

Clare Lucas  
Consumer Focus  
Artillery House  
11-19 Artillery Row  
London  
SW1P 1RT



26 February 2010

Dear Clare,

### **Measuring Energy Supplier Performance**

Thank you for providing us with the opportunity to comment on the Consumer Focus consultation on the above.

We fully support this initiative and welcome the moves by Consumer Focus to disseminate practical advice and information to consumers to help them make more proactive and better informed choices about their energy supplier.

We agree with you that a wide range of measures which spans the full customer journey will provide the most useful, transparent and unbiased information to consumers. We are therefore pleased to see that the proposed model will utilise data from a wide range of data sources and organisations.

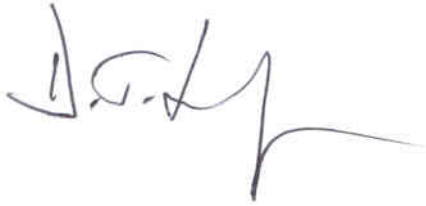
We remain concerned that some of the proposed measures may not be properly reflective of actual Customer Service performance. In particular, contacts received by Consumer Direct and cases referred to the Energy Ombudsman may provide misleading indicators. However, we are reassured that the model proposes to exclude cases where the energy supplier has had no prior contact with the customer, more correctly in our view classifying these as enquires rather than complaints.

We are interested in the consumer research you are proposing to undertake to investigate the most effective and useful ways of presenting this information to consumers. At EDF Energy we have implemented a "Staff as Customers" facility, whereby staff who are also customers of EDF Energy can assist in research and testing of new ideas and initiatives. We would be willing to offer assistance in testing the measures using this facility if that would be useful.

We have provided comments to the specific questions you ask throughout the consultation in the appendix to this letter.

We hope that these points are useful to you. If you require any further clarification, please do not hesitate to contact my colleague Denise Willis on 0191 512 5442 ([denise.willis@edfenergy.com](mailto:denise.willis@edfenergy.com)), or myself.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "D. Linford".

**Denis Linford**  
Corporate Policy and Regulation Director

## Attachment

### EDF Energy response

#### Measuring Energy Supplier Performance Questions

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

We agree that a wide range of measures which span the customer journey is the most effective method of ensuring a robust and balanced report of energy supplier's performance.

Within the Direct complaints dataset, we suggest it may be better to exclude the 'Direct complaints resolved after one day' and retain the 'Direct complaints not resolved after one day' figures, as this is likely to strip out any contacts which should more properly be classified as enquiries rather than complaints. This would provide consistency with other data as we understand, for example, this was the rationale behind the annual complaints figures which all suppliers are required to publish annually.

We are conscious that potential differences in interpretation may exist between suppliers, which if not resolved will clearly affect the direct complaints dataset proposed in the consultation. We intend to work with the Consumer Journey Working Group to address these issues as soon as possible.

We believe including Consumer Direct cases and company referrals may not be an appropriate measure to include as these are not a robust proxy for customer service. For example, customers may (and indeed do) contact Consumer Direct for independent advice and information only, which does not necessarily constitute a failure or poor service on the part of the supplier. Consumers may also choose to utilise the Consumer Direct website when seeking information. These contacts are not included in the supplier metrics, therefore using Consumer Direct contacts will undermine the robustness of the measure and could be misleading.

Suppliers are required to signpost customers to Consumer Direct on the back of energy bills and on internet sites. However, how this is done in terms of the location and size of the signposting information will directly affect the resultant volume of contacts received by Consumer Direct. To avoid this distorting the results, consistency on this issue must be ensured to ensure the data is properly comparable between suppliers.

We are also concerned about using 'repeat company referrals' from Consumer Direct as a robust measure. We have experienced customers who re-contact Consumer Direct with erroneous or misleading information regarding their contact with us, and currently there is no robust reconciliation process in place to retrospectively correct this data.

We agree that ‘complaints handled by the Consumer Focus Extra Help Unit’ should be included as these provide a measure of complaints made by vulnerable customers. We are satisfied that enquiries (cases where the customer has not contacted the supplier previously) should be excluded. We would welcome confirmation that this also applies to disconnection cases where suppliers have followed due process and attempted to engage with the customer, but the customer has not contacted the supplier in advance of contacting the Extra Help Unit.

We agree that including data from the Energy Ombudsman adds to the full picture of company performance. However, we share the Ombudsman’s concerns that this may drive supplier behaviour and reduce the number of referrals made to the Ombudsman under the redress arrangements. To reduce this risk, we recommend that deadlocked cases and cases where the decision was upheld in favour of the Supplier are excluded.

