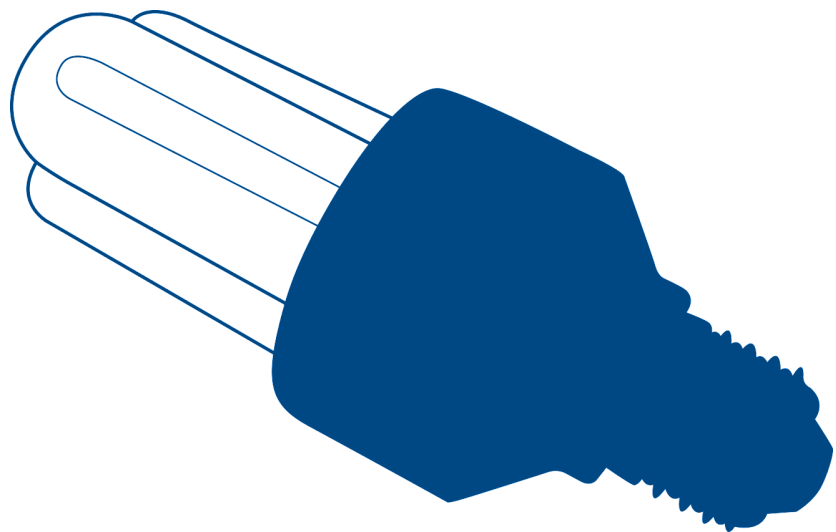


# Energy supplier rating

Consultation on proposed  
changes

July 2017



# Contents

<b>Summary</b>	3
<b>Background</b>	3
<b>Current design</b>	4
<b>Purpose of the review</b>	7
<b>Market coverage</b>	7
<b>Voluntary inclusion</b>	9
<b>Metrics</b>	10
<b>Principles for designing new metrics</b>	11
<b>Billing</b>	12
<b>Customer service</b>	20
<b>Complaints</b>	23
<b>Switching</b>	24
<b>Other proposals</b>	25
<b>Non-compliance</b>	25
<b>White labels</b>	25
<b>New categories</b>	26
<b>Consultation questions</b>	27

# Summary

The Citizens Advice energy supplier rating, first published last year, provides consumers with accessible information about energy supplier performance and enables consumers to make more informed switching decisions.

We have now reviewed the rating and are proposing a number of improvements, including increasing the number of suppliers in the rating.

Responses to the consultation are required by 8th September 2017.

Alongside the consultation we have issued a draft information request to suppliers. We will accept comments on the wording of this draft request until 1st August, after which we will issue a final version.

## Background

Citizens Advice has statutory duties to publish data on energy supplier performance<sup>1</sup> and to provide advice and information to consumers.<sup>2</sup> Until last year, we published a complaints handling league table for the six largest suppliers, which was later expanded to include all suppliers with more than 50,000 customers.<sup>3</sup>

Last year we carried out a project to look at how domestic energy supplier performance information published by Citizens Advice could be further developed.

The objectives of this project were to:

- Improve the performance information published by Citizens Advice, making it more accessible to consumers.
- Rationalise how supplier performance information is published by Citizens Advice.
- Improve how supplier performance information can be shared between Citizens Advice and other organisations.

---

<sup>1</sup> Utilities Act 2000, Part 3, Section 21

<sup>2</sup> Consumers, Estate Agents and Redress (CEAR) Act 2007, Section 10

<sup>3</sup> Historic complaints data available at

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/domestic-complaints-handling-performance/>

The outcome of this project was our energy supplier rating ('the rating'), which provides consumers with at-a-glance information about overall performance, supported by detailed underlying data.

## Current design

The rating is designed to give consumers information about the performance of suppliers. Suppliers are scored out of five in each category. A weighted average of these scores is then used to produce an overall rating out of five.

The categories were chosen and weighted based on consumer research and in consultation with stakeholders.<sup>4</sup> In each category a specific metric is used to measure supplier performance. The rating is currently based on the following categories and metrics:

Category	Weight	Metric	Data source
Complaints	30%	Complaints ratio per 100,000 customers	OSE, consumer service, EHU
Billing	25%	Ease of understanding bills	GFK survey
Customer service	25%	Ease of contacting supplier	GFK survey
Switching	15%	Switches completed in 21 days	Information request
Customer commitments	5%	Membership of the switch guarantee	Publicly available info

<sup>4</sup> For more details of the scoring please see our 2016 consultation and decision documents, [citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/improving-energy-supplier-performance-information-energy-supplier-comparison-tool-consultation-decision-document/](https://citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/improving-energy-supplier-performance-information-energy-supplier-comparison-tool-consultation-decision-document/)

The scoring methodology for each metric is shown below:

Score	5	4	3	2	1
Number of complaints per 100,000	50 or less	51-101	101-350	351 - 550	More than 550
Customers who found contacting supplier easy	More than 75% of customers	70-75%	60-69%	51-59%	50% or less
Customers who found bills easy to understand					
Switches done in 21 days (or delayed for valid reasons)	98% +	90 - 98%	75 - 89%	50 - 74%	Less than 50%
Customer commitments	Suppliers score a 5 if they're signed up to the Switch Guarantee and a zero if they're not.				

Before releasing the tool we tested the rating and the web content through in-depth user testing and trials with staff across the Citizens Advice network.

User testing found that the rating was valuable to consumers, especially when displayed in the context of price, in helping them make informed decisions.



"I'm impressed and I would use it and would recommend other people to use it to." (research participant)

Our research has also shown that, while price is the most important factor for consumers, where prices are similar they want to take account of service. This can also give consumers confidence to switch to a supplier they haven't previously heard of.



