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Dear Stakeholder,

Non-Domestic Supplier Complaint Handling Performance

One of the core functions of Citizens Advice under Section 10 of the Consumers, Estate Agents and Redress (CEAR) Act 2007¹ is the dissemination of advice and information to consumers.² Consumer Futures (and its predecessor bodies, energywatch and Consumer Focus) published rankings of energy supplier performance to give consumers access to accurate and impartial information. This not only empowers consumers to make informed decisions about their energy supplier, but gives companies incentives to continually improve performance. Up until now, this has been limited to the larger domestic suppliers. This is because some of the metrics used within the model have not been available for all suppliers. Recently the reporting model has been extended to include 11 of the smaller independent suppliers who have exceeded 50,000 customer accounts. We plan to begin publishing the expanded league table from August 2015.

Citizens Advice is inviting comment on our proposal to now begin publishing non-domestic energy supplier performance statistics. We aim to create a model that will accurately illustrate company performance to give micro-business consumers access to the information they need to make informed switching decisions. A 2013 study showed a total of 30 companies actively supplying electricity and gas to business customers, and at least 80 per cent of gas used by business customers and almost 20 per cent of electricity was supplied by companies outside the major domestic suppliers.³ Providing performance information will therefore be beneficial for improving consumer confidence, especially in companies that may be less well known.

The publication of unbiased and transparent information on performance for non-domestic suppliers will also provide companies with an incentive to drive improvements and truly compete on service for micro-business consumers. There is a significant difference between the information provided to domestic and non-domestic consumers; the most recent work on non-domestic consumers we are aware of is customer satisfaction research conducted by Ofgem in 2013. This does not however give consumers any supplier specific information.⁴ We believe there is a dearth of information on non-domestic energy supplier performance. The provision of complaint handling statistics would be an important source of information for the non-domestic consumer.

¹ <http://www.legislation.gov.uk/ukpga/2007/17/contents>

² Citizens Advice also has a duty to publish complaints information as per the Utilities Act, 2000.

<http://www.legislation.gov.uk/ukpga/2000/27/section/20>

³ <http://utilityweek.co.uk/news/non-domestic-competition-%E2%80%98on-the-way-up%E2%80%99/1003832>

⁴

<https://www.ofgem.gov.uk/publications-and-updates/quantitative-research-non-domestic-consumer-engagement-energy-market>

Background

In 2010 Consumer Focus conducted a lengthy and in-depth consultation on publishing large energy supplier performance statistics. A number of replies were received from a variety of stakeholders with differing interests in the energy market.⁵ The consultation included questions around what performance information should be published on non-domestic suppliers.

The majority of responses agreed that micro-business consumers are entitled to the same information as their domestic counterparts, but that any information should be displayed separately. Consumer Focus committed to consulting specifically with business suppliers and relevant stakeholders when developing performance for micro-business consumers.

Plans could not be taken forward at that time to consult on the publication of non-domestic supplier performance as we did not have full access to market share data. There were also a number of new entrants who were not recorded on the Consumer Direct case management system. Given that data from that system was used in the performance reporting this would have resulted in incomplete and/or inconsistent reporting.

We now have access to non-domestic suppliers' share of the micro-business market through an ongoing formal information request to Ofgem. As not all non-domestic suppliers are presently included in the relevant systems from which we collect performance data, we will ensure this is in place before publication of the statistics. We are therefore seeking views on what we should publish to ensure we have a fair and robust performance metric in place to aid consumer choice.

We do not have the same processes in place for the non-domestic suppliers that there are in the domestic sector e.g. company referrals. It may not be economical, or in some cases feasible to replicate these. As a starting point we are therefore suggest using the data that is readily available. Our intention is to publish all suppliers in one table ranked in order of best to worst performance for all non-domestic suppliers with more than 10,000 customers. Please find a list of proposals attached to this letter. It is our aim to begin publishing this data in November 2015⁶ and therefore we ask that you respond to this consultation by Friday 19th June.

I look forward to hearing from you and in the meantime if you have any questions please contact **Jenni Lucas-Williams** at jenni.lucas-williams@citizensadvice.org.uk.

