

Isobel Croot
Citizens Advice
200 Aldersgate Street
London
EC1A 4HD

Sent via e-mail: Isobel.croot@citizensadvice.org.uk

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Dear Isobel

Improving energy supplier performance information

British Gas welcomes the opportunity to comment on the customer service indicators Citizens Advice is considering publishing on its website. We believe that this consultation is necessary to help ensure that Citizens Advice's proposals are likely to deliver "value to consumers, energy suppliers and stakeholders across the industry."¹

Whilst not explicitly referenced in the consultation, we understand from discussions with Citizens Advice that the objective of the new model is to help consumers make switching decisions and incentivise suppliers to make service improvements. These are objectives British Gas supports.

We welcome the fact that Citizens Advice has clearly set out the attributes of the proposed new performance information, i.e. that the "tool does not unnecessarily duplicate or conflict with existing information sources but instead presents a clear, accurate, timely and consistent view of supplier performance." Citizens Advice has also stated that it wants to ensure that the information it publishes is "robust, has a high level of integrity and is independent and impartial."

We agree these attributes are important but we also think that the attributes could be expressed in more precise terms, so as to avoid misunderstandings. In order to ascertain whether publishing each individual piece of data is in the best interests of domestic consumers, we believe that each should be evaluated against the following criteria:

1. Whether it is likely to achieve the objective of helping customers make informed switching decisions;
2. Whether it is complete, accurate, not misleading, and otherwise fair both in terms of its content and in terms of how it is likely to be presented to consumers by third parties as well as Citizens Advice;
3. Whether it is likely to have adverse unintentional impacts on consumers or competition.

¹ This intention is referenced in the Introduction (p.4) of the consultation.

4. Whether any costs imposed on suppliers are proportionate, having considered alternative means of achieving the same objective.

British Gas will support Citizens Advice in publishing those customer service indicators that meet these criteria. The publication of metrics which do not meet them create a risk that consumer choices become distorted or the characteristics of the market misunderstood, and the objective undermined rather than achieved. We therefore believe that any performance reporting should go through appropriate levels of scrutiny and testing before implementation.

In the absence of detailed customer research, all measures should be assigned equal weightings. Citizens Advice should also consider displaying performance against the different metrics separately and avoid combining them into a single ranking. This would follow the same approach Ofgem currently adopts to its publication of customer service indicators.² It will also help inform customers who are only interested in supplier's performance against a particular metric (e.g. that customer's switching decision may only be influenced by complaints performance and not switching speed).

While we fully support the intent behind this initiative we are concerned with the proposed timetable, which plans to start testing as soon as the consultation closes. This leaves little opportunity to refine the methodology. For the sake of maintaining consumer confidence we urge Citizens Advice to take the necessary time to ensure the methodology and source data is correct before proceeding. If this process is rushed, the resulting league table could potentially be misleading and leave customers more ill-informed about their energy choices. In this regard, we note that Citizens Advice has a power rather than a duty to publish information; we do not believe that this power should be used unless Citizens Advice is confident that the information is as helpful for consumers as it can be.

We would also welcome clarification on how the release of this new performance information will impact similar and complementary publications already made by the regulator.

We have set out detailed answers to the 10 questions in attached appendix and would be happy to meet to discuss them in more detail.

Yours sincerely



Nigel Howard

Head of Consumer Regulation

British Gas

² This information can be accessed via <https://www.ofgem.gov.uk/data-portal/customer-service>

APPENDIX 1

1. Do you agree that the combination of the 5 metrics proposed for the first release will provide consumers with an overall view of suppliers' customer service performance? Please provide any supporting evidence for your answer.

This is a question which should be asked of consumers directly. We note that Citizens Advice undertook user research earlier this year to establish opinions of existing energy supplier performance information as well as on what informed consumers' decisions about their energy supply.³

We'd be interested to see how the results of this research informed Citizens Advice's proposed metrics and would strongly suggest additional research is carried out to establish whether the proposed improvements to the performance information would provide customers with a better overall view of suppliers' customer service performance.

We have used the table below to assess each proposed metric against the 3 criteria set out in our covering letter.

