

22 October 2019

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Dear Thomas,

RE: Energy Supplier rating; Consultation on new customer service metrics and other updates

Thank you for the opportunity to respond to the above consultation. Utilita's submission comprises this letter and Appendix 1 which addresses the individual questions in the submission.

Utilita Energy Limited (Utilita) is a smart prepayment energy supplier, specialising in providing an excellent smart service to a previously poorly served market sector. We have been installing Smart meters for our customers since 2008, and SMETS meters since 2013. Our portfolio is around 95% prepay customers, and of those, approximately 90% have smart meters installed operating in smart mode.

In terms of non-smart customers, we have a small portfolio of legacy customers, who are either awaiting install, awaiting an appointment or who have refused a smart meter subsequent to sign up. As our core business model is that once a sale is made to the customer, we will try and book an install at point of sale, and accepting a smart meter is part of Utilita's principal terms, the number of customers in this group is small relative to the overall portfolio. We also have a small number of customers for whom a smart meter cannot be installed.

We pride ourselves on the quality of our offering to our smart prepay customers, and as far as we are able, we care equally for our traditionally metered customers. The best option for our customers will always be to install a smart meter for them as soon as we can and give them access to the full range of our smart services. For example, if a traditional prepay customer is off supply, and needs immediate help, we would not send an engineer to complete a 'wind-on'. This would be a purely temporary solution and not address the customer's longer-term issue. Instead, we will take the opportunity to install the customer's smart meter for them, which will mean we can help them remotely in future if this is needed.

We already provide Emergency Credit at £15 per meter and extensive Friendly Credit between the hours of 14:00 and 10:00 the next working day. In addition, we offer a self-service discretionary credit option (via our My Utilita App, known as via Power Up) to our prepay customers who meet modest criteria, and can also provide further assistance via our Extra Care Team (ECT) for our most vulnerable customers. The ECT is also trained to provide customers with tailored energy efficiency advice and to signpost customers

appropriately, for example, to StepChange where broader debt advice is needed. The ECT is also alert to other signs of difficulty with customers, that might indicate referral for an ECO3 consultation might be appropriate.

The My Utilita App helps customers understand and manage their energy use and account, in addition to the IHD. Our services also allow prepay customers to top up through a wide range of routes, including by App, online, by mobile, text, IVR and the usual cash/PayPoint options.

The extensive range of services that we deliver to our customers, plus the help that we offer to our vulnerable customers who may be in difficulty, shows that as a company, Utilita does support our vulnerable customers effectively.

Overall Utilita agrees in principle that changes are required to the Energy Supplier Rating and support most of the change suggestions. We believe that it will require more detail in the guidelines of any new metric introduced, so suppliers are able to make the necessary changes to their internal processes in good time.

Utilita have provided comments concerning the proposed change to metrics in Appendix 1. A category that was not included in the questions but did have an amendment to scoring is in regard to billing, we believe that timeliness of bills should be considered and not solely measured on accuracy of bills.

In respect of some of the measures proposed on email and social media, we have concerns that the metrics as we understand them may be very difficult to report. We have therefore requested more clarity and worded examples. Until these are available, and we can confirm reporting can be delivered, we reserve our position on these points.

In addition to the above, and as noted in the appendix, CAB will need to take careful account of the impact of the new metrics on supplier rankings when presenting the new data. Over time, these new metrics will provide valuable information to users. However, in the short run, the changes may lead to significant shifts between suppliers, not because service has changed, but because of a change to the basis of reporting. If not carefully managed and communicated to users, this may lead to unfair and misleading comparisons, which will not help consumers. We believe that it could be appropriate to consider shadow reporting while parties become accustomed to the new metrics, and, where the change results in a significant shift month on month, CAB should ensure this is made clear in press releases or similar publications.

We hope these comments have been helpful; we would be happy to discuss any points in more detail.

Yours sincerely,

By email only

Bruno Hawkins
Regulatory Reporting and Delivery Manager

Appendix 1 – Consultation Questions

Customer Service

Q1: Do you agree with our proposal to include email as a customer service metric?

Utilita agrees that email should be included as a customer service metric. However, there may be technical difficulties with the proposed treatment of subsequent messages. On this basis we give only limited support to the current proposal. Over time, it may be that alignment with direct messages through social media is possible, but in the short term, the different expectations on timings may mean standard SLAs are not yet practical.

Q2: Do you agree with our proposal to use percentage response time (within a certain number of days) as our measure of supplier performance?

Utilita agrees, however, the number of days needs to be carefully defined on the basis of full working days.

Q3: Do you agree with our proposal to measure response time to subsequent emails from consumers, following supplier responses, and to exclude response time to secondary messages?

Utilita agrees that this may be appropriate in principle, however it is not currently clear that this can be delivered. We would like further clarity on exactly how CAB would propose this metric should be calculated and what should and should not be included.

The current drafting suggests that the supplier should be required to measure the response time to all emails in a thread, while discounting secondary messages. This requires more clarity and clearer definition, including worked examples to ensure suppliers can record accurately.

We hope this will be achievable, but on this basis, we do not support this proposal until we are able to confirm the necessary reporting can be delivered. The same issue applies to the proposed approach on social media.

Q4: Please share any relevant research you are aware of on customer expectations of email response time.

The expectations Utilita has observed usually relate to the customer's perception of the severity of their query. If the customer deems it to be urgent, then their expectation may be coloured by this sense of urgency, and be shorter than if it was a less 'urgent' query.