"Having a supplier that doesn't cause me loads of stress if something goes wrong is worth more than £5-10 a month." (research participant)

To date there have been three quarterly releases of the rating. The initial publication in December 2016 was a 'soft launch', which has been followed by two further releases in March and June 2017. The next release of the rating is due in the third week of September, and will relate to performance data from Q2 2017.

The rating information is currently published in full on our website<sup>5</sup>, while the overall score for each supplier is shown on the results page of our price comparison tool<sup>6</sup> (see figures 1 and 2). The rating is also designed to be used by other price comparison websites and third party intermediaries.

Rating for January - March 2017							
Rank	Supplier	Complaints	Ease of contact	Bill clarity	Ease of switching	Switch Guarantee	Overall rating
1	Ecotricity	3 ★★★★★	5 ★★★★★	5 ★★★★★	5 ★★★★★	Yes	4.4 ★★★★★
2	E (Gas and Electricity)	5 ★★★★★	5 ★★★★★	3 ★★★★★	4 ★★★★★	No	4.1 ★★★★★
3	Flow Energy	3 ★★★★★	5 ★★★★★	3 ★★★★★	5 ★★★★★	Yes	3.9 ★★★★★
4	Economy Energy	3 ★★★★★	5 ★★★★★	5 ★★★★★	3 ★★★★★	No	3.85 ★★★★★

Figure 1. Energy supplier rating table, as included on Citizens Advice website






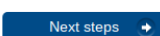


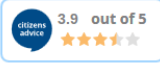
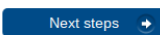

Gas and Electricity		Electricity Only	Gas Only				
Tariff Name	Billing	Exit Fee	Personal Projection	Payment by	Savings		
<b>Rate Saver 12m Fixed + Perks 1705</b>							
 Green Star Energy*	Paperless Billing	£60	£650.69 per year	Quarterly Variable Direct Debit	You will save <b>£120.79</b> per year		
<b>First Magic July 2018 Online</b>							
 First Utility <small>Knowledge is Power</small>	Paper Billing	£100	£651.32 per year	£55.00 Monthly Fixed Direct Debit	You will save <b>£120.15</b> per year		
 Energy Watch Guarantee		Warm Home Discount					
<b>Flow Variable</b>							
 flow	Paperless Billing	no fee	£651.73 per year	£55.00 Monthly Fixed Direct Debit	You will save <b>£119.75</b> per year		
 Energy Watch Guarantee		Warm Home Discount					

Figure 2. Rating information shown as part of results on Citizens Advice price comparison table.

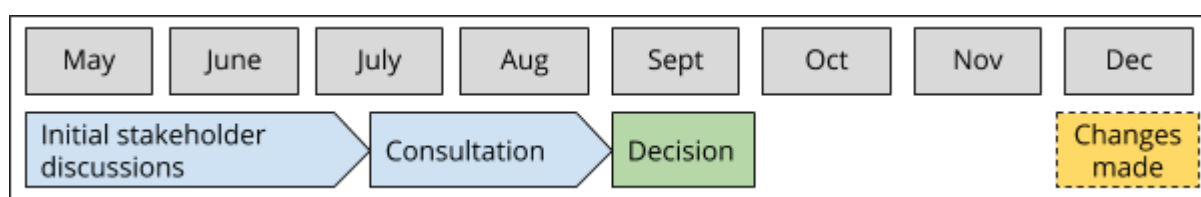
<sup>5</sup><https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/citizens-advice-consumer-work/supplier-performance/energy-supplier-performance/compare-domestic-energy-suppliers-customer-service/>

<sup>6</sup> <https://energycompare.citizensadvice.org.uk/>

## Purpose of the review

In the 2016 decision document, we committed to carrying out a review of the rating after six months, to address any emerging issues with the rating and to address any concerns raised by stakeholders or users. We began this process by holding workshops and bilateral meetings with suppliers and other stakeholders. These discussions shaped the proposals set out in this consultation.

Our timeline for the review is set out below (figure 3). The earliest any changes will be made to the rating is the December 2017 release (which would include performance data for Q3 2017).



**Figure 3. Timeline for reviewing the rating.**

We are seeking views from stakeholders regarding the timeline for introducing these changes. Where these relate to specific proposals (e.g. changes to individual metrics) please provide a specific explanation of why this is the case.

**Q1. Do you agree with our aim to introduce changes from December 2017?**

## Market coverage

The rating currently includes those suppliers with more than 150,000 domestic customer accounts.<sup>7</sup> 18 suppliers met this criteria for the June 2017 release. This was based on the thresholds required to procure appropriate samples for the research that forms some of the current metrics.

This coverage means that the rating provides coverage of over 90% of the market by market share. However, as there are now more than 60 suppliers in the market, we currently provide rating information for less than a third of suppliers. Often the cheapest deals in the market are available from suppliers that are currently not included in the rating, which limits the use of the rating in helping consumers make switching decisions.

<sup>7</sup> This is based on suppliers' Social Obligations Reporting to Ofgem. Customer numbers are reported separately for gas and electricity, such that a dual fuel customer counts as two accounts.

This view is shared with stakeholders, with more than half of respondents to our 2016 consultation arguing that more suppliers should be included in our rating.

Following the successful release of the rating for the past three quarters, we believe that the time is now right to increase the number of suppliers included in the tool. This aim was set out as part of our work plan for 2017/18, which we consulted on earlier this year.<sup>8</sup>

Increasing the number of suppliers should have a number of benefits, including:

- Providing consumers with a more comprehensive comparison of suppliers across the market.
- Providing a more level playing field for suppliers by comparing more of the market.
- Ensuring more visibility of rating information at the top of price comparison results by including smaller suppliers, which often offer the cheapest deals.

