



Isabelle Croot
Citizens Advice

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

email to: isobel.croot@citizensadvice.org.uk

9 September 2016

Dear Isabelle

Supplier Comparison Tool (“the Tool”)

Thank you for the opportunity to respond to the above consultation. In principal, SSE is supportive of the concept of a Supplier Comparison Tool, however we strongly believe that further time and consideration must be given so improvements can be made to the approach.

In particular, we have concerns regarding the methodology proposed, which removes valuable detail on supplier performance in favour of more standardised scoring and we have submitted an alternative as part of our full response. This alternative approach would allow more granularity in the outcomes and therefore more detailed information and insight for customers. We agree with Energy UK’s view that rather than progressing towards a November 2016 launch, further time is needed to allow for industry engagement, research, review of the methodology, validation and testing which takes into consideration all customer groups. Taking time to make sure the information is meaningful for customers at this stage will ensure that the Tool is utilised effectively and avoid confusion in the longer term. In addition, we believe it is vital that the views across the customer base are taken into account, including customers in vulnerable situations and we would encourage Citizens Advice to review the GfK survey to ensure this coverage and that it is fit for this purpose.

We are also unclear why specific initiatives have been singled out for inclusion in the customer commitment element of the Tool. In particular, we would question inclusion of membership of the Billing Code which provides points within the Tool. Whilst suppliers may not be members of this Code they may provide the same benefits for customers through



their existing commitments. As you are aware SSE is not currently a member of the Billing Code, however, we do practice the principles and have made commitments in our Customer Charter, which also includes a commitment never to backbill for any period our most vulnerable customers. Furthermore, we believe that there are many other measures which demonstrate quality of service to customers, including support services for vulnerable customers, performance against Treating Customers Fairly and we believe performance on complaint handling should remain the main focus and output of any Tool developed.

We would highlight that if the Tool is used on price comparison websites (PCWs) then it is likely that the introduction of the Tool may have commercial consequences for suppliers, as if effective it is likely that the Tool will influence customer purchasing decisions. For this reason we would urge Citizens Advice to undertake an evidence-based review of the content and methodology for the Tool in order to ensure that the approach adopted does not result in unfair consequences for either suppliers or users of the Tool. As detailed in the following pages (in particular questions 7 – 9), we think the current methodology could result in unfair consequences and that, considering the potential commercial impacts and competition considerations, the approach therefore should be revised.

Q1. 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.

We do not agree that membership of voluntary codes facilitated by Energy UK should be included as a Metric. Energy UK is a membership organisation and not all suppliers are members. In addition, although Energy UK has an important role to play in driving positive change for customers, we do not believe that this is uniquely their role. Therefore we are unclear why Energy UK initiatives have been favoured, and why only certain initiatives have been proposed for inclusion, i.e. the Billing Code and Switch Guarantee. For example, the Safety Net which gives vulnerable customers additional protections beyond the licence minimum is not included.

Indeed, a coordinated industry approach to areas relating to customer service could result in services being homogenised for customers. If the Comparison Tool is adopted by price comparison websites, then it could quickly become recognised as the standard industry measure. There is a risk therefore that this could encourage Suppliers to focus on ways to increase the scores based only on the Tool Metrics and spend less attention and resource on developing alternative approaches, which might have offered a better outcome for customers.

It should also be recognised that membership of the Billing Code may be a financial barrier to entry for smaller suppliers and, when we consider that the Tool could influence purchasing decisions, we think that inclusion of this metric could have unintended consequences for competition. This is because membership of Energy UK in general, and the Billing Code in particular, requires a financial outlay and it may be beneficial to explore this further with smaller suppliers, as part of the additional industry engagement suggested earlier.

We would also seek clarity on the proposed scoring criteria for the Billing Code if this is to form part of final agreed metrics. We would value further guidance on the criteria for scoring against the Billing Code and whether there are any restrictions around gradings, publications of audits etc.

Q2. 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.

Our review of the results of the research undertaken by GfK for the Customer Service and Billing metrics suggests similar levels of scoring across suppliers, which are likely to result in a "standardised score" for the majority of suppliers, for which there is data available.

We consider that the better measure of customer satisfaction can be found in the Third Party Complaints data, which provides a more accurate picture across a supplier's customer base. It is likely to be more reliable due to the fact that the information is independent, well-established and representative. We therefore agree that any Third Party complaints data metric should receive a higher weighting than the other metrics. Indeed, we believe that this weighting should be increased to 40%, with Customer Service and Billing being reduced to 15% in recognition that the data relied on by the latter metrics does not "read across" a supplier's whole customer base and therefore the reliability may be more limited.

Q3. 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 mentioned earlier, we support Energy UK's recommendation for more testing of the Tool before it goes fully live. If the decision is made to go ahead with 17 suppliers, we believe it is important that Citizens Advice make it clear for customers that this Tool does not include all suppliers in the first instance and also explain the reason for this and the longer term plan for inclusion of all suppliers. We believe this is essential to allow customers to have all the information available at the point of utilising the Tool.

