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By email: to Alexander.Belsham-Harris@citizensadvice.org.uk

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Dear Alex

Energy Supplier Rating – Consultation on proposed changes

Thank you for your email of 25 July and the opportunity to comment on the proposed changes to the Supplier Rating Tool.

We welcome moves to include more suppliers into the rating, which further provides informed choices for consumers when choosing supplier. An important factor we would encourage in agreeing the metrics for future monitoring is to define the specific descriptions of each metric, to ensure suppliers are reporting in alignment.

However, we would reference our responses in the attached to those which accompanied the email from Amanda Nolan dated 1 August. This highlights some of the challenges around further defining the sets of data requested and development work required to provide some of these in time for December 2017. Of particular note is the requirement to split some of the metrics by meter type. A similar request was made by Ofgem recently in their review of Complaints Reporting and Guidance, and, following discussion with suppliers, they have agreed to reconsider how best to achieve their objective without requiring suppliers to build significant system changes and develop complex analytics.

We note the use in your Figure 2 how the Tool is used within the Citizens Advice switching site, and would draw your attention to the wide range of price comparison websites which all use different consumption calculators. This therefore doesn't lend itself to providing an appropriate comparison for customers between suppliers. We would encourage Citizens Advice to seek to align the use of such data in order to further provide transparent and consistent information to consumers.

We have responded to this consultation in Appendix 1 using the question format presented. The response is not confidential, so we are comfortable for this to be published on your website.

We would be very happy to discuss this further with you. Please contact Amanda Nolan in the first instance on **07789 571016**, Amanda.Nolan@britishgas.co.uk

Yours sincerely



Nigel Howard
Director, Consumer Policy, British Gas

Appendix 1

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

We will find it difficult to introduce changes from December 2017. A more realistic timescale would be Quarter 1 2018. Many of these metrics are new or are nuances of metrics we already produce and therefore will require further development with our internal Management Information teams. This will mean extended delivery time and additional costs; none of which have been factored into our current resourcing models and budget plans.

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

We welcome the move to include more suppliers in the rating in order to provide consumers with more informed choices. However, in such a competitive market, we do believe that all suppliers should be included in the rating, to encourage healthy competition, full transparency and comparable standards of service for consumers.

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

We do support voluntary inclusion in the rating, although as we outline above, we would be more supportive of all suppliers being included in the rating regardless of size.

The requirement to have been in the market for a minimum amount of time seems reasonable, to allow suppliers time to start up and stabilise their customer service, whilst moving into a 'business as usual' position. As part of a minimum level of customer service, we believe that all suppliers should be signposting to Citizens Advice and Ombudsman Services, as well as having a referral pathway into the consumer service.

Supplier size should not impact upon ability to provide data for monitoring purposes. All suppliers are providing the same product offering of energy, and so should be able to report consistently.

Although we call for all suppliers to be included in the rating, we do accept there may be merit in testing inclusion of suppliers below 10,000 customers in order to ensure robustness of data provided, and how this may affect the outcomes determined by sample sizes.

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?

As stated above, supplier size should not impact upon ability to provide data for monitoring purposes. All suppliers are providing the same product offering of energy, and so should be able to report consistently.

All suppliers are expected to bill customers and so billing timeliness and accuracy are equal metrics for consideration; particularly where reporting is already conducted externally and therefore readily available. Customer service, switching metrics and Switch Guarantee are also equal measures across suppliers, regardless of size. However, it is important that the descriptions and specific reporting requirements of each and any of the metrics used is stipulated and agreed across industry to ensure comparable data is being presented to consumers.

It is equally important to explain to consumers where metrics are not reflective of compliance e.g. switching metric no longer reflects licence obligation (Relevant Date) and also the differences for complaints i.e. Ombudsman complaints compared to direct complaints (per 100k complaints).

Another alternative may be to move away from a metrics driven rating tool to an annual satisfaction survey approach, similar to that adopted by Which?

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 accuracy of bills is a suitable metric for assessing billing performance. However, there should be some consideration given to where suppliers have done everything in their powers in a 12 month period to obtain an accurate meter reading.

The requirement to report accuracy of billing performance is achievable for suppliers, but may need to be tweaked in order to address current reporting timescales (only covers 12 month periods; not 6) and not currently split by payment method, as outlined in the Request for Information which accompanied this consultation. Therefore, we will require significant lead times to enable us to develop regular, robust reporting.