Our minded-to approach is to reduce the threshold for inclusion in the tool to 50,000 domestic customers.<sup>9</sup> Depending on the data we decide to use for the rating following this review, the supplier may also need to have been in the market for a minimum period of time.

We think this is an appropriate threshold because:

- It aligns with regulatory thresholds to provide certain products (e.g. requirement to offer prepayment and restricted meter remedy), so the suppliers should be more comparable.
- It aligns with the current threshold for our domestic complaints handling performance reporting.
- It is proportionate, and avoids adding regulatory burdens to smaller suppliers.

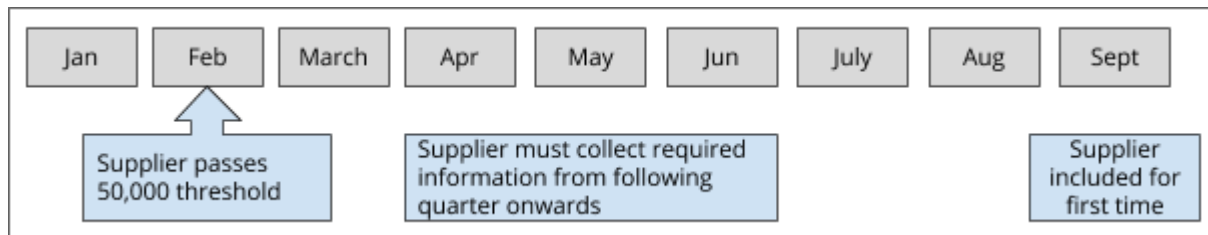
Suppliers will become eligible for inclusion from the first full quarter after gaining more than 50,000 customers. An example timeline is shown below.

---

<sup>8</sup><https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/citizens-advice-consumer-work-plan-201718-summary-of-citizens-advice-work-plan-consultation-responses-2017181/>

<sup>9</sup> Based on supplier Social Obligation Reporting, such that a dual fuel customer counts twice.





**Figure 4. The timeline for including suppliers after they pass the 50,000 customer threshold.**

We will work with suppliers as they approach the threshold in order to put in place referral pathways from the Citizens Advice consumer service and ensure they are aware of the reporting requirements that they need to meet for the rating.

**Q2. Do you support our proposed threshold for mandatory inclusion in the rating of 50,000 domestic customers?**

**Voluntary inclusion**

Since the introduction of the rating, a number of smaller suppliers have wanted to be included in the rating but have been unable to do so due to the current customer threshold. In order to allow suppliers below the threshold to be included in the rating if they wish, we are proposing to allow suppliers with fewer than 50,000 customers to voluntarily join the rating.

This would be subject to meeting the following requirements:

- A minimum time in the market (depending on the needs of data requests)
- Meet standards for signposting to Citizens Advice and OSE, and have referral pathways set up with the consumer service
- Proven ability to provide the data required (through a 'dry run' process)
- A minimum number of customers to ensure robust data. Our initial view is that this would need to be at least 10,000 customers.

Suppliers wishing to voluntarily join the supplier rating will also be expected to participate for a minimum period of time (at least a year) before any application to withdraw can be made.

**Q3. Do you support voluntary inclusion in the rating, and the proposed requirements for suppliers wishing to join?**

We are considering what other information we can make available to consumers about suppliers with fewer than 50,000 customers that do not meet the requirements for voluntary inclusion, or choose not to take part.

Currently, suppliers not in the scope of the rating have some information included about their services in our rating table - opening hours, available payment methods etc. We welcome views from stakeholders as to how we could improve the information we provide about these suppliers in a way that is not overly burdensome for the supplier, and in a format that is useful to consumers.

**Q4. Do you have views on how we could improve the information we provide to consumers about suppliers with fewer than 50,000 customers who do not voluntarily join?**

## Metrics

Our minded-to approach on the market coverage of the rating has consequential impacts for the data we use in our rating. The rating currently uses research data from the GfK Consumer Panel to score supplier performance in relation to Billing and Customer Service.

It is not feasible to increase the sample of the survey to achieve appropriate sample sizes for suppliers with fewer than 150,000 customers. As a result, we will need to change the data we use to assess performance in relation to billing and customer service in order to include more suppliers in the rating.

### Principles for designing new metrics

We have proposed new metrics for the Billing and Customer Service categories by following a number of high level principles. We began by considering the range of metrics that are important to the consumer experience in each category. These must accurately reflect performance of each supplier in the relevant area, while remaining simple enough to be readily understood by consumers.

Proposed metrics need to pass two tests:

- **Are the metrics appropriate measures of performance?** We have set out evidence that the metrics are important to consumers, and are seeking further views through this consultation.

- **Is the data robust and comparable across suppliers?** This will be tested through an information request (draft issued alongside the consultation document).

We also assessed what types of data would be available to measure performance for each metric. There are three main approaches to this:

- 1. Quantitative supplier performance data.** This is how we currently assess performance in relation to switching. Data can be collected using our statutory information gathering powers.
- 2. Assessment of supplier services.** This is how we currently assess performance in the 'customer commitments' category, where companies who are signed up to the Switch Guarantee are given extra points.
- 3. Survey data.** This has been discounted due to our minded-to position to expand the number of suppliers in the rating.

We have favoured the first approach where possible, as this is based on actual supplier performance. This also improves transparency by making more performance information available, in line with our aims for the project. Quantitative performance data collected for the rating needs to be robust and comparable across suppliers. It must also be possible to collect in a timely manner for the rating. We have sought to limit the burden of information requests on industry by requesting data that is already collected by suppliers, where possible.