Metric	Scope	Likely to help consumers make switching decisions?	Complete, accurate and fair?	Likely adverse unintended consequences on consumers or competition?
Complaints	The existing complaints data published by Citizens Advice in the supplier performance league table	Yes, in principle.	<p>Not completely</p> <p>Some metrics are included which do not provide insight to a supplier's performance, such as "advice" cases.</p> <p>Weightings are assigned without good evidence to suggest that the relative severity of different contacts accurately reflects supplier performance.</p>	<p>Yes, if the information is not complete, accurate and fair.</p> <p>Risk of gaming. Suppliers could attempt to achieve a better ranking by decreasing the quality of their signposting to Citizens Advice and the Ombudsman Services: Energy. However, this risk is minimized by Citizens' Advice annual audit of the quality of suppliers' signposting and subsequent publication of results and reporting of non-compliances to the regulator.</p> <p>The existing league table could be improved in the following ways:</p> <p>-The presentation of</p>

³ This research is referenced in section 1 (p. 5) of the consultation.

				<p>the league table (inc. any press releases) should make it clear that the table is not a record of the actual number of complaints received by a supplier.</p> <p>-It should only include metrics which enhance understanding of supplier performance and provide insight for suppliers to enable them to make appropriate adjustments to their customer services and other operational activity so as to improve⁴.</p> <p>-Weightings must be relevant and evidenced. They should reflect the clear differences in the importance of each measure to customers' understanding or perception of supplier performance</p> <p>-The table should be extended to include all suppliers (currently limited to 20 suppliers).</p>
Customer service	Customer satisfaction with ease of contacting supplier	Yes	Cannot tell (no visibility of GFK questionnaire or previous results)	Cannot tell (no visibility of GFK questionnaire or previous results)
Billing	Satisfaction with ease of understanding bills	Yes	Cannot tell (no visibility of GFK questionnaire or previous results)	Cannot tell (no visibility of GFK questionnaire or previous results)
Switching	Average length of time taken to complete a switch	Broadly, though some aspects of	Delays in the switching process are not always the supplier's fault.	Difficult to see possible adverse impacts on

⁴ For example, measures which are not reflective of supplier 'underperformance' should not be included in the model; 'advice only' cases are such a measure and should therefore be excluded from the Model. Additionally, as long as Citizens Advice cannot disclose detail about actual customer experiences, it is hard to see how suppliers can improve performance.

	for a customer	the switching process may be outside suppliers' control (but if it the same for all suppliers then the impact is reduced)	Instead, the percentage of customers who complete the switching process within 21 days would be a better metric.	consumers or competition, provided that the information is comparable.
Customer Commitments	Switch Guarantee member and/or Billing code Member	Maybe. Customer research is needed to determine whether this metric would help customers make informed decisions.	Yes	Not all members of the Guarantee or the Billing Code will perform equally well against its obligations. Consumers may not attach the same importance to membership of the Guarantee versus the Billing code.

Summarising the above analysis, our position against each metric is as follows:

- Complaints: Support in principle. The existing league table should be improved to ensure that the information will be complete, accurate and fair;
- Customer service: Support in principle. Need visibility of GFK questionnaire or previous results in order to ascertain whether the information will be complete, accurate and fair;
- Billing: Support in principle. Need visibility of GFK questionnaire or previous results in order to ascertain whether the information will be complete, accurate and fair;
- Switching: Support in principle. Metric should take into account that some aspects of the switching process may be outside suppliers' control;
- Customer Commitments: Customer research is needed to determine whether this metric would help customers make informed decisions.

It would be helpful to receive confirmation on whether Citizens Advice proposes to update the model on a quarterly, 6 monthly or annual basis. Data for the existing league table is currently shared by suppliers on a quarterly basis and we understand quarterly data to be available for the remaining metrics.

2. Do you agree that the indicative weightings are an accurate representation of the importance of each metric? If you suggest any changes, please provide an explanation and any supporting evidence

When using a balanced scorecard approach (i.e. a basket of measures), it is important to assign appropriate weightings to the different components/measures reflecting the clear differences in the importance of each measure to customers' understanding or perception of supplier performance. Where this is not apparent either (a) from first principles, or (b) through empirical evidence that robustly links each measure to a reliable assessment of importance, then we believe it is necessary to ask consumers what they think the weightings should be and test different options. Failing that, we believe all measures should be assigned equal weighting.

We note that a 2014 consumer survey by Citizens Advice “found volumes of complaints to be the third biggest influence to consumers when making decisions about their energy supplier.”⁵ This result has led Citizens Advice to allocate the highest weighting to the complaints metric. We’d be keen to see a copy of the survey as it may help inform a decision on what weightings should be attributed to each metric.

In the absence of detailed customer research, Citizens Advice should consider displaying performance against the different metrics separately and avoid combining them into a single ranking. This would follow the same approach Ofgem currently adopts to its publication of customer service indicators.⁶ It will also help inform customers who are only interested in supplier’s performance against a particular metric (e.g. that customer’s switching decision may only be influenced by complaints performance and not switching speed).

