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Sent by email to alexander.belsham-harris@citizens advice.org

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Dear Alex

Energy Supplier Rating

Thank you for the opportunity to respond to your consultation on proposed changes to the Energy Supplier Rating 'the rating'.

SSE is fully supportive of the concept of the rating and we are pleased that Citizens Advice is widening the scope to include more suppliers. This will help consumers make more informed decisions when switching and hopefully help them engage in the market.

We are pleased that we had an opportunity to respond to the initial consultation in September last year and that Citizens Advice has taken on board some of our feedback.

We have answered the questions included in the latest consultation and look forward to working closely with Citizens Advice over the coming months to reach a suitable outcome which will meet the objective to produce an improved publication of supplier performance and make it more accessible to consumers.

Please find enclosed our responses to the consultation. I hope the information I have provided is useful and look forward to continuing to work together to progress the review of the rating.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jacqui Maxwell', is located below the 'Yours sincerely' text.

Jacqui Maxwell
Head of Customer Service

Q1. Do you agree with our aim to introduce changes from December 2017?

Given that suppliers have a deadline of 13 October to provide information for the bill accuracy and bill timeliness RFI's, SSE would suggest that the proposal to introduce the changes is extended in-line with Energy UK's response, to allow time for the data to be tested and a final decision to be made.

Q2. Do you support our proposed threshold for mandatory inclusion in the rating of 50,000 domestic customers?

SSE understands the desire to have as many suppliers as possible included to ensure comprehensive coverage of those who appear on price comparison sites and broadly supports the inclusion of those suppliers who have over 50,000 customers.

While agreeing that this is an important consideration for customers who are interested in customer service performance, we would also observe that based on historical performance in the Citizens Advice league table, there can be a grace period for new suppliers – where as new entrants they have not yet encountered the range of challenges associated with suppliers who have been in the market longer (direct debit reviews, higher customer numbers and calls, churn, catch up bills etc.) If new entrants who quickly acquire high numbers of customers are included immediately on the tool, they are likely to score inconsistently on customer service performance and can drop down significantly in subsequent publications. For this reason it may be worthwhile considering whether a minimum period of time of 12 months should be allowed to pass before inclusion, to allow for a true indication of customer service to filter through once the range of challenges associated with being more established have been tested.

Q3. Do you support voluntary inclusion in the rating, and the proposed requirements for suppliers wishing to join?

Suppliers with less than 50,000 customers should have the opportunity to be included in the rating, provided that they can meet all the requirements in the proposal. As above, to ensure consistent measures across industry and to allow customers to make an informed choice, we believe that only suppliers who have been trading for 12 months or more should be included.

Q4. Do you have views on how we could improve information we provide to consumers about suppliers with fewer than 50,000 customers who do not voluntarily join?

If suppliers with fewer than 50,000 do not want to be included in the rating, Citizens Advice should make it clear that these suppliers chose not to take part. For suppliers with fewer than 50,000 and do not meet the requirements for voluntary inclusion, Citizens Advice should use the current method of advising 'we don't have enough information to rank this supplier'.

Q5. 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?

Yes, given that 'billing' was the most complained about topic in the last customer satisfaction survey conducted by Quadrangle, this could be a key driver for consumers choosing a supplier. SSE strongly supports option 3 as this is in-line with the current regulatory commitments.

Q6. Do you consider that timely bills is a suitable metric for assessing billing performance?

SSE agrees that timeliness of bills may be an important measure for some customers more than others but this could add complexity to the rating when you consider the frequency of billing varies across suppliers, for example, half year, quarterly and monthly. There are also different delivery

methods, such as white mail (which is reliant on a postal service) and email. According to the frequency and delivery mechanism, a one size fits all approach does not work and we would raise concerns that a more complex measurement could prove costly and may add to confusion for consumers.

As highlighted in the consultation, only 5% of problems relate to issues with timeliness and frequency of bills and would pose the questions of whether or not the cost and effort to collect this data outweighs the benefit of including this as a measure in the rating.

Together with the various billing licence conditions and the Billing Code, there should be a level of comfort that there are measures in place to ensure suppliers are already monitored in this area.

Q7. 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 favour accuracy of bills over timeliness of bills and believe this to be a more appropriate measure for consumers to compare as some customers will not necessarily know when their bills are due. In the case of final bills, this could become more important during the switching process and again is aligned to our regulatory commitments.

Q8. Do you agree that the Guaranteed Standards are an appropriate measure of supplier performance for prepayment?

SSE believes the Guaranteed Standards are an appropriate measure of performance for prepayment customers. Although GS performance can sometimes be hampered by the performance of third parties, it is important that suppliers hold these third parties accountable when acting on suppliers behalf.

Q9. Do you support Option 1 (including prepayment where suppliers have sufficient PPM customers)? Do you support the proposed thresholds?

Of the two options put forward, SSE favours option 1 over option 2 to include a score for prepayment within the billing metric. We believe this will provide a wider view of supplier performance and open up the rating to customers who choose to pay by prepayment meter.