In addition, billing to an actual reading is not completely representative of an accurate bill, as there are other factors to consider e.g. correct tariff. Therefore, we would suggest amending the description of this metric to more accurately reflect 'bills to accurate readings.'

Finally, billing to an estimated reading doesn't always mean that the bill is inaccurate. An alternative measure to consider could be the volume of bills cancelled or rebilled as a % of total bills issued.

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?

We agree that timely bills is a suitable metric for assessing billing performance. This is also a metric that is more readily available and reliable than accuracy of bills.

Both metrics are currently reported externally, although the final bill reporting is more aligned to the description used within the consultation. Other timely billing metrics are not currently split by fuel type and so would require further development work, impacting our ability to meet the timescales outlined in your consultation.

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 we should have considered?

We believe that accuracy and timeliness of bills are equally important. However, if these metrics are to be considered in the future, further descriptions of each metric would need to be developed in order to ensure that all suppliers are measuring performance in the same way.

We will require significant lead time in order to develop the full suite of data requested on a regular basis.

As outlined in question 5 above, billing to an actual read is not a thorough indication of accurate billing.

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?

We believe that the measure of Guaranteed Standards is too narrow and only measures performance when something has gone wrong with the consumer's supply / experience.

Alternative metrics for consideration may include: range of tariffs available, ease of use (top up facilities), and smart meter penetration. Alternatively, the level of customer service may

be considered on a wider basis than Guaranteed Standards such as support available if off supply – Discretionary Credit, fuel vouchers etc.

9. Do you support Option 1? Do you support the proposed thresholds?

As outlined above, the measure of Guaranteed Standards does seem a little narrow in only measuring when something has gone wrong with the meter, and not a reflection of the supplier's performance around ability to deliver a billing mechanism which gives timely and accurate information, which would more readily reflect how suppliers are measured against credit consumer billing performance.

The thresholds however, for a larger prepayment based supplier do seem appropriate.

Where customer numbers based on tenure, fuel and meter type split are required, we will need significant lead time to enable robust, regular reporting.

10. Do you support Option 2?

We believe that metrics relative to prepayment accuracy and timeliness of billing information are more appropriate metrics, and also create a balance to those measures outlined for credit consumers.

11. 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)?

We support telephony as the key route for consumer contact for this year, but there will be a natural move towards digital in the future. This includes email and web chat, among other digital based channels. Therefore, we would recommend an interim review of how much of supplier contact is made through telephony channels on a timely basis, to ensure this is representative of the majority of consumer contact, and therefore a fair reflection of customer service / experience.

We agree that average speed of answer of calls from consumers does represent the appropriate metric for customer service (telephony). However, as noted in our response of 1 August, we will require significant development time to fully build regular and reliable reporting based on the descriptions outlined.

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?

We do support the option to include additional contact methods in the scoring for some suppliers. However, we feel that if suppliers are able to evidence that any other channel of contact method is more appropriate (in terms of volume of contact) to use as a metric; then this should not be restricted to email and web chat.

We would welcome more insight into what is determined as a 'good' industry benchmark for non-telephony contact routes for future consideration, as we are not aware of any such benchmarks in the market place currently.

We would like to further understand why the threshold of 25% is proposed for including additional channels.

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

We agree that the inclusion of deadlock cases may make this a fairer and more consistent approach and also agree with the inclusion of weightings. However, we would seek to ensure a level of confidence in the accuracy of data feeds which will deliver these metrics, ensuring consistency and accuracy across suppliers.

The Supplier Rating Tool still excludes direct complaints (to supplier), which we do agree with. However, given the Supplier Rating Tool is in the public domain, and other direct complaints metrics are also published externally, we would like to see some sort of caveat when data is published, which differentiates between the two forms of measurement for consumer understanding.

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

We do agree with the proposed approach to non-compliance with information requests. However, this is subject to agreement across industry of the precise description of, and ability to report on, specific metrics outlined in this consultation.

15. Do you agree with our proposed approach for white label brands in the supplier rating?

We would like to further understand the reasoning for excluding all metrics apart from complaints performance.

Is there a justifiable reason why complaints performance should not be treated separately?

16. Do you have any other suggested changes to the supplier rating?

We believe that further consideration should be given to including such measures as suppliers signed up to voluntary codes, in a similar way that the Switch Guarantee is also taken into account. This could include such things as Billing Code, PPM Principles. And in addition, it is important for consumers to have a view of whether a supplier offers Warm Home Discount (Core and / or Broader Group) Scheme; which will enhance the transparency of the choices they have to make.