3. Do you agree with the decision to limit the metrics and overall rating in the first release of the tool to the 17 largest suppliers from which we are able to collect representative data?

As Citizens Advice itself recognises in its consultation, for this tool to truly represent a comparable overview of supplier performance, all market players should be included.⁷

We understand the existing “energy supplier performance league table” currently covers 20 suppliers. The information for the 4 new performance metrics will be sourced from GFK (customer service and billing), a Request for Information (switching) and Energy UK’s website (customer commitments). It is not clear whether GFK’s data covers the entire market. However, the switching and customer commitment data should be obtainable from all suppliers.

As a minimum, we’d therefore expect at least 20 suppliers to be included in the first release of the tool. Within 6 months of the launch of the tool, we expect Citizens Advice to confirm the date all suppliers will be included in the complaints league table (and consequently the tool as well).

4. Do you agree that a future release of the tool would benefit from the inclusion of a performance metric about the average speed to answer telephone calls? Do you agree that the suggested scope of calls between ‘9am 5pm, Monday Sunday’ is the appropriate timescale to capture this information? Please provide any supporting evidence for your answer.

We agree that in principle providing information on average speed to answer telephone calls (internally referred to as ‘ASA’) could help customers make informed switching decisions.

However, ASA must be recorded on a like-for-like basis to ensure fair comparisons. For example, clarification would be needed on the point from which the clock starts ticking, e.g. from when the customer dials the last button on their phone or from when they have made their last choice within the IVR. If this can’t be achieved then it should not be published.

Citizens Advice should also be mindful that publication of ASA could create incentives for suppliers to “game” the indicator, such as by “technically” answering the phone but not providing a good customer experience upon answer.

Should Citizens Advice decide to include ASA in future releases of the tool, any data capture requirements which are different from our current process will require significant time and investment to change.

Finally, as mentioned in our answer to question 2, any proposed weightings should be based on detailed consumer research.

⁵ This research is referenced in section 2.1 (p. 11) of the consultation.

⁶ This information can be accessed via <https://www.ofgem.gov.uk/data-portal/customer-service>

⁷ “We recognise the importance of providing high quality performance information that is market wide.”

5. Do you agree that a future release of the tool would benefit from the inclusion of a performance metric about the accuracy of switching, based on the number of erroneous transfers? Please provide any supporting evidence for your answer.

As stated above, in order to ascertain whether publication of this piece of data is in the best interests of domestic consumers, it should be evaluated against the following criteria:

- Whether it is likely to achieve the objective of helping customers make informed switching decisions;
- Whether it is complete, accurate, not misleading, and otherwise fair both in terms of its content and in terms of how it is likely to be presented to consumers by third parties as well as Citizens Advice;
- Whether it is likely to have adverse unintentional impacts on consumers or competition.

A metric about the accuracy of switching based on the number of erroneous transfers will meet those criteria assuming the following conditions are met:

- Citizens Advice uses the same data suppliers already report to Ofgem on a monthly basis
- Citizens Advice only publishes data on the ETs each supplier gained (i.e. caused)
- Customer Service Returners (CSRs)⁸ are excluded from the data, as this would present a misleading picture. Customer Service Returners account for around 25% of our ET volumes. The CSR process is designed to help customers. It allows a customer to return to their previous supplier even if the cooling off window has expired. Including CSR numbers within ET volumes would be misleading as it would imply that it is a process that results in customer detriment.
- All data should be adjusted to reflect suppliers' market share

6. Are there any additional qualitative indicators we should be considering for future development of the tool, in order to provide the best possible information for consumers?

Ofgem has previously consulted on the publication of customer service indicators. We supported the publication of those metrics which would meet the criteria set out in our cover letter⁹. These metrics are listed in the table below, together with the source from which they would be obtained and the circumstances under which we would support them.

Indicator	Source	Notes
Supplier satisfaction	GFK Energy Research Panel	Support in principle but would need visibility of GFK questionnaire or previous results
Recommending your supplier	GFK Energy Research Panel	
Valued customers	GFK Energy Research	

⁸ Customer Service Returners: where the ET process is used on a goodwill basis at the discretion of the relevant Suppliers.

- Customer said not signed but we have bank details on screen.
- Customer has changed mind and is adamant that they will not contact a supplier of their choice because it is too inconvenient.
- Customer has changed mind after they spoke to a rude customer service agent and want to complain to Consumer Futures.
- Customer deceased after signing contract.
- Customer states they phoned up (or wrote or returned a form) to cancel before but there is no note on the system. The account is at a stage of registration where it cannot be stopped.
- Customer cancels one day after registration has commenced and insists that the supply letter was not received until yesterday.
- Customer says that the rep said the contract was for more information only after investigation it is found that we have the customers DOB and bank details.

