

Business Analysis - November/December 2010

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1 - Statistical analysis

Overall outcome

Successful:	65.5% (38)
No change/unable to assist:	31% (18)
Ongoing:	3.5% (2)

Why has consumer contacted EHU?

Complexity of complaint:	46.5%
Disconnected/Off supply:	35.7%
Threat of disconnection / Urgency of situation:	17.8%

How is this a vulnerable business complaint?

Business facing closure [*] :	61%
Unable to understand complex contract terms:	12.5%
Domestic dwelling off supply/under threat:	9%
Mental/physical health problems/OAP/Children resident:	7%
Detriment to local community:	5.25%
Communication difficulties:	5.25%

* Outcome on complaints involving businesses facing closure:

Successful: **67.6%** (23)

No change: **32.6%** (11)

Sample details:

Looked at 60 cases, which was a quarter of the total cases taken during the period in question.

5 cases were analysed for each supplier, or total number received if that was less than 5.

The success rate is based on 58 out of the 60 cases, as 2 cases are still ongoing – therefore unable to determine the outcome.

2 - Average time spent on each business case:

- *77 minutes*
- *70% of this time spent in stage 1*
- *This compares with the time we spend on priority cases (82 minutes) and shows how resource-intensive business cases can be.*
- *The difference with business cases is that quite often we are spending a considerable amount of time on issues in which we are unable to get a good outcome for the consumer, and this is down to the complex nature of the issues and the amount of time spent negotiating with difficult suppliers.*

3 - Average compensation received:

- £412.17
- *This is the total amount of compensation received over both months (£91,914) divided by the total number of cases received (233).*

4 - Specific points on supplier performance:

- *We have been able to negotiate good outcomes for the large majority of our business complaints. However, in the example of Haven Power we had three complaints and on each occasion were unable to assist the consumer due to the hard-line stance taken by the company.*
- *This compared with the 5 British Gas Business complaints looked at – each of which we were able to secure a good outcome for the consumer.*
- *Out of the 5 Contract Natural Gas complaints looked at – 3 of which involved the consumer being confused/unable to deal with the complex contract terms offered. Business Energy Solutions received similar feedback.*
- *In terms of why the consumer has contacted the EHU – All 4 Utility Warehouse complaints received during the period were due to consumer being disconnected. Contract Natural Gas had a similar rate, 4 out of the 5 complaints were due to disconnections. This illustrates their unwillingness to negotiate payment terms etc.*
- *The issue of related domestic dwellings being disconnected/at risk of disconnection still exists, albeit the numbers are low. Out of the 5 EON complaints looked at 2 of these involved them threatening to disconnect premises on which domestic dwellings relied on the shared supply.*

5 - Case studies

5.1 – Good results

Case reference: 1740434, British Gas Business

Case involves a charity organisation which supports young people in the community and employs several people also. The closure causing major detriment to the local community due to disconnection. The supply was disconnected in respect of a previous tenant's debt. After EHU CA (Gerry) intervention the supply was reconnected within 3 days.

Case reference: 1740206, EDF Energy

Business being threatened with disconnection and subsequent closure over outstanding balance on the account, due to complex contract terms and billing disputes. After contacting Consumer Focus EHU CA (Ian) negotiated a re-billing of the account on new rates which reduced balance by £1500, with a further £481 being applied as a good will gesture. Account now up to date and business on new affordable payment plan.

Case reference 1739927, E-On Energy

Business facing disconnection for outstanding balance of £28,000 – as a result of back-billing and metering issues. EHU CA (Gerry) were able to prevent the disconnection going ahead and negotiate a rebilling of the account which reduced the balance by £10,000 and the offer of a new payment plan to ensure debt under control.

Case reference 1737816, EDF Energy

Premises is local community centre for children – extremely valuable to local area - which is under threat of disconnection for an outstanding debt. Even though the case was out of our remit (classified as large business account) EHU CA (Scott) was able to negotiate with EDF and prevent the disconnection from taking place. A new payment plan was also agreed to recover the outstanding balance over 6 months.

5.2 – Cases which illustrate vulnerability

Case reference: 1740459, Contract Natural Gas

Premises disconnected for debt, however domestic dwelling upstairs relies on shared supply. As a result flat has no power and two children reside in the property. EHU were unable to secure reconnection due to CNG policy and unwillingness to negotiate. They did offer to withdraw from the site if the consumer paid the balance in full – which he is unable to do.

Case reference 1739540, Utility Warehouse

Business site disconnected for tampering by previous tenant – meter supplies 5 separate domestic dwellings. As a result a number of vulnerable people off supply, including a pregnant woman and properties with young children resident. Following EHU CA intervention (Neil) Utility Warehouse went out and reconnected the site within 2 days.

Case reference 1740041, E-On Energy

Threat of disconnection on business premises which has related domestic dwelling upstairs. OAP resident in domestic property. EHU were unable to directly assist due to consumer's poor payment history and E-On hard line stance. Provided consumer with advice on representing himself at warrant hearing.

Case reference 1740533, Npower Direct

Supply disconnected at farm in February for outstanding balance. Since this point consumer had been using generator, but now cannot afford this. 4 year old lives at the domestic dwelling, and consumer has physical health problems. After EHU CA (Ryan) intervention Npower Direct offered to allow supply to leave and accept half of the outstanding balance, a reduction of some £12,500.

6 – Overall conclusions

- ✓ *The success rate is relatively high, given the barriers we face on business cases.*
- ✓ *An 'average' business complaint looks like the following:*

***There is a 65% chance of us resolving the issue.
We'll spend 77 minutes working to resolve the matter; the overwhelming majority of our time being spent at the initial stages of the complaint.
The average compensation we'll get for the consumer is £417.***

- ✓ *With respect to the cases where the consumer has identified that the business will fold if we cannot help – it can be argued that in effect we have been able to save a large number of businesses from going under. We were successful in 67% of these cases. If this rate was replicated across the total number of complaints in the period then it would equate to The EHU preventing around 150 businesses from closing. This is something which adds a lot of value to our service given the current economic climate.*
- ✓ *The sample size is around a quarter of the cases taken, so it is important to bear this in mind with regards to some of the trends. If the resources were available it could prove extremely valuable to analyse the majority of cases taken as this would give us a true picture of the work we are doing.*