



Friday 12 March 2010

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Dear Claire

Measuring energy supplier performance consultation

E.ON welcomes the opportunity to respond to Consumer Focus measuring energy supplier performance consultation.

E.ON fully supports the points made in the ERA's response of 1 March 2010 on behalf of its members.

In addition, any data published must focus solely on suppliers' complaint performance and not use information where the customer obtains information on their rights. We believe that the proposed multi layered reporting, will only serve to further complicate consumers perception of the energy industry.

Section 1 - Quantitative measures

Q1: Please state which types and combination of the following quantitative measures you think best reflect industry performance and your reasons for this.

Whilst E.ON fully support the provision of information to consumers that gives practical and appropriate information, we believe that the measures outlined will not provide this due to known inconsistencies of suppliers recording complaints data differently.

The comparability of data also affects the proposals for the use of both Consumer Direct and Ombudsman data. Data from Consumer Direct does not necessarily show poor customer service and we would not wish this

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information to be reflected as such. The purpose of Consumer Direct is to provide consumers with practical information and advice in order to help empower them to deal with their issue directly with their supplier and not be seen as a complaint function.

Therefore, we do not believe that these are the right benchmarks that will reflect true and accurate performance.

Section 2 - Weighting of quantitative measures

Q2. Please state whether you think the following measures should have a greater or lesser weighting and your reasons for this.

E.ON believes that it is critical that further details are required on the proposed categories against the source and how the weighting has been allocated. Although the 'worked example' (shown in 2.1) provides a high level view there remains unanswered questions from the stakeholder pre-consultation workshop held on 25 November 2009.

For example in instances of repeat referrals, we do not believe where a customer has ignored our attempts to contact them and chosen to use the Consumer Direct route rather than contact the supplier should reflect negatively or be construed as poor customer service.

We would welcome a further session to help understand this fully once you have reviewed all responses.

Section 3 - Qualitative measures

Q3a. Consumer Focus seeks views on which option would provide the most accurate picture, how you think it should be funded and how the customer satisfaction measure should be incorporated into the model; for example, as a standalone measure or as a positive metric (see section 4) as part of the overall ranking calculation.

Whilst E.ON welcomes the proposal to use positive metrics, these must be directly comparable. We would propose the use of already existing data such as the Harris Interactive research conducted on behalf of Ofgem. As pointed out previously at the stakeholder pre-consultation workshop, we believe that the positive measures should focus solely on suppliers' complaints and provide a real insight into the customer experience.

Q3b. Consumer Focus seeks views on whether any additional qualitative indicators should be included in order to provide the best possible information on customer service for consumers.

E.ON would like this to be industry lead initiative to ask customers what they would want to see published that will enable them to make an informed choice of their preferred supplier. Any research conducted should build on areas of strength and bring out improvements, show where weaknesses are identified and whether customer satisfaction is improving.

Section 4 - Positive indicators

Q4. Consumer Focus seeks views on what types of positive indicators would best reflect supplier performance and be useful to consumers. Additionally do you think these indicators should be combined with the complaint data or provided as a stand alone measure of performance?

E.ON believes that putting positive indicators such as resolving complaints quickly would be useful to consumers. A couple of issues that will need to be considered are:

- how to make sure the wrong behaviours are not applied to resolving complaints quickly to enhance performance data
- how we would educate customers that energy industry does have some complex issues that do require thorough investigation that takes time to resolve.

Section 5 - Coverage

Q5a. What performance information do you think should be published on the nine smaller suppliers? Should this information be combined with that of the big six or shown as a standalone measure separately?

As the standards apply to all suppliers, it is sensible to provide consumers with the full picture of the industry. Any weighting by customer base will allow a truer reflection of performance. We also believe that the information should identify complaints about 3rd parties e.g. independent (Uswitch etc) separately to ensure consumers can accurately assess suppliers' performance.

Q5b. What performance information on business suppliers

do you think Consumer Focus should provide for micro-business consumers? In what ways do you think it should differ from the provision for domestic consumers?

E.ON believes that performance information on business suppliers for micro-businesses should be provided the same as domestic consumers but measured separately.

Section 6 - Presentation

Q6. In what format do you think the performance information should be displayed to ensure it is easily understood and useful to consumers?

E.ON would welcome the opportunity to discuss your drafting findings including the outcome of the research conducted with consumers and agree in advance any performance publication.

Section 7 - Publication

Q7a. How often do you think the performance information should be updated?

As per comments to Q6, this should be decided once the requirements have been agreed. We are comfortable with the current reporting frequency which is reviewed monthly and based on a rolling three month average.

Q7b. Excluding the Consumer Focus website, where do you think links to the information should be displayed to ensure as many consumers as possible can access to the information?

Signposted via supplier websites, Ofgem website, independent brokers and advice agencies e.g. CAB and money advice trust.

Section 8 - Benchmarking with other sectors

Q8. Please provide any further examples of best practice you think should be adopted from other sectors.

No comments.

Section 9 - Other issues

Q9. While Consumer Focus hopes to have covered the current and relevant issues within this document, please let us know if you have any additional comments or issues you would like to raise.

No comments.

Given that the purpose of the information is to give Consumers an overall picture of the industry, early

publication of data with numerous inconsistencies and complexities will only further an already negative view of the industry and not assist Consumers in making their choices.

We would welcome the opportunity to a further supplier and key stakeholder meeting to discuss your findings and work to providing consumers with the information that they will find most relevant and helpful.

If you have any questions or queries about our comments, please do not hesitate to call me direct on 02476 191 378.

Yours sincerely

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