⁹ (1) Whether it is likely to achieve the objective of helping customers make informed switching decisions; (2) whether it is complete, accurate, not misleading, and otherwise fair both in terms of its content and in terms of how it is likely to be presented to consumers by third parties as well as Citizens Advice; and (3) whether it is likely to have adverse unintentional impacts on consumers or competition.

	Panel	
Percentage of customers proactively provided with information on how they can reduce their energy consumption		<p>Support in principle.</p> <p>The huge discrepancy in suppliers' performance leads us to question whether this information is provided on a consistent basis</p>
Percentage of bills based on actual meter reading (for dumb meters)		<p>Support in principle.</p> <p>Some work will need to be done to ensure that the data is comparable, for example ensure all suppliers use the same reporting period.</p>

7. Do you agree that the scoring definitions and scoring criteria proposed are appropriate to use for the comparison tool? Please provide any supporting evidence with your response.

As stated above, when using a balanced scorecard approach, it is important to assign appropriate weightings to the different components reflecting the clear differences in the importance of each measure to customers' understanding or perception of supplier performance.

In the absence of research illustrating customers' preferences, we have provided our preliminary view in the table below.

	Are scoring definitions and scoring criteria proposed appropriate?	Supporting evidence
Complaints	Yes	The average score will ensure that a score of 4 (good) and 5 (excellent) is achievable for suppliers, whilst those suppliers with higher external complaint volumes will only be able to achieve an average, satisfactory or poor performance ranking.
Customer service	Cannot tell	No visibility of GFK questionnaire or previous results
Billing	Cannot tell	No visibility of GFK questionnaire or previous results
Switching	Yes, in principle	<p>We recommend the target includes valid reasons for delay. Under Ofgem's reporting definitions suppliers can exclude customers who have been delayed for reasons outside our control, e.g. customers haven't provided sufficient data. These make up around 2-3% of transfers going through outside 21 days.</p> <p>Assuming the target includes valid reasons for delay, a 95-98% good performance is achievable and 98% is excellent. 100% performance is not practically attainable given the unpredictable nature of the transfer process. Average performance should be around 90-95%.</p>

Customer commitment	Yes, in principle	<p>Consumer research would need to be carried out to establish whether consumers value the Switching Guarantee and Billing Code equally.</p> <p>It may be preferable to measure supplier performance against annual audits instead of membership as not all members of the Guarantee or the Billing Code will perform equally well against their obligations.</p>
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8. Do you agree that rounding supplier scores to the nearest quarter score will show sufficient granularity, while remaining clear enough for consumers to understand?

Yes, we would agree with this.

9. Do you prefer the alternative scoring criteria over the initial scoring criteria set out in Section 4.1? If so, why?

The alternative scoring criteria will score from 1-17 and rank all participants whilst the initial scoring criteria will score from 1-5 and list the scores of the top 5 performers. Which approach would best inform customers' switching decisions would best be tested with consumers directly.

10. Do you agree that the proposed tool will make improvements to the experience consumers currently have when accessing Citizens Advice performance?

This is a question which should be asked of consumers directly and we'd therefore recommend Citizens Advice undertakes consumer research in this area.

Whilst we appreciate Citizens Advice's efforts to combine the performance information it currently publishes and make it accessible via a single web page, the lack of full information for the entire industry creates a high potential for confusion amongst customers, i.e.

- The new performance information tool will only cover the 17 largest suppliers
- There are 3 suppliers who are currently covered by the complaints league table yet they have been excluded from the new performance information tool. We are not clear as to why this approach has been taken as the information for the 4 new metrics appears to be available for the entire market.
- Suppliers excluded from the new performance information tool will still be listed in the tool with the information currently contained within the customer service tool (i.e. opening hours, ways of contacting supplier and frequency of billing)
- Suppliers excluded from the new performance information tool who have a complaints ranking or are signed up to the switching guarantee and/or billing code, will have information provided on them in an "appropriate format".
- The price comparison tool will display different information depending on whether (1) a supplier is part of the new performance information tool; (2) a supplier is excluded from the tool yet has a complaints ranking or is signed up to the switching guarantee and/or billing code; (3) a supplier is excluded from the tool and has no complaints ranking or is not signed up to the switching guarantee and/or billing code.

We can support the proposal to share the overall performance rating of the new tool with external energy price comparison sites in principle. Assuming the tool is re-developed in a way that helps customers make informed switching decisions, its use on a switching site would seem appropriate.