We suggest it may be useful to consider categorising low level and high level (MP cases, Director Complaints) direct complaints within the measures, as this may provide an indication of the level of customer dissatisfaction and effort required by the customer.

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

We do not agree that direct complaints not resolved after 1 day should accrue more of a weighting than direct complaints resolved after one day. It is not always possible to resolve the complaints whilst on the call with the customer; however we do not feel that this is necessarily a measure of poorer customer service if we have effectively communicated with the customer and provided an excellent customer experience.

We suggest that Advice only cases from Consumer Direct should receive a lower weighting than 10, as these contacts may not be complaints or expressions of dissatisfaction, but may simply be customers who wish to seek independent advice before contacting their supplier.

We would also welcome further clarification around the weightings associated with Energy Ombudsman cases. We agree that Ombudsman cases which reach 8 weeks should accrue a high weighting, but firmly believe that deadlocked cases and cases which are ruled in favour of the energy supplier are not included at all in the figures.

**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.**

We agree that the new performance information should encompass qualitative indicators including customer satisfaction surveys. We believe consumers find these measures useful and it provides a fuller picture of the overall company performance. However, it might be worth considering displaying this as a standalone measure rather than a positive metric within the report.

Rather than duplicate existing surveys, we believe it would be both efficient and effective to utilise existing customer satisfaction survey data from a wide range of independent sources such as Which?, uswitch, JD Power and GFK customer satisfaction survey to give an overall score.

**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.**

Measures such as Nett Promoter Score (NPS) or 'likelihood to recommend' may provide a measure of customer satisfaction which could be compared between suppliers.

**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 standalone measure of performance?**

Compliments, positive feedback and customer case studies would be interesting to include with the performance measures. Energy suppliers currently have no independent mechanism for sharing these positive customer experiences and customers may find it useful to have visibility of these. We feel these would better be displayed as a standalone measure for clarity.

**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?**

Consumers should be provided with the opportunity to compare performance across all energy suppliers available to them, in order to have a holistic view of performance across the industry. We appreciate that smaller suppliers may not have the facility to generate the level of data provided by the 'Big 6', however we feel that it would still be useful for customers if some measure of complaints performance was included.

We suggest using the same quantitative measures suggested for the ‘Big 6’ – ie. direct complaints to suppliers, Consumer Direct cases, Consumer Focus Extra Help Unit cases and Energy Ombudsman cases. This will enable consumers to make more informed choices about energy supplier performance and therefore more effective switching decisions. We do not have a preference as to whether this should be displayed separately or as a stand alone measure, but support whichever option is clearest and most useful for consumers.

**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?**

We feel that micro-business consumers would benefit from broad performance indicators, such as volume of direct complaints to suppliers, and also some measure of customer satisfaction. It would not be possible to use the full raft of measures suggested for domestic consumers as Consumer Direct do not offer comparable services for micro-business customers.

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

Any performance information must be displayed in such a way that it is easy for consumers to understand and interpret. To do otherwise would undermine this whole initiative. High level, relatively simple summary information presented visually rather than numerically (such as bar or pie charts) are commonly and successfully used in many sectors and by a wide range of organisations. Consumers should therefore be more familiar with using these to make initial comparisons. A functionality could be included with successive ‘drill-downs’ if a customer wished to view more detailed performance information.

We feel it would be useful to include a history option in order that consumers can track improving or deteriorating suppliers’ performances.

We are concerned that an overall star rating may not be effective since much of the important details will be lost when using this method. For example, the results may be misleading if one of the measures skews the overall rating.

We agree that consumer research would be useful in determining what consumers do actually find useful when comparing performance. We are willing to assist with this research by using our ‘Staff as Customers’ initiative if that would be useful.

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

We feel that a quarterly update of the performance information would, on balance, provide consumers with the most meaningful view of suppliers’ relative performance. To provide it

annually would not allow suppliers to demonstrate improvements to services or performance, and monthly updates may not be proportionate in terms of resource needed to gather and process the relevant data.

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

Consumer Focus should be the primary location for this information, but we feel it would be useful to include links to this information on Consumer Direct and other advice agencies' websites.

Consumers may also find general or simplified performance information useful if displayed on switching sites.

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

It is difficult to make comparisons between the energy industry and other sectors given the nature of the competitive market. The approach taken by Ofwat of combining quantitative and qualitative measure would appear to be the most robust and applicable to the energy industry.

**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.**

We welcome this initiative and are keen to work with and assist Consumer Focus to ensure that it is a success.

**EDF Energy**  
**February 2010**