Q4. 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 would support a future review of the Metrics, which could include a call answering time Metric. We would recommend that any future review is consulted upon, considering the possible commercial impact of the Tool.

Q5. 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.

Erroneous transfers are a tricky area, involving two suppliers. The fault can lie with one of the two suppliers involved. Any Metric on this issue must ensure that blame is not ascribed to a supplier in a situation where the ET was outside of its control. Any future Metric on this issue should therefore be subject to careful review and consultation.

Q6. 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?

We believe it is important that the Tool is not over-complicated and that any additional indicators are directly beneficial to customers. As such, there may be merit in including further Metrics on the support suppliers provide for vulnerable customers. This could include Textline, SignVideo, adapted communication and translation services. We would support Energy UK's view that detailed research would be beneficial to establish which additional indicators would be useful to consumers.

Questions 7 - 8

- **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.**
- **Do you agree that rounding supplier scores to the nearest quarter score will show sufficient granularity, while remaining clear enough for consumers to understand?**

SSE is extremely concerned by the proposed methodology, which we think may potentially result in an over-simplified and potentially inaccurate version of the available data. We do not believe it is in the best interests of customers if the true picture of supplier performance is skewed by over-simplification, weightings or the wrong measures, and believe this area is worthy of further consideration and consultation. We consider the current proposed approach could devalue the Tool in the long run as customers are likely to be unable to differentiate between suppliers in practice.

We refer to the following illustrative example, using the Complaints scoring methodology (based on fictional numbers):

Supplier	Score	Score in Tool	Weighted Score
A	23	5	1.25
B	37	5	1.25
C	48	5	1.25
D	102	3	0.75
E	349	3	0.75

This example demonstrates that under the current methodology, it is possible for a supplier to deliver a substantially better outcome for customers than its competitors, yet still receive the same score in the Tool. Considering that SSE's performance in Complaints this calendar year has been in the 20s (currently 22.5), the current methodology would allow another supplier to have more than double the number of points without this difference in performance being visible to customers. As matters stand, from the customer's perspective, Supplier A and Supplier C would look like they have the same performance in this area. This

delivers an unfair outcome both for customers who will rely on this information and also for suppliers who strive to deliver an outstanding performance for its customers. Equally, in the above scenario, in the lower end of the scale (the “average” category) it is possible for suppliers to have more than three times the number of points compared to the next best supplier. Under the proposed methodology, a supplier’s true performance is therefore obscured, which we do not think delivers the best outcome for customers. We also believe that this methodology may lead to perverse incentives, where there is no incentive for suppliers to deliver a better outcome for customers if this additional effort is not recognised in their score.

We consider that a better approach is that the score given to suppliers is out of 10, with the potential points split under each metric and weighted accordingly. We would also suggest the use of a decimal place (e.g. 8.2 out of 10). This approach is already used in ranking tools that are commonly used by customers in other areas (e.g. Booking.com).

Therefore, for ease of comparison, the attached table uses the example weighting you provided against a scale of 10. This would translate in to a potential of 3 points for complaints, 2.5 points for service, 2.5 points for billing, one point for switching performance, and 1 point for membership of Switch Guarantee and Billing Code.

I hope you will agree that following your model, but switching to a scale of 10 and allowing a decimal place would provide a much more granular level of detail.

When the score reaches a level where there are no points left in the category (i.e. over 175 points for complaints) then our proposal is that the attributable points should rightly be zero. As well as providing customers with a more accurate picture, this approach will genuinely help drive the right behaviours.

Similarly, the additional level of granularity will increase transparency for customers in the other metrics. For example, in our proposed alternative a supplier with a 64% score for service would receive 1.4 points out of a possible 2.5 points once the weighting had been applied.

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

We would support an approach which provides customers with as much granularity as possible for customers and believe that this can be best achieved through our suggested alternative approach, as outlined in our response to Q7-8. This will allow customers greater visibility of the gap in performance between suppliers.



Q10 - Do you agree that the proposed tool will make improvements to the experience consumers currently have when accessing Citizens Advice performance information?

Yes, but only if the proposed methodology is amended and insight is obtained from customers to ensure they benefit fully from the Tool once implemented. We believe that if Citizens Advice proceeds with the primary methodology proposed then this will result in a poorer customer experience, as the information provided will lack sufficient detail to allow them to make informed judgments. We would also reiterate our recommendation that further customer and industry engagement and research is undertaken, along with a review of the GfK survey itself to ensure that the sample group accurately reflects suppliers' customer base.

I trust the information I have provided is useful and I look forward to your response. In addition, we are happy to discuss any points with you, where additional clarity is needed.

Yours sincerely

Frances Muller
Customer Relations