Regards,

Audrey Gallacher

Audrey Gallacher
Director of Energy
Citizens Advice

⁵ Consultation:

<http://www.consumerfocus.org.uk/policy-research/energy/supplier-performance/measuring-performance>

Decision Document: <http://www.consumerfutures.org.uk/wpfb-file/measuring-energy-supplier-performance-pdf>

⁶ Subject to any delays caused by other similar publications

Proposal for performance metric and publication

1. The basket of measures the Citizens Advice Service is considering using to rank the non-domestic suppliers includes:
 - Citizens Advice consumer service 'advice only' cases received (excluding a number of code categories that can be found in Annex A).
 - Complaints received by the Extra Help Unit (EHU)
 - Deadlock cases for Ombudsman Services: Energy and cases received by Ombudsman Services: Energy that are more than 8 weeks old.⁷

In the domestic reporting metric, we use Citizens Advice consumer service cases referred to energy companies.⁸ However non-domestic suppliers do not currently have referral arrangements in place. We therefore cannot include these within the basket of measures for micro-business consumers. We have considered establishing a company referral process however given anticipated volumes it was concluded that the resource required to set this up would not be commensurate. The non-domestic market is a separate market and will have a completely separate league table showing complaints performance data therefore we do not believe there is a need for a comparable metric. However if respondents feel that it is necessary for this metric to be included in the basket of measures we will consider their responses and weigh up whether it will be a valuable exercise that will have a direct benefit to customers. What is currently excluded:

- Following the full market consultation in 2010, it was decided that suppliers direct complaints data would be excluded from complaint handling performance metrics. We do not receive direct complaints from all non-domestic suppliers and will therefore exclude this data from this metric.
 - Citizens Advice consumer service cases under the Information, Marketing and Distribution categories
 - EHU complaints categorised as "Distribution/Transportation", "Information", "Price Comparison Services" and 'Meter Interference'.
 - As detailed above, the Citizens Advice consumer service cases referred to energy companies.
2. Some suppliers may be concerned that the volume of energy consumer contacts to third party organisations may be affected by the quality of signposting on suppliers' bills and websites. Unlike the domestic energy sector, signposting is not compulsory and so SME bills have not been included in any previous signposting audit conducted by Citizens Advice or its predecessor bodies. We have however conducted an internal audit of the relevant suppliers' bills for SME customers obtained through a statutory information request to Ofgem, and do acknowledge that there are some inconsistencies in the quality of third party signposting between different suppliers.

Prior to consulting on the expansion of the domestic supplier complaints handling model, we assessed the link between the quality of signposting and third party complaints figures. We found that contacts to third parties in the domestic market consultation did not directly correlate to the standard of signposting. Furthermore, suppliers in the non-domestic market that are currently

⁷ Cases categorised as 'Ombudsman Discretion' will be excluded.

⁸ In the majority of cases CS will provide the consumer with advice to empower them to resolve the issue themselves. More serious cases will be referred to the supplier's company referral team. These include cases where after an initial contact with CS the consumer has followed the advice provided and the supplier has not resolved their issue in a reasonable time period. It also includes cases where consumers who have already progressed through or part-way through the company's complaint procedures and are not getting reasonable resolution.

failing to signpost consistently have the highest number of contacts to third parties which affirms our assertion that signposting and contacts are not necessarily linked.

It is Citizens Advice's long held position that signposting should be compulsory in the non-domestic market and we have written to Ofgem and suppliers seeking reform. We will also look to include an assessment of non-domestic bills in any future signposting audit.

3. The proposal to include deadlock cases as well as the cases over 8 weeks old is due to relatively low numbers and to avoid the additional burden on suppliers and the Ombudsman of establishing a dispute process. Including both sets of cases within the measure will resolve any issues concerning a robust disputes process as it will no longer be needed. Additionally there have been issues with the domestic market in this area. Initially the reason for not including deadlock cases was to encourage companies to effectively manage complaints up to and including deadlock. Our data team became concerned that each supplier has their own process for disputing cases. The data unit has designed and implemented a proforma to bring some consistency to the process across all suppliers. While it is not our role to tell suppliers which cases to dispute, it is clear some suppliers focus more on deadlocks than others and the disparity in supplier data is showing an uneven playing field. Therefore, in light of this, we believe the most appropriate approach for the non-domestic market is to include deadlock cases and well as cases over 8 weeks old.
4. Citizens Advice proposes to use the same weighting model we currently use for domestic suppliers for each case type. These can be found in Annex B and have already been subject to three consultations with stakeholders. We therefore believe the weightings accurately reflect the seriousness of the complaint, the time and effort spent and whether the consumer needed to contact another agency to get their problem resolved. It places greater emphasis on situations where the consumer has had to repeatedly contact their supplier or another agency because the company has failed to deal with their problem.
5. Our customer number data currently has a two month lag to allow Ofgem to conduct its quality checks on the data to ensure the figures are accurate. This is the data we will use to calculate complaints ratios. Customer numbers are provided monthly through an ongoing information request.
6. There has been debate over which suppliers should feature in the performance reporting given the not insignificant differences in the size of companies, and any corresponding impact this would have on the veracity of the model. We will only report on suppliers with more than 10,000 micro-business customers. Where a supplier has a customer with dual fuel supply, this will count as two.