We have not proposed a scoring methodology for new metrics at this stage. We will draft this based on responses to our information request. Scoring will take account of both the range of performance and the average across suppliers. We will also consider any benchmarks for best practice which already exist within industry. We will seek views from stakeholders on the draft scoring methodology later this year.

## Billing

In the early discussions with stakeholders have considered four possible metrics in relation to billing.

Potential metrics for billing	Assessment options
<b>Accurate bills</b> - does the bill reflect a meter reading?	Quantitative data from suppliers
<b>Timely bills</b> - is the bill sent on time?	Quantitative data from suppliers
<b>Clear bills</b> - are bills easy to understand?	Survey data
<b>Choice</b> - choice of bill frequency and payment options?	Assessment by Citizens Advice

Two of these (accurate bills and timely bills) can be assessed using quantitative data from suppliers. Both these metrics were proposed by respondents to our consultation last year.

We set out in more detail below the relative merits of these options, and the evidence that performance against these metrics is important to consumers.

### Accuracy of bills

Consumers with more accurate bills are better able to manage their energy usage and expenditure. The CMA energy market investigation identified inaccurate bills as a barrier to engagement,<sup>10</sup> and the final report said that in a competitive market they would expect “customer service meets certain minimum required standards, notably accurate billing”.<sup>11</sup>

There is also clear consumer detriment from catch up billing following prolonged periods of estimated billing. Our research shows that as many as 2.1 million energy consumers receive some sort of catch up bill each year, with more than 15% of these costing more than £250.<sup>12</sup> This problem is also demonstrated

---

<sup>10</sup> CMA final report, page 487

<sup>11</sup> CMA final report, page 21

<sup>12</sup>[citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/millions-of-energy-customers-hit-by-back-bills/](https://citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/millions-of-energy-customers-hit-by-back-bills/)

through contacts to the Citizens Advice consumer service. Between June 2016 and May 2017, billing errors accounted for 33% of contacts.<sup>13</sup>

Finally, there is evidence that consumers themselves prioritise accurate billing. Research conducted by GFK for the CMA showed that 66% of respondents thought “payments based on actuals not estimated usage” was essential or very important when considering a supplier.<sup>14</sup>

We recognise that a variety of factors will impact supplier performance in relation to bill accuracy. These include:

- Customer profile - some customer demographics may be more likely to provide their own meter readings than others
- Meter portfolio - suppliers with smart meters are able to collect meter readings remotely

However, suppliers are also able to take steps to ensure consumers get a bill which reflects a meter reading with minimum frequency. We would expect these to include sending prompts to customers to encourage them to provide meter reading, providing a range of channels to allow consumers to submit readings easily and using meter readers to manually obtain readings.

Suppliers have licence conditions they are required to meet in respect of accurate billing. In particular:

- SLC 21B.1 - *If a Customer provides a meter reading to the licensee that the licensee considers reasonably accurate, or if the Electricity Meter is read by the licensee, the licensee must take all reasonable steps to reflect the meter reading in the next Bill or statement of account sent to the Customer.*
- SLC 21B.2 - *If the licensee considers that a meter reading provided by a Customer is not reasonably accurate, the licensee must take all reasonable steps to contact the Customer to obtain a new meter reading from him.*
- SLC 21B.4 - *The licensee must take all reasonable steps to obtain a meter reading (including any meter reading transmitted electronically from a meter to the licensee or provided by the Customer and accepted by the licensee) for each of its Customers at least once every year. (This paragraph does not apply in relation to any Customer with a Prepayment Meter)*

---

<sup>13</sup>England and Wales contacts only, Citizens Advice Consumer Trends 2017, <https://public.tableau.com/profile/citizensadvice#!/vizhome/ConsumerAdviceTrendsMay2017/Cover>

<sup>14</sup> CMA Appendix 8.1, Customer Survey, page 54

Ofgem also has a minded-to position to increase protections in relation to billing, by enshrining the current back-billing principle into licence.<sup>15</sup> This protects consumers from paying for energy used over a year ago if the supplier is at fault.<sup>16</sup> Further to this, industry has previously committed to a reduced six month limit for smart back bills.<sup>17</sup>

We are proposing to measure performance on accurate bills against a time threshold, i.e. the percentage of consumers that have received inaccurate bills for more than x months. This approach aligns well with the regulatory standards and commitments by industry. It also accounts for differences such as meter type and billing frequency, as well as any seasonality related to submission and collection of meter readings.

We have identified the following detailed options for this metric:

1. The percentage of customer accounts that have had a bill reflecting a meter reading in the past 12 months. This option aligns with obligations in the supply licence (SLC 21B.4).
2. The percentage of customer accounts that have had a bill reflecting a meter reading in the past 6 months. This would set a more ambitious threshold across both meter types.
3. A hybrid approach which measures non-smart meter performance against a 12 month threshold for accurate bills, and smart meter performance against a 6 month threshold for accurate bills. This aligns with the commitments/obligations in relation to each type of bill.

We will test these proposals using data from the draft information request sent alongside this consultation. This excludes consumers that have not been with the supplier for a sufficiently long period, and would exclude opening meter reads. Full details of the request are available in the attached document.

We are not aware of a similar request for information already in place for this data, although larger suppliers do already provide BEIS with data on smart bill accuracy as part of their rollout monitoring. We recognise the additional burden of this request, but consider it is proportionate given the importance of accurate bills to consumers.

