



To: Isobel Croot
Citizens Advice
200 Aldersgate Street
London EC1A 4HD

Submitted via email to isobel.croot@citizensadvice.org.uk

9th September 2016

Dear Isobel,

Consultation on Improving Energy Supplier Performance Information

Octopus Energy is an independent supplier that started supplying gas and electricity to domestic homes and businesses in Great Britain this year. We are a part of the Octopus Investments Group, who over the last decade have become the third largest investor into UK renewable generation in the UK and the largest in solar generation.

In addition to our belief in the importance of the supply of green tariffs (our standard Octopus tariff is 50% green and our Green Tariff is 100% green electricity and a full carbon off-set for the gas burned), we also believe:

- That the consumer should be given clearer communication about pricing over a longer period: so that they can choose a tariff that is good for them over the long term, not just the fixed term.
- That the barriers to switching due to the slow and complex nature of the switch process should be systematically eliminated to make switching quicker and easier.
- That service from energy companies should fit into people's lives – so we deal with queries via email, Facebook messaging, webchat with speed (our target is within an hour and over the last few months we have been achieving between 20 and 47 minutes) and we also pick up and manage messages through the evening and weekends.

Overall, we welcome this Energy Supplier Performance project from Citizen's Advice. We applaud the urgency in the timeline and are ready to commit people to attend the workshops and liaison as needed in the coming months.

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We also stress the importance of getting the tariffs included as part of the initial scope (currently flagged as a TBC part of the project). If the two Ofgem consultations due back on 28th September regarding Tariff Comparability and the Confidence Code are accepted in their current form – then it is very possible that the consumer could be heading into a time of considerable confusion and lack of clear and comparable information due to:

- a) The end of the Whole of Market comparison in the Confidence Code could well mean that Price Comparison Websites (PCW) are likely to each become 'multi-supplier sales agents' selling through online, telesales and F2F channels the wider range of offers from the suppliers who are paying them, and many of these tariffs could be exclusive to that supplier/agency contract and they are each likely to carry a different range of tariffs and have a different sales focus and approach.
- b) The ability for each supplier to vary the basis of the tariff (currently standing charge and unit charge) and the basis of the methodology of the annual consumption calculation – with the control mechanism that 'it is hoped' that each PCW will enforce one methodology each will mean that there is no single version of the truth when comparing across the market.

Hence the importance of the Citizen's Advice database as the beacon of where people can go to in order to get transparent and honest information – of both how customers get treated and on what how the suppliers and tariffs really compare. We do not believe that this needs to be a transactional database – just have the tariffs and the ability to click through to the suppliers' websites in order to sign up.

Looking at the specific questions in turn:

On questions 1 - we agree with the combination of the metrics chosen, and are particularly pleased to see the speed of switch as one of the criteria. We would also say that we think that the accessibility and usability of the website and app should be a specific criteria, since this really affects the lives of many consumers – and especially vulnerable consumers such as blind consumers and those who have another person managing their account on their behalf. There are Government guidelines on website usability and we would like to see this added as an extra criteria.

On question 2 – we do not have any specific issues with the choice of weightings – but would obviously suggest adding some weighting for the website usability.

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On question 3 – we believe that every supplier with a supply licence should be included. In order to make this possible, it is probably easiest to ask for a sample of customers to contact against some very specific criteria, rather than recruiting via a wider research method. As we saw in the referendum polling – the way that people are recruited and questioned does skew the accuracy of the answers that they give. We believe that a correctly requested sample and a questionnaire process managed by a research house such as GFK could work effectively.

On question 4 - we also believe that the speed of response to email is a very important metric and should be given equal weighting with telephone response time – since this is how people expect to deal with suppliers – as has been shown with the rise of eCommerce and the change of businesses such as grocery, book sales, music and telcomms.

We would also agree that contact across the week is a fair request – but would break out Saturday separately and Sunday separately, as we see that consumers have different expectations (indeed we even had one who came back to us and asked why we were responding to his email on a Sunday!)

We would commit to email response and resolution through Saturday and Sunday 9am to 5pm, but with a 2-hour response commitment (vs our usual 1 hour 9am-5pm Mon-Fri). We do not think that it is a fair requirement to make telephone contact at the weekend a mandatory requirement.

On question 5 – we would also like to see Erroneous Transfers reduced. Whilst some of this is within the control of the supplier accepting the switch, much of the data quality issues in the industry databases is external to the supplier – or indeed whether the previous supplier updated the database correctly. We would very much like to see a project for improvement in this area, but think that it should not be a part of this scorecard, but a separate one that digs into the previous and new supplier behaviours as well as the data issues.

On question 6 – we think that the usability of the supplier's website and app on different appliances – ie mobile, tablet and PC would be a useful qualitative indicator. The reality of many consumers lives is that they are on the go and need to be able to access relevant information from different devices at different times.

On question 7 – we would recommend that real scores be shown to consumers rather than just rankings or groupings – as otherwise it is very hard to tell whether there are large or small differences between different suppliers.

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On question 8 - For simplification you could show ranges, but it will probably be necessary to understand the range of scores before you can set meaningful ranges to present the data against. We do not think that rounding up to quartiles is likely to show good transparency of the real situation across all of these areas.

On question 9 – our preference would be for absolute scores in each of the areas. Then for these to be weighted into an overall score and then this to be ranked. So the consumer would see the companies ranked in order, with the overall score and the absolute scores in each of the areas along side.

In order to manage the grid in appendix D, we would recommend an approach more like Trip Adviser – where you see the absolute score based on the multiplication of the numbers of responders by the numbering in the Likert scale, and then you also have a bar chart of the responses. This can be taken in at a glance and is highly comparable.

On question 10 – we are pleased that there will be this one version of the truth – we do use TrustPilot as a key indicator internally, but this adds more useful granularity for both the consumer on what they can expect and for us, on where we need to focus and improve. We do once again stress the importance that put on adding the pricing based information alongside, so that consumers see the whole picture.

We would also say that we believe a comparison of the price over 3-years is a much more useful metric. We understand that a couple of sources in GB and Ireland have shown that the average consumer stays at least 3 years on a tariff (even with the best intentions of switching). So we believe that the tariff should show the 3-year view of the fixed term and the time on the deemed tariff. This would avoid the impact that many people have where they wipe out in just a few months on the deemed tariff all of the saving that they previously made by moving to a lower fixed tariff, just by missing a date.

Thank you for consulting and we look forward to the workshops in the coming weeks.

Yours Sincerely

Greg Jackson – Founder and CEO

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