With that in mind we usually see a customer expectation of around 3-5 days. If the situation is more urgent the customer is more likely to call to get a resolution rather than email. However, we do triage for urgency where we can.

Q5: Do you have any further comments on our proposal to include email as a customer service metric?

Utilita does not have any further comments.

Social Media

Q6: Do you agree with our proposal to include social media as a customer service metric?

Utilita agrees it would be appropriate to include social media as a customer service metric; we are seeing volumes increase through this channel. Please see comments in response to previous questions.

Q7: Do you agree with our proposal to measure Facebook and Twitter contacts, and to only measure direct messages?

Utilita agrees it is sensible to only measure direct messages. We feel that public comments could be unreliable.

We re-direct Utilita customers that have commented and need help through to a direct message, so we are able to go through data protection and assist with their query. This may result in contact through another channel. Only the initial direct message should be measured.

Q8: Do you agree with our not to make social media a mandatory contact channel, but to penalise suppliers who have a presence on social media but do not respond to customer queries via this channel?

Yes, but this should not be unreasonable, and the metric should distinguish references to a supplier on social media vs an actual presence, where the supplier makes the channel formally available.

Q9: Do you agree with our proposal to change the wording around 'answered substantively' in our information request?

Utilita broadly agrees with the proposal, however 'answered substantively' must be defined in a way which can be reported on. In addition, the definition will need to recognise that a substantive response may not represent a satisfactory outcome to the customer. We suggest that examples to support the definition would be helpful.

Q10: Please share any relevant research you are aware of on customer expectations of social media response time.

Utilita believes customer expectations regarding response times to contact through social media are generally much shorter than via email. This is due to the nature of social media and, is why we have genuine concerns on whether the two can sensibly be ranked through a single metric.

Companies in general may be seen to respond to social media queries more quickly, because a public comment – especially one with negative connotations – is more likely to be dealt promptly than an email that is more private. Equally, customers may choose to submit more detailed or complex queries via email rather than social media, this supports the view that the two metrics may need to be separate to be meaningful.

Q11: Do you have any further comments on our proposal to include social media as a customer service metric in the rating?

Please see our previous responses with respect to the difficulty of reporting against selected elements of a communication. On this basis, we reserve our support for the proposal until we can be confident that that reporting requirements can be delivered effectively.

Webchat

Q12: Do you agree with our proposal not to include webchat as a customer service metric at this stage, but to keep it under review as part of future iterations of the rating?

Utilita agrees with the proposal to not include webchat, and keep the potential requirement under review. If CAB later proposes an additional metric, it will be important to define it carefully to ensure that robust reporting can be specified for all suppliers.

Q13: Do you have any further comments on webchat as a customer service metric?

Utilita has no further comments.

Additional Metrics

Q14: Do you agree with our proposal not to include telephone ringbacks and telephone abandonment rates as customer service metrics?

Utilita agrees with the proposal not to include ring backs or abandonment rate as a metric.

Q15: Do you agree with our proposal for incorporating the new customer service metrics into the rating?

Utilita agrees with a number of the proposals, however in this response we have noted a number of reservations around reporting. In addition, it would be helpful to clarify the proposals around email and social media. The document seems to suggest that if a supplier uses only email, they can achieve a 10% weighting for that. However, if they use email and social media, they can only achieve 5% weighting for each. This would mean that a supplier who delivers well for email, and is starting to offer social media may score less well than a supplier who only offers email, and may also do that less well. If correct, this appears inequitable, and we do not support the approach.

In order to avoid unhelpful and confusing step changes in the metrics, we propose that CAB should operate the new metrics as a shadow log for at least 2 quarters. That will give all parties time to become accustomed to the new measurements.

If such measures are not carefully introduced, the impact can be misleading as supplier rankings may change significantly based on rule changes between quarters. We believe this is not helpful to the comparison overall, and we would have a strong preference for implementation at the start of a reporting year rather than mid-year.

Energy Industry Change

Q16: Do you agree with our proposal to include the Energy UK Vulnerability Code of Practice in the rating?

We do not support inclusion at present. We believe it would be more appropriate to give the code chance to become fully embedded in the industry, and assurance implemented and tested prior to inclusion.

It is important that such codes are widely applied and accepted to maximise benefit to vulnerable customers. However, given the potential complexity, we believe it should be fully implemented prior to inclusion in the formal metrics. We agree that vulnerable customers may need extra help to feel confident in choosing a new supplier – for this reason, it is essential any new measures are tested, embedded and properly communicated before being used as an assessment tool.

We believe that a short delay in metric implementation to allow for such robust testing and launch would be beneficial to vulnerable customer users.

Q17: Do you have any comments on the broader role of the Company Commitments element of the star rating?

Utilita feels that the rating should not be scored against 'Customer Commitments' as they are voluntary, instead they could be highlighted where suppliers opt into them as a sort of checkmark system. Suppliers are already measured upon 21-day switching in the rating, therefore they shouldn't be doubly awarded or penalised.

Q18: Do you have any comments on the opportunity to dispute the reports from the Energy Ombudsman in the star rating processes?

Utilita does not have any further comments.

Q19: Do you have any comments on the proposal to align the star rating measure of switching timeliness with Ofgem's proposals?

Utilita agrees with the proposal to align the rating with Ofgem's proposal for switching timelines.