take this opportunity to carry out a wider review of the methodology used to assess complaints performance.

In addition to our high-level comments, expanded responses to the specific consultation questions have been provided below.

1. Do you agree with the aim of introducing changes from December 2017?

No. The timeframe is too soon to fully consider the changes to the metrics of the tool. We would support any changes being introduced by the following quarter, in March 2018.

2. Do you support the reduced threshold of 50,000 domestic customers for inclusion in the tool?

Yes, we agree with the principle of dropping the threshold. This is, however, dependant on all suppliers being able to demonstrate that they can provide robust data for comparison.

If representative data cannot be obtained from suppliers below a certain size, it would be better not to include them. It is more important that the tool accurately reflects the performance of a particular supplier, rather than presenting a skewed version of them based on incomplete data.

3. Do you support voluntary inclusion in the rating, and the proposed requirements for suppliers wishing to join?

We have concerns with allowing suppliers to voluntarily enter the rating tool.

Inclusion in the tool should be all or nothing – in other words, all suppliers involved should have been mandated. If suppliers can voluntarily join, you run the risk of suppliers opting in if performance is going well, and opting out if performance in another quarter is less impressive. This could create a false impression of service standards in the industry.

Regardless, any inclusion either voluntary or mandatory should be dependent on a supplier demonstrating that they can provide adequate data to allow for comparison.

4. Do you have views on how we could improve the information we provide to consumers about suppliers with fewer than 50,000 customers who do not voluntarily join?

No. We reiterate that if a supplier cannot be included for any reason, Citizens Advice should ensure that consumers are aware of the supplier and provided with an explanation for the absence.

5. 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 billing accuracy is most appropriate?

We agree that an assessment of bill accuracy is a suitable metric for measuring billing performance, and should be used in some form. However, we do not support its inclusion as a single metric. A supplier may be able to send out bills that reflect readings, but customers may find them difficult to understand or have to wait a long time to receive them. There

therefore needs to be a combination of metrics to accurately reflect the performance of each supplier.

With regards to measurement, the obligation to have a bill reflect a meter read within the previous 6 months goes beyond the requirements of the supply licence. In particular, we have concerns that this measure may not accurately reflect supplier performance, as obtaining reads can be highly dependent on consumer engagement. As a result, the score may reflect the demographic of a suppliers customer base, rather than the performance of the supplier themselves.

If the metric was used, we would support the use of the 12 month timeframe or a hybrid approach.

6. Do you consider that timely bills is a suitable metric for assessing billing performance? Do you have views on whether it is more appropriate to measure timeliness of all bills, or just final bills?

If considered on individual merits, timeliness of bills seems the most appropriate of the metrics considered. However, as with the measurement of bill accuracy, we would prefer to see a combination of metrics. A supplier could score very well on bill timeliness and have efficient processes. However, the bills could be inaccurate or difficult for customers to understand.

In terms of measurement, we would support a measure of timeliness of all bills, as customer satisfaction would be as a result of all billing performance, rather than just final bills. This would show how good the ongoing billing performance is with the supplier rather than how good it is if you choose to leave them.

Citizens Advice must ensure that any metric is in line with how often the supplier aims to bill; should it be monthly, quarterly or less frequently (as with prepayment accounts).

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

Using quantifiable metrics for billing timeliness and accuracy makes absolute sense and we support the rationale outlined by Citizens Advice. However, as discussed, our preference would be to have a hybrid metric covering both the timeliness of bills and the accuracy of bills.

Ideally, we would also hope to see the continued use of satisfaction data in some format. We recognise that this will be a challenge if the thresholds for supplier inclusion are reduced, however Citizens Advice should maintain awareness of the original purpose of the tool; to provide customers with a fair and simple way of comparing suppliers based on their customer service.

8. Do you agree that the Guaranteed Standards are an appropriate measure of supplier performance for prepayment? Is there other data we should consider using?

If prepayment is included as part of the tool, we feel there are more appropriate measures of performance that Citizens Advice could consider other than Guaranteed Standards.