Following the recent consultation on independent domestic suppliers, it was decided that we would only report on domestic suppliers with more than 50,000 customers. We are proposing to use a different figure for non-domestic suppliers given the broader number of suppliers in the market, the lower relative market share held by incumbents and the smaller overall market itself (i.e. 3 million micro-business consumers against 28 million domestic consumers). This figure allows us to capture the broadest number of non-domestic suppliers while maintaining the reliability and validity of our data.

We commit to reviewing the inclusion of all suppliers on an on-going basis, where the removal of a supplier will be at our discretion even if they fall below the 10,000 threshold. To be clear we will not be disclosing any market share data, but the inclusion in the reporting would identify a company as having more than 10k customer accounts.

7. Based on the feedback from the consultation on independent suppliers and our own internal modelling, Citizens Advice believes that the best way to inform consumers is to report all suppliers on the same complaint ratio regardless of market share. We believe that a complaint ratio per 10,000 micro-business customers is the most suitable figure for this metric given the size of non-domestic suppliers' market shares. We will rank all suppliers in one table ranked by best to worst performance.

Next steps

If you would like to discuss the proposals, or have any questions, please contact Jenni Lucas-Williams by email on jenni.lucas-williams@citizensadvice.org.uk. We are happy to meet with suppliers individually or collectively to discuss the proposals in more detail.

Citizens Advice welcomes responses from suppliers, key stakeholders and any other interested parties on the issues raised in this document.

Citizens Advice asks for responses to this consultation to be submitted in writing before the deadline of Friday 19th June.

The preferred method of response is by email, to:
jenni.lucas-williams@citizensadvice.org.uk

Responses may also be sent by post to:
Jenni Lucas-Williams
Citizens Advice
200 Aldersgate
London
EC1A 4HD

Citizens Advice will acknowledge all consultation responses received. Please remember to state your contact details in your response.

Citizens Advice will publish responses to this consultation on its website and may refer to their contents in subsequent publications. If you wish all or part of your response to remain confidential, or if you would like it to be published anonymously, please indicate this in the response. Similarly, if you would prefer your response to be published only once the consultation has ended, please let us know.

If your response is to remain confidential and you would prefer Citizens Advice not to reference its contents in a non-specific manner that does not breach this confidentiality such as a general summary of responses, please indicate this in your response.

Please note that information held by Citizens Advice, including the content of Consultation responses, is subject to the Freedom of Information Act (2000). For more details, please visit citizensadvice.org.uk.

Annex A

Category	Code	Description
Information	AD1	Priority Services Register
Information	AD2	Energy efficiency advice
Information	AD3	Pricing information
Information	AD4	Supply point number information
Information	AD5	Company contact details (non-compliant purposes)
Information	AD6	How to change supplier
Information	AD7	Maximum resale price
Information	AD8	Non Domestic Contract Issues
Information	AD9	Smart Metering information
Information	ADXX	Unable to categorise (UTC)

Annex B

<p>Citizens Advice consumer service Advice Only Cases</p>	<p>These are cases where a consumer has sought independent advice or help (not information) from Citizens Advice consumer service. Please note that due to data protection issues it is not possible for suppliers to have full visibility of these cases.</p>	<p>10</p>
<p>Complaints received by EHU*</p>	<p>These are complaints from vulnerable consumers that have been referred from Citizens Advice consumer service to the EHU (Extra Help Unit) where a consumer who is vulnerable, has been disconnected or is at risk of disconnection or need support due to the complexity of the case and has previously tried to resolve their complaint with their supplier and has been unable to do so.</p> <p>EHU call types 'Enquiry', 'Enquiry no action' and 'Ask the advisor' are not included in the analysis.</p>	<p>25</p>
<p>Deadlock cases received by Ombudsman Services</p>	<p>Deadlock cases are when a consumer has received a deadlock letter from their energy supplier stating it is final response to the complaint.</p>	<p>30</p>
<p>Cases received by Ombudsman Services: Energy that are more than 8 weeks old</p>	<p>These are cases accepted by Ombudsman Services: Energy, the industry alternative dispute resolution scheme, because the consumer has been unable to get their complaint resolved for more than eight weeks.</p>	<p>30</p>

*Since 1 April 2014, the EHU has now formed part of Citizens Advice Scotland (CAS)