---

<sup>15</sup><https://www.ofgem.gov.uk/publications-and-updates/open-letter-notifying-our-intention-launch-project-protect-consumers-back-billing>

<sup>16</sup> The principle states that if a supplier is at fault, they will not seek additional payment for unbilled energy used more than 12 months prior to the error being detected and a corrected bill being issued.

<sup>17</sup> <https://www.ofgem.gov.uk/publications-and-updates/smart-billing-smarter-market-our-decision>

## **Q5. Do you agree that accuracy of bills is a suitable metric for assessing billing performance? Do you have views on which of the options for measuring bill accuracy is most appropriate?**

### **Timeliness of bills**

Consumers benefit from timely bills because it enables them to track their usage and manage their energy costs. Late bills can lead to particular distress for consumers who pay on receipt of their bill. However, timeliness of bills may be less important for some consumers - for example, those who pay by direct debit or choose to refer to their bills less often.

Problems related to the timeliness and frequency of bills accounted for 5% of billing error cases dealt with by the consumer service between June 2016 and May 2017.

There are regulatory requirements and recognised best practice for suppliers to provide bills regularly and on time. In particular:

- SLC 21B.5 - *requires the supplier to bill their customers at least twice a year, and quarterly if the customer requests it or has Online Account Management (excludes smart meters and PPMs).*
- SLC 27.17 - *requires the supplier to provide a final bill within six weeks of a switch or the contract being terminated.*
- The Code of Practice for Accurate Bills requires suppliers to issue bills within 15 working days of the date it is due.

We propose to test timeliness of bills as part of our information request against two measures:

- The proportion of bills sent out within 15 days of the agreed billing schedule. This aligns with best practice as set out in the Billing Code.
- The proportion of final bills sent out within six weeks. This aligns with regulatory requirements.

The first option is a broad measure of performance on timely bills, but may add additional burden for suppliers as we are not aware of an existing request for this information. The data for the second option is a narrower measure, but is already collected by Ofgem from suppliers as part of their retail market monitoring. We will consider the relative merits of these two options following the information request.

## Initial view

Our review has found more evidence to support bill accuracy as a metric which is important to all consumers. In contrast, timeliness of bills is likely to vary in importance between consumers, based on payment type. However, in our early discussions, suppliers have suggested we should continue to pursue timely bills as an option. We welcome further evidence from stakeholders on the importance of both these metrics to consumers. We will also test both metrics using data from our information request before coming to a final view.

**Q6. Do you consider that timely bills is a suitable metric for assessing billing performance? Do you have views on whether it is more appropriate to measure timeliness of all bills, or just final bills?**

**Q7. Do you favour using timeliness of bills, accuracy of bills, or both, as metrics of supplier performance on billing? Are there other metrics that we should have considered?**

## Prepayment

Around 16% of gas or electricity accounts pay via prepayment (PPM). However, some suppliers have chosen to target this segment of the market, and their percentage of PPM customers is much higher.

The survey data we currently use in the billing metric does not distinguish between credit and prepayment (PPM) customers. However, our proposed approaches to measuring billing performance mean that this metric will be more relevant to credit customers. We are seeking views on whether we should include PPM in the rating.

We have developed two main options. Option 1 sets out how we could score suppliers according to prepayment performance, while Option 2 sets out the impacts of scoring all suppliers on the basis of their billing performance only.



## Option 1 - scoring suppliers according to prepayment

We identified the following metrics relating to the prepayment consumer experience. These reflect the particular needs of PPM consumers in terms of services and support from their supplier.

Potential metrics for prepayment	Assessment options
<b>Support</b> - access to emergency credit, friendly credit etc	Assessment by Citizens Advice
<b>Able to top up</b> - do meters and payment systems function properly to allow consumers to top up?	Quantitative performance data
<b>Clarity</b> - are there tools and services to help consumers understand their usage?	Assessment by Citizens Advice

Ensuring ability to top-up is the only metric that aligned with our preference for quantitative performance data. This also aligns with the prepayment issues that we encounter most often in calls to the consumer service. Of calls related to prepayment meters (excluding associated issues such as self-disconnection) over 40% were due to issues with faulty metering equipment or difficulty charging top up cards. In 2014 our 'Fair play for prepay' campaign highlighted that faulty keys and meters were one area where prepay customers were being poorly served.<sup>18</sup>

Suppliers have regulatory requirements in relation to faulty prepayment meters, under Regulation 5 of The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015.<sup>19</sup> These require them to:

- commence work to fix the problem within three hours (or four hours on non-working days) of a customer reporting the issue if the customer is off supply, or
- if the customer is not off supply, the supplier must (in the same timeframes) take action to assist the supplier to confirm if the customer's meter is faulty, or repair or replace the faulty meter.

<sup>18</sup>[citizensadvice.org.uk/about-us/campaigns/current\\_campaigns/recent-campaigns/fair-play-for-prepay-campaign/fair-play-for-prepay/](http://citizensadvice.org.uk/about-us/campaigns/current_campaigns/recent-campaigns/fair-play-for-prepay-campaign/fair-play-for-prepay/)

<sup>19</sup>[legislation.gov.uk/ukxi/2015/1544/regulation/5/made](http://legislation.gov.uk/ukxi/2015/1544/regulation/5/made)

Suppliers already report on their compliance with these standards to Ofgem, so use of this data would not create additional reporting burdens for suppliers. Citizens Advice has a duty to publish information relating to the levels of performance by suppliers in respect of these standards.<sup>20</sup>

For each quarter, suppliers provide the number of cases for which the regulation applies, and the number of these in which the regulation was breached. Performance would be measured as the ratio of breaches to cases where the regulation applied.