However, we feel that it may be beneficial to include a directly proportional score for all suppliers based on the percentage of accounts that are prepayment meters, ie a supplier has 15% of prepayment meter customer accounts therefore PPM performance should count for 15% of the billing score.

Q10. Do you support Option 2 (scoring all suppliers according to billing performance only)?

No, SSE feels it is important to include a measure for prepayment, otherwise the rating could provide a false representation of some supplier performance.

Q11. 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)?

SSE recognises that the ease of making contact with an energy supplier is an important consideration for consumers so is broadly supportive of efforts to measure ease of contact. We also acknowledge that many customers prefer to call their energy suppliers for help so telephony performance is a sensible metric.

We understand that Energy UK has raised some concerns about this metric and we would strongly suggest that the challenges associated with this measure should be fully explored and bottomed out prior to the introduction of any metric associated to call answering times.

We would caution that speed of answer is not an accurate portrayal of the way the contact was handled, but nevertheless we endorse speed of answer as a metric as it does reflect an important facet of customer service.

Q12. 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 recognise that customer contact preferences are in an evolutionary phase. Emerging technologies open up a raft of opportunities for contact centres, but we would urge caution at this stage and would recommend that only mainstream contact channels are assessed in order to allow customers to make a simple judgement. As an example, we utilise a webchat option but recognise that some companies may do similar with bots and such like. This would dramatically affect the speed to answer. Additionally, abandon rates do not necessarily mean that a webchat has been unsuccessful for the customer. Until there is commonality or best practice, we would not be keen for a score based on these technologies.

More traditional contact methods such as email or web form are perhaps a more sensible metric. We would again suggest that speed of response is the measurement of choice, with the caveat that speed of response is not directly proportional to quality of outcome.

If email/web form response time is to be measured, we would suggest that it must again be done on a totality basis, so all contacts across all business areas. We support the consultation principles that the additional channels should only be scored when it comprises more than 25% of total contacts received. This will allow energy companies to trial contact methods that may prove beneficial. Once a new contact channel consistently delivers 25% (or more) of all contacts, the score should then be weighted according to the percentage split between email/web form contacts and telephony.

Q13. Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes? If not, please provide your reasoning.

We welcome a review of the weightings of Ombudsman cases and agree that the outcome of the complaints investigated by the Ombudsman is a fair and relevant measure of how suppliers handle complaints.

In principle, we believe it would appropriate to include both Upheld and Settled cases, however we believe in doing so that it would be worth exploring further with the Ombudsman the definition of an Upheld complaint, as the detail of the outcome of each case can vary significantly. For example, one outcome can be only to award a small amount of goodwill where another could be a request to take several actions and award a significant goodwill payment. On that basis, there is a risk that by applying the same weighting to all Upheld cases, this could imply there is a bigger issue than is the case.

We agree Not Upheld cases should be excluded; and for Maintained cases, we would expect these to carry the lowest weighting possible given that we do not believe these cases are an indicator of poor complaint handling on the part of the supplier. We believe this view is shared by the Ombudsman

who, during a recent meeting at our offices, positively recognised our performance in Maintained and Not Upheld cases.

To support this change, we believe it would also be beneficial for the Ombudsman to formalise a 'dispute' process for the outcome classification of complaints to ensure the accuracy of this measure. SSE have always contacted the Ombudsman where we believe the outcome is different to their classification, but currently there is no formal agreed approach for this and believe this would be necessary to ensure all suppliers follow a consistent and efficient process.

We appreciate you will consult further on the exact weightings once a decision has been reached, but we would expect a higher weighting for Upheld cases than Settled cases. It may be beneficial to include a footnote to the 'how we come up with a star rating' section to highlight that the outcomes may stem from complaints raised in previous quarters.

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

While SSE understand the importance of providing data in a timely manner which will ensure the rating is published on time, Citizens Advice must consider the burden of these requests and give the appropriate amount of time for suppliers to deliver. When making decisions about the measures to be used for each metric, it would be prudent to use data that is readily available or already reported to Ofgem. In cases where suppliers fail to provide data, there should be a footnote to explain that the supplier failed to provide the information on time.

Q15. Do you agree with our proposed approach for white label brands in the supplier rating?

SSE agrees with this approach, it seems sensible not to flood the rating with white labels that have the same score as their parent company. In cases where white labels request to be included in the rating, we would assume that the customer base would be the same as the thresholds set out in questions one and two.

Q16. Are there any other changes to the supplier rating?

SSE would suggest that the star rating icon on the price comparison page should have a link to direct consumers to the rating to help them understand how the stars have been awarded. There is no mention of the rating on the price comparison page and unless you know where to look, the rating is not easy to find on the website. We have noticed that the rating is not available on the Scottish website and wondered if this is an oversight or if we have simply not managed to locate it. The star rating does appear when using the Scottish price comparison site but customers have no way of knowing what the rating consists of.

To help consumers, it may be helpful to allow them to sort data on a rolling average score over a period of 12 months. This would help to smooth out peaks and troughs and should reward consistently strong performance