

Improving energy supplier performance information

Citizens Advice consultation

A Response by Utility Warehouse

This document sets out the views of Utility Warehouse regarding the Citizens Advice (CA) consultation '*Improving energy supplier performance information*' published by CA on 26 July 2016. The response provided is on behalf of Gas Plus Supply Limited and Electricity Plus Supply Limited, both of which are wholly owned subsidiaries of Telecom Plus PLC; Utility Warehouse is the trading name for Telecom Plus PLC.

Telecom Plus, which owns and operates the Utility Warehouse brand, is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets. Customers benefit from the convenience of a single monthly statement, consistently good value across all their utilities and exceptional levels of customer service. Telecom Plus does not advertise, relying instead on 'word of mouth' recommendation by existing satisfied customers and distributors in order to grow its market share.

We take our responsibilities as an energy provider very seriously and make every effort to ensure we provide such essential services to our customers with the utmost integrity; the value of a customer is at the heart of our business model and the way in which we operate. Customer value is the cornerstone of the success we have and continue to achieve.

**General Comments**

We welcome the stakeholder workshops that CA has held in developing the energy supplier comparison tool and we trust such collaboration will continue in the future. While we understand and appreciate the background to why CA is seeking to develop the tool, we firmly believe that any component metrics to be included must be robust, accurate and provide a true representation of supplier performance in the market.

The onus is therefore on CA to develop a tool that provides consumers with meaningful and relevant information in an easy to understand form that allows consumers to make appropriate comparisons of supplier performance and to make informed choices as a result.

We firmly believe that for the tool to provide a meaningful comparison of supplier performance, it should include comparable data across all suppliers operating in the market not just the 17 noted in the CA consultation.

We believe it would be beneficial if CA conduct additional consumer research to better understand the value of any proposed metrics and how the provision of information will improve the consumer's knowledge and decision making in future.

It is largely unclear to us whether the GFK research data provides statistically representative sample sizes to accurately measure performance across suppliers of varying size. It would be helpful if CA could share further details in this regard. It is also unclear whether CA has considered the use of Net Promoter Scores for the consumer opinion elements of the performance metrics and we would welcome CA doing so if they have not already.

Prior to the release and publication of any performance metrics, the tool should undergo thorough testing which should include a stage whereby energy suppliers can view and comment on the accuracy of intended data in a similar fashion to what happens today with the CA complaint league tables.

While we have fed our general views into the response you will receive from Energy UK, we would like to make the following comments in response to the specific questions raised in the consultation.

### **Question 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.**

It would be useful if Citizens Advice is able to set out details of the consumer research which was used to inform the proposals for the 5 metrics detailed in the consultation as we are currently unaware of what process has been followed to arrive at them. For example, did the User research referred to in Section 1 of the consultation include consumers from a range of suppliers covering a range of existing performance experiences across the market? It is unclear from the consultation whether the proposed metrics are based on consumer opinion so we would welcome clarification in this regard.

While we are not against the inclusion of performance metrics in the areas of Complaints, Customer Service, Billing and Switching we do not support the proposed inclusion of the Customer Commitments element of the energy comparison tool in its current form; signatories to an industry voluntary Code.

Being a signatory to a voluntary Code is an indicator of intent, it is not an indicator of good, bad or indifferent performance and behaviour. Indeed in 2015, one of the large suppliers performed so badly against the Billing Code audit that they did not even receive an audit rating, yet as proposed, that supplier would receive a positive score of 'Excellent performance' in the energy comparison tool simply because they are a signatory to the Code. Of the other suppliers who are signatories to the Billing Code, they received varying ratings clearly highlighting that some performed better than others; yet based on the current proposals, each supplier would receive 'Excellent performance' in the energy supplier comparison tool. We fail to see how this provides a clear and meaningful performance comparison to consumers.

One of the key reasons why certain industry voluntary Codes do not have more signatories is due to the costs of auditing associated with being a signatory, not because they haven't adopted the principles of the Code into their daily operations.

It should be noted that current signatories to the Billing Code are 5 of the 6 largest energy suppliers and the Energy Switch Guarantee currently has 9 supplier signatories. This is in a market of 40+ active domestic energy suppliers.

### **Question 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.**

In the recent publication 'Retail Energy Markets in 2016', Ofgem noted that although switching is an important element of a competitive market, the switching process in the gas and electricity

markets *“is complex, prone to delays and errors, and is consequently a significant source of customer complaints and a barrier to engagement.”* We would therefore argue that it is just as important a metric as complaints and as a result should be weighted accordingly in light of the “faster switching” body of work undertaken by Ofgem.

We do not believe the assertion made on page 11 of the consultation to be correct; it states *“A lower weighting is also proposed for switching, on the basis that switching as a service has an impact on a smaller number of consumers than the more heavily weighted metrics which are more likely to impact all consumers”*. We believe the number of consumers impacted by the switching service far outweighs the number of consumers actually impacted by say customer complaints; the whole market is exposed to both areas.

As set out in our response to Question 1, we do not believe Customer Commitments should be included in the comparison tool metrics therefore freeing up a 10% weighting to be used for alternative measures.

### **Question 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?**

We do not support the proposal. We firmly believe that for the tool to provide a meaningful comparison of supplier performance, it should include comparable data across all suppliers operating in the market not just the 17 noted in the CA consultation.

At a minimum, if Citizens Advice decide to proceed with data from 17 suppliers only, CA must ensure it is clear to consumers that the tool does not capture all suppliers and specify the reasons why this is the case.

### **Question 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 do not support the concept of a future release of the tool including a performance metric about the speed of call answering. This is primarily due to the current use of technology with IVR automated options that include the provision of answers to a range of questions that do not require the need of a physical person to speak with the customer. Given the varied use of technology combined with the use of people answering calls, we do not believe a performance metric in this area will provide an accurate comparison across the market.

In any event, the speed of call answering is a quantitative measure; we believe the comparison tool should focus on qualitative metrics. Just because an energy supplier may answer a consumer call quickly, it should not be assumed that the call is quality in nature and satisfies a positive consumer experience.

### Question 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.**

Given the fact that it can often be challenging to assign responsibility for who has caused the erroneous transfer (ET) to occur, we do not believe the inclusion of ET's to be an appropriate performance metric in any future release of the energy comparison tool.

### Question 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?**

We believe it would be very useful if CA is able to conduct consumer research to inform any future metrics that may provide consumers with future value.

### Question 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.**

In the absence of seeing the GFK research data that will be used for the Customer Service and Billing elements of the proposed tool, it is not possible to comment on the degree of appropriateness of the scoring criteria, nor are we able to understand in reality what score a supplier could realistically obtain. For example, the content and indeed to a large extent the format, of a bill is prescribed through regulation allowing energy suppliers little opportunity to differentiate. Although Ofgem's Future Retail Regulation programme will likely seek to address the level of prescription in time, at the present moment any plans are unknown. Given the relative standardisation of bill designs, it is difficult to see how energy suppliers will be perceived differently by consumers and therefore scored accordingly in the comparison tool.

In the Switching scoring criteria, while it may be aspirational, it is difficult to see how any energy supplier of size can achieve all switches within 21 days due to the fact that there are today valid reasons why a switch may sometimes take longer to complete.

### Question 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?**

We support the proposal to round scores to the nearest quarter score.

### Question 9

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

We do not have any alternative methodologies to offer at this stage.

#### **Question 10**

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

Ultimately this is a question that we believe CA should be asking of consumers to ensure the tool will add positive value to the consumer experience.