9. Do you support option 1 (for assessing PPM)? Do you support the proposed thresholds?

10. Do you support option 2 (for assessing PPM)?

If PPM were included in the rating tool, it should have its own category, rather than fall under the billing metric. The focus for PPM performance measurement should be on the function and use of the meter; this is the most important point of consideration for customers with prepayment meters. As the meter displays the current balance at all times, energy bills can be redundant for these customers.

Were PPM included in the tool, we would be in support of option 1 as the overarching means of assessing performance, with metric 2 – the ability to top up – the most appropriate measurement option.

11. Do you support the focus on telephone support as the key route for consumers to contact their supplier? Do you support the proposed metric – average wait time for telephone services?

Broadly yes. However, we do not think you can rely on one metric to provide a measure of performance. We would instead support the combination of two metrics – with one focusing on quantitative assessment and the other looking at satisfaction. For example, we consider the most appropriate combination to be:

- Time (how long customers wait for help)
- Satisfaction (happiness of customers with the quality of service)

What should matter most isn't whether a customer has to wait 10 or 20 seconds, but whether they received great service when they spoke to someone.

We also have concerns around the proposed treatment of Interactive Voice Recording (IVR). Excluding time that customers spend being routed through an IVR system will not allow for fair and reasonable comparison across suppliers. Primarily, we are concerned that the varying call wait methods used by suppliers will add unnecessary complexity to the tool – particularly as many suppliers measure their waiting times after the customer has been through the telephone tree of options.

Ultimately, any time spent on the IVR is also time spent on the phone for the customer, and this should be accounted for.

Ecotricity do not use an IVR system, and as a result our customers would be seen as 'waiting' instantly, despite receiving the same (if not better) standard of service. The proposed metric would therefore not provide a fair representation of customer satisfaction, and if used in its current format may undermine the usefulness of the metric.

12. 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?

Yes, we agree with the option to include additional contact methods. We feel this will provide a more representative view of how customers interact with their energy supplier in the modern market.

Despite this, the thresholds proposed seem strange – it may be more appropriate to have a sliding scale e.g. 25-50%, 50-75% etc. Given the current proposals, a supplier with 75% of its contacts via email (for example) would receive the same treatment as one with 25% of contacts through that method. This doesn't seem appropriate.

We would also be interested to know how the proposed thresholds would work if a supplier had a relatively even split between contact methods. For example, a supplier that had 50% phone contacts, 25% web chat and 25% email. Although this would be highly unlikely, it doesn't appear to have been factored into the proposal.

We also feel it would be useful to have the option to view the scores separately in the background data i.e. one score for telephone support, with another for the additional contact channel. This would allow the customer to view a simple score for customer service initially, followed by a more detailed breakdown if of use.

13. Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes?

Yes, it is important to emphasise that there is a difference between the various cases. We therefore support the change in weightings, in particular the increased focus and weight placed on upheld complaints.

Despite this, we feel Citizens Advice should take this opportunity to carry out a wider review of the complaints metric. Rather than only measure Extra Help Unit, Ombudsman and Citizens Advice complaints, we suggest that total reportable complaints per 000 customers are also reported on, based on the annual complaints report issued by each supplier under The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008. This measurement provides a better reflection of a company's customer service.

We would expect this to work alongside the existing categories (rather than replace them), in order to provide a more robust and representative measure of complaints performance.

14. Do you agree with the proposed approach to non-compliance with information requests?

Yes. All data included in the tool should be of sufficient quality, accuracy and timeliness. The proposed approach to non-compliance reflects this requirement.

Are there any other changes to the supplier rating?

As with our response to the initial consultation at the point the tool was developed, we would like to see a metric providing information on the fuel mix, or supply source, of each supplier.

An increasing number of consumers are interested in where their energy comes from, including whether renewable energy features in their supply. As suppliers are already required to provide a fuel mix disclosure and publish it, this metric could be easily implemented. It would then would allow consumers to easily compare fuel sources across suppliers; helping them to find the most suitable tariffs to suit their needs.

We wouldn't expect this to be scored as a metric, but feel it would be beneficial for customers to have access to the information – potentially in the background data made available when clicking on an individual supplier.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact James Jackson on 01453 840618 or james.jackson@ecotricity.co.uk.

Yours sincerely,



Alan Chambers
Head of Regulation and Compliance