We considered scoring all suppliers according to their PPM Guaranteed Standards performance as a separate category in the rating. However, this is not feasible as some suppliers with very few PPM customers record no cases where the Guaranteed Standard applied.

Instead, the score for Guaranteed Standards performance would only be taken into account if the supplier had a sufficiently high proportion of customer accounts on PPM (dual fuel accounts would count once for each fuel). This would determine the extent to which they are scored according to PPM performance.

The proposed thresholds, and associated scoring in the rating are:

<b>% of customer accounts on PPM</b>	<b>Treatment of PPM in scoring</b>
<25% of customer accounts	PPM does not count towards the supplier's billing score
25-75% of customer accounts	PPM performance accounts for 50% of the billing score
>75% of customers accounts	PPM accounts for total billing score

This option seeks to include prepayment performance in a way which is proportionate to each supplier's own customer base. The drawbacks of this approach are that it would make the rating more complex for users and mean that suppliers are not all scored in the same way.

If this option was taken forward we would also need to adapt the name of the billing category to reflect the fact that it also takes account of prepayment performance for some suppliers.

---

<sup>20</sup>Powers conferred on the National Consumer Council in Section 42AA of the Electricity Act 1989 and Section 33DA of the Gas Act 1986 were transferred to Citizens Advice under Schedule 1 of The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014.

**Q8. Do you agree that the Guaranteed Standards are an appropriate measure of supplier performance for prepayment? Is there other data we should consider using?**

**Q9. Do you support Option 1? Do you support the proposed thresholds?**

**Option 2 - scoring all suppliers according to billing performance only**

Under this option we would score all suppliers according to their billing performance only. The rating would not seek to capture PPM-specific performance, and as such would be more representative of the experience of credit customers. However, the remaining 75% of the rating would still be derived from information relevant to all consumers, regardless of payment method.

The main benefit of this approach is that all suppliers continue to be compared on the same basis. We welcome views from stakeholders on the impacts this would have for users of the rating, and the messaging that we display to users, on both our website and price comparison sites.

To test the appropriateness of the two options we have asked suppliers for information on the relative size of their PPM portfolios. This, along with stakeholder views, will determine which option we eventually use.

**Q10. Do you support Option 2?**

## Customer service

Customer service in the rating is currently measured according to ‘ease of contact’, according to survey data. We have assessed the following alternative metrics.

Potential metrics for customer service	Assessment options
<b>Self service</b> - are customers able to resolve problems themselves?	Assessment by Citizens Advice/survey data
<b>Time</b> - how long do customers wait for help?	Quantitative data held by suppliers
<b>Choice</b> - what of <b>methods of contact</b> exist and what is the <b>availability</b> of these?	Assessment by Citizens Advice
<b>Satisfaction</b> - how happy are customers with the quality of the service?	Survey data

Of these, the time taken to contact a supplier aligns best with our data requirements set out earlier. There is also evidence that this is an area of supplier performance which is important to consumers. Fast responses provide consumers with a better experience and can be vital when they have urgent problems that need resolving.

We have considered a range of channels through which consumers may contact their supplier.

## Call centre performance

Energy suppliers now provide a diverse range of contact channels and take different approaches that they consider best fit their customers’ needs. Online information increasingly allows consumers to self-serve, reducing the need to contact the supplier.

Despite these changes, telephone services remain a key channel for consumers to contact their supplier. This service is particularly important for resolving more complex or urgent queries, and for certain vulnerable consumers.<sup>21</sup> Ofgem’s research into complaints handling found that 89% of complaints to suppliers by domestic customers were made by telephone, compared to just 9% by email.<sup>22</sup>

<sup>21</sup>[ofgem.gov.uk/publications-and-updates/telephone-services-our-expectations-suppliers-operating-domestic-energy-market](https://www.ofgem.gov.uk/publications-and-updates/telephone-services-our-expectations-suppliers-operating-domestic-energy-market)

<sup>22</sup>[ofgem.gov.uk/publications-and-updates/complaints-energy-companies-research-report-2016](https://www.ofgem.gov.uk/publications-and-updates/complaints-energy-companies-research-report-2016)

Evidence from the telecoms sector also suggests that telephone remains the predominant method across all types of contact (sales, retention and technical support).<sup>23</sup>

Suppliers also have a duty to provide certain services by telephone as part of their licence, and Ofgem has set out its expectation that consumers should be able to access telephone services easily and without incurring high call charges.<sup>24</sup> There is evidence that the speed of answering telephone calls is important for consumers. Research for Citizens Advice found that 25% of consumers said that the time taken to answer calls would influence their decision when choosing a new supplier.<sup>25</sup> Our work to identify ideal complaints handling processes included telephone services that are answered quickly and do not keep consumers on hold.<sup>26</sup>

In response to our consultation last year, more than half of respondents argued that we should use speed of answer as a metric to measure ease of contacting suppliers.<sup>27</sup> We think that this is a measure which consumers will understand. It has already been reported elsewhere for energy through mystery shopping<sup>28</sup> and by Ofcom in the telecoms sector.<sup>29</sup>

Based on initial conversations with suppliers, we understand that data on call waiting times is recorded as part of business as usual practices. As such, requesting this information should limit the additional burden on suppliers.

We propose that the most appropriate measure of performance is the average wait time for inbound, customer-initiated telephone contacts, excluding sales channels. This would also exclude any time that the consumer spends being routed through any Interactive Voice Recording (IVR).

We will test this measure through our information request published alongside this consultation.

---

<sup>23</sup> Telephone was the channel used for 89% of contacts in the landline/broadband sector, and 83% in the mobile sector, see

[ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report](http://ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report)

<sup>24</sup>[ofgem.gov.uk/publications-and-updates/telephone-services-our-expectations-suppliers-operating-domestic-energy-market](http://ofgem.gov.uk/publications-and-updates/telephone-services-our-expectations-suppliers-operating-domestic-energy-market)

<sup>25</sup> GFK, 2014 (unpublished)

<sup>26</sup>[citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/understanding-consumer-experiences-of-complaint-handling/](http://citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/understanding-consumer-experiences-of-complaint-handling/)

<sup>27</sup>[citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/improving-energy-supplier-performance-information-energy-supplier-comparison-tool-consultation-decision-document/](http://citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/improving-energy-supplier-performance-information-energy-supplier-comparison-tool-consultation-decision-document/)

<sup>28</sup> [which.co.uk/news/2016/11/does-your-energy-company-keep-you-waiting-456805/](http://which.co.uk/news/2016/11/does-your-energy-company-keep-you-waiting-456805/)

<sup>29</sup>[ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report/interactive-report](http://ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report/interactive-report)

## Alternative contact channels

We are keen to capture the experience of consumers using alternative channels. In response to our consultation on the rating last year, more than half of respondents wanted us to include contact channels other than telephone services in this metric.

However, in early discussions it has become clear that suppliers vary widely in how well these services are developed. Some suppliers focus on web-based services as their main contact route, while others are still developing these services. The current ability of suppliers to provide data on these channels also varies more widely than for telephone services. We therefore do not propose to include measurement of these channels for all suppliers at this stage.

We are instead considering measurement of these channels on an opt-in basis. This would allow suppliers to be scored based on one alternative communication channel, in addition to telephone services. In order to do so, the supplier would need to provide evidence of their contacts across all channels to demonstrate that a non-telephone channel formed a sufficiently large proportion of the contacts to be taken into account.

Under this proposal, suppliers could have a proportion of their score based on the alternative channel if they met a certain threshold:

<b>% of contacts by alternative method</b>	<b>Treatment of alternative contact method</b>
<25% of customer contacts	Alternative method does not count towards the supplier's score
25%+ of customer contacts	Alternative method accounts for 50% of the score

The metrics we propose to allow are:

- Email - average response wait times
- Webchat - average wait time for chat to begin

We recognise that this proposal would add complexity to the rating design. However, it could provide consumers with a better idea of the service they will receive from a supplier, based on the communication channels that supplier focuses on.

**Q11. Do you support our focus on telephone support as the key route for consumers to contact their supplier? Do you support our proposed metric in this area (average wait time for telephone services)?**

**Q12. Do you support the option to include additional contact methods in the scoring for some suppliers? Do you support the proposed threshold for including additional channels?**

## Complaints

We are also proposing to adjust the calculation of the complaints performance handling score. This change is unrelated to the expansion of the rating to include more suppliers.

The calculation is currently based on the Citizens Advice consumer service, Extra Help Unit (EHU) and Ombudsman Services: Energy (OSE) data. These cases are weighted and then converted to calculate a complaints ratio per 100,000 customers.<sup>30</sup>

The current methodology includes all cases accepted by OSE because the consumer has been unable to get their complaint resolved for more than eight weeks. Cases in which the consumer has been issued with a deadlock letter are currently excluded.<sup>31</sup>

OSE cases are placed in the following categories:

- Upheld - *the company made a mistake or had not initially treated the complainant fairly. When the complaint was made, the company did not do enough to resolve the case prior to OSE accepting the complaint.*
- Not upheld - *the company had not made a mistake and had treated the complainant fairly. There was therefore no basis for the complaint.*
- Maintained - *the company made a mistake or had not initially treated the complainant fairly. However, when the complaint was made to the company, it put its mistakes right and made a reasonable offer to resolve the dispute.*
- Settled - *cases which are straightforward, where OSE considers the complainant's requested resolution seems reasonable, and where both the supplier and consumer are prepared to resolve the dispute prior to investigation.*

---

<sup>30</sup> Full methodology is available at [citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/domestic-complaints-handling-performance/](https://citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/domestic-complaints-handling-performance/)

<sup>31</sup> More details on OSE case types is available at <https://www.ombudsman-services.org/for-participating-companies/handling-complaints>

We are considering amending the weighting of these cases to take better account of consumer outcomes. We would seek to reduce the relative weighting of maintained and settled cases, and increase the relative weighting of upheld cases. Cases which are not upheld would be removed.

All upheld, settled and maintained cases would be included in the metric, regardless of whether they were eight week or deadlock cases.

This could more accurately reflect the complaints handling performance of suppliers, by focusing on those complaints which they have failed to deal with efficiently and correctly.

We would reassess the scoring thresholds for the complaints metric in light of any changes, to ensure that supplier performance does not appear to have improved due only to methodological changes.

We are currently seeking views on the principle of changing the weighting of these cases. We would carry out further consultation on the exact weightings of these categories, should we decide to proceed.

**Q13. Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes? If not, please provide your reasoning.**

## Switching

We currently request information from suppliers on the proportion of switches completed within 21 days (including those which are delayed for valid reasons). This request is aligned with an ongoing Ofgem information request (to larger suppliers only) in order to limit the burden on suppliers.

The timings in the request are currently set in relation to the Relevant Date, as defined in SLC 14A. This definition allows suppliers to report switching times either from the beginning, or the end, of the cooling off period. The current scoring for this category was designed to take account of this difference in reporting across suppliers.

Ofgem has now changed their approach and from Q3 2017 this data will be requested from a fixed start date to the switch (the date on which a customer enters into a contract with a new supplier).



From the December release of the rating onwards (which will include Q3 2017 data) we will also request this data based on a single start date. We may adjust the scoring methodology for this metric following this change.

Suppliers who do not comply with the new request will be subject to a zero score in the switching category (see non-compliance proposals below).

## Other changes

### Non-compliance

To date, suppliers have complied with information requests for the rating in a timely fashion. However, as we propose to increase both the number of suppliers included in the rating and our reliance on information requests for data, we believe the risks of non-compliance with these requests will increase. As such, we feel it is prudent to develop a policy for non-compliance with information requests.

We will seek to avoid non-compliance with information requests by:

- Giving advanced notice of requests and assessing the feasibility of these with industry (as demonstrated in this consultation).
- Sending information requests with sufficient notice to meet request deadlines. This may vary depending on the information being requested.
- Sending reminders to suppliers before the deadline, and making special accommodation for suppliers where there is a justifiable case to allow late submission (as long as this does not delay publication of the rating).

If suppliers fail to respond to information requests, we propose that they will score zero for those categories. We consider this is proportionate, given the duties of suppliers to respond to our requests, and the importance to consumers of publishing performance data in a timely fashion.

**Q14. Do you agree with our proposed approach to non-compliance with information requests?**

### White labels

Our current approach is to apply the same star rating to white labels as we do to the parent supplier. This is in line with our general complaints handling process,

which includes white label customers in the complaints performance of the parent supplier. This is appropriate for the majority of white labels, where the customer service offered by the parent and white label suppliers are likely to be very similar.

However, we are aware that some white labels have more differentiated customer service offerings to their parent. We are proposing that in such cases we will consider requests to apply a different rating for the white labels, if they or the parent supplier request that we do so. The complaints handling metric would remain the same across both the parent and white label, but other metrics would be scored separately.

Requests would be assessed on a case-by-case basis to understand whether the service experienced by consumers will be sufficiently different to justify a separate rating.

#### **Q15. Do you agree with our proposed approach for white label brands in the supplier rating?**

### **New categories**

In response to our consultation last year, stakeholders suggested a number of additional categories to include in the rating. We have considered this as part of our review, but are not proposing adding new categories at this point.

Two areas that were suggested last year were ‘vulnerability’ and ‘smart metering’. In our work plan for 2017/18 we are committed to working with Ofgem to consider what more information can be published about service quality for vulnerable consumers.<sup>32</sup> This will sit separately to the rating.

Similarly, we are developing a smart meter monitoring tool to provide information about consumer issues experienced during the rollout. This will also be separate to the rating, and at this stage will not include information broken down by supplier.

We are keen for views from stakeholders on whether we should consider including other categories at this stage, or if there are any other changes which have not been included here.

#### **Q16. Do you have any other suggested changes to the supplier rating?**

---

<sup>32</sup>[citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/citizens-advice-consumer-work-plan-201718-summary-of-citizens-advice-work-plan-consultation-responses-2017181/](https://citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/citizens-advice-consumer-work-plan-201718-summary-of-citizens-advice-work-plan-consultation-responses-2017181/)

# Consultation questions

Questions	
Background	
1	Do you agree with our aim to introduce changes from December 2017?
Market Coverage	
2	Do you support our proposed threshold for mandatory inclusion in the rating of 50,000 domestic customers?
3	Do you support the voluntary inclusion in the rating? Do you support our proposed requirements for suppliers wishing to join?
4	Do you have views on how we could improve information we provide to consumers about suppliers with fewer than 50,000 customers who do not voluntarily join?
Metrics - billing	
5	Do you agree that accuracy of bills is a suitable metric for assessing billing performance? Do you have views on which of the options for measuring bill accuracy is most appropriate?
6	Do you consider that timeliness bills is a suitable metric for assessing billing performance?
7	Do you favour using timeliness, accuracy of bills, or both, as metrics of supplier performance on billing? Are there other metrics that we should have considered?
Metrics - prepayment	
8	Do you agree that the Guaranteed Standards are an appropriate measure of supplier performance for prepayment?
9	Do you support Option 1 (including prepayment where suppliers have sufficient PPM customers)? Do you support the proposed thresholds?
10	Do you support Option 2 (scoring all suppliers according to billing performance only)?
Metrics - customer service	
11	Do you support our focus on telephone support as the key route for consumers to contact their supplier? Do you support our proposed

	metric in this area (average wait time for telephone services)?
12	Do you support the option to include additional contact methods in the scoring for some suppliers? Do you support the proposed threshold for including additional channels?
Metrics - complaints	
13	Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes? If not, please provide your reasoning.
Other changes	
14	Do you agree with our proposed approach to non-compliance with information requests?
15	Do you agree with our proposed approach for white label brands in the supplier rating?
16	Are there any other changes to the supplier rating?

Citizens Advice welcomes responses from suppliers, key stakeholders and any other interested parties on the issues raised in this document. Responses to this consultation should be submitted before the deadline of 8th September 2017.

Our preferred method of response is by email, to:  
[alexander.belsham-harris@citizensadvice.org.uk](mailto:alexander.belsham-harris@citizensadvice.org.uk)

Responses may also be sent by post to:

Alexander Belsham-Harris  
Citizens Advice  
200 Aldersgate Street  
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.

# We help people find a way forward

Citizens Advice provides free, confidential and independent advice to help people overcome their problems.

We advocate for our clients and consumers on the issues that matter to them.

We value diversity, champion equality and challenge discrimination.

We're here for everyone.



**[citizensadvice.org.uk](https://citizensadvice.org.uk)**

Published [Insert month and year here, eg January 2017]

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.