

# Research on Consumers' Views on Complaints Handling

Research Study Conducted for  
Ofgem



August 2007



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# **1. Introduction – Background, objectives and methodology**

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## **1.1 Background and introduction to the research**

The nature of consumer representation in the energy sector is soon to change. Currently energywatch, the consumer representative body, investigates those complaints which gas and electricity consumers have been unable to resolve with their energy company. Consumers also, after a set period has passed, have the option of referring their complaint to the independent Energy Supply Ombudsman, set up on a voluntary basis by the major energy suppliers.

Next year, the Consumers, Estate Agents and Redress Bill will see energywatch being replaced by a three tier system, and the Energy Supply Ombudsman will be replaced by a statutory redress scheme. The three tiers will be:

- Consumer Direct providing a single point of contact for consumers covering all markets for information and advice;
- The extension of redress schemes, approved by the Authority, to cover all energy complaints; and
- A new consumer advocacy body (the new National Consumer Council) dealing with individual complaints relating to disconnection or involving a vulnerable customer.

In these new arrangements there will be greater emphasis on consumers being able to resolve their complaints at first port of call with their gas or electricity company. The success of the arrangements will depend largely on how successful energy companies are at handling complaints. The redress scheme will provide an important backstop mechanism for customers to obtain redress where they are dissatisfied with the way their complaint has been dealt with by the supplier. It is not there to replace the supplier's own complaints handling service.

Ofgem will be required under the Consumers, Estate Agents and Redress Bill to make regulations prescribing standards for the handling by its regulated companies of consumer complaints made to them.

Ofgem has therefore commissioned Ipsos MORI to undertake consumer research which can feed into decisions in this important area.

## 1.2 Objectives of the research

Overall the research was intended to gather participants' experiences of complaints handling, and their views on the most important elements of this process, using these discussions as a context for reflecting on what role and responsibilities Ofgem should have in the future. The work was specifically intended to address the following objectives:

- Understand consumers' experience of gas and electricity companies' complaint handling procedures – good and bad practice, including where relevant, examples from other sectors;
- Seek their informed opinions on what elements of a complaints handling process are considered to be important or valued;
- Ascertain how far consumers expect regulatory protection in this area;
- Examine to what extent poor customer service would prompt consumers to switch energy provider.

## 1.3 Methodology

Ipsos MORI conducted 6 deliberative discussion groups between the 13<sup>th</sup> and 16<sup>th</sup> August 2007. All discussion groups began at 18:30 and lasted for around two and a half hours.

Group no.	Location	Date
1	London	Monday 13 <sup>th</sup> August
2	Stockport	Tuesday 14 <sup>th</sup> August
3	Birmingham	Tuesday 14 <sup>th</sup> August
4	Exeter	Wednesday 15 <sup>th</sup> August
5	Cardiff	Wednesday 15 <sup>th</sup> August
6	Glasgow	Thursday 16 <sup>th</sup> August

All discussion groups had 7-10 participants. The following table outlines the profile of the participants recruited for each focus group.

	Grp 1 London	Grp 2 Stockport	Grp 3 B'ham	Grp 4 Exeter	Grp 5 Cardiff	Grp 6 Glasgow
<b>Total</b>	10	10	10	10	12	10
<b>Gender</b>						
Male	5	5	5	4	4	5

Female	5	5	5	6	8	5
<b>Age</b>						
18-29	2	1	2	2		2
30-44	4	4	2	3	6	3
45-65	2	3	4	3	3	3
65+	2	2	2	2	3	2
<b>Social class</b>						
AB	1	1	3	2	2	1
C1	8	3	4	2	3	4
C2	1	3	1	3	4	2
DE		3	2	4	3	3
<b>Disability/ long term illness</b>						
		1		2	3	2
<b>BME</b>						
	3	1	3		1	
<b>Energy supplier</b>						
British Gas	5	5	6	5	2	5
EDF Energy	1			6	2	
NPower	3	1	3			1
Powergen	3	1	2		1	1
Scottish and Southern Energy		3	2	1	7	1
Scottish power				1		2
Other		1				2
<b>Complained to energy supplier in last 5 years</b>						
	8	5	6	5	8	5
<b>Considered complaining to energy supplier in last 2 years</b>						
	2	3	2	1	3	2
<b>Complained to other organisation in last 2 years</b>						
	10	5	7	4	7	6

Note, complainer types and energy suppliers are not mutually exclusive – some participants had complained both to their energy supplier and to other organisations, and some received their gas and electricity from different suppliers.

Participants were recruited if they had complained about the following: A problem with billing; a problem with transferring from one supplier to another; disconnection or faulty pre-payment; intrusive sales or marketing.

While no fixed quotas were set on social grade or age (beyond a quota of at least two aged 65+ in each group), a range of participants by social grade and age were recruited for each group.

The deliberative discussion groups aimed to allow participants to consider their own experiences whilst getting them to consider information such as the regulatory context so participants could contextualise their own experiences and provide an informed response. The length of the groups was designed to allow enough time to explore participants' views before and after they were introduced to new information while also providing enough time to digest the new information. The deliberative discussion groups used prioritisation techniques to enable people to think beyond their own unique experiences to develop generalised views of what is important in complaints handling procedures.

A pre-tasking exercise was used to supplement the discussion groups to help participants contextualise personal experience and to get them to think about what constitutes good and bad complaints handling. All participants were asked to talk to friends or family about their own experiences of making complaints to an energy supplier or any other company and to fill in a pre-task document. Participants were also asked to bring a copy of a letter/email which they have received in response to a complaint.

## **1.4 Interpretation of qualitative research**

When interpreting findings from qualitative research, it should be remembered that results are not based on quantitative statistical evidence and do not claim to be statistically reliable. The aim of qualitative research is get 'under the skin' of what participants say, think and feel in order to answer the all important 'why?' questions. Qualitative research is exploratory in nature rather than a surface level enquiry. Issues and perceptions are probed in depth to elicit participants' underlying feelings and motivations. While the comments made reflect respondent perceptions and should not therefore be treated as facts, they do represent "reality" as perceived by those participants. Furthermore, the findings reflect the views and attitudes of the participants sampled in this research and do not necessarily reflect the views of all consumers.

## 2. Executive Summary

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### 2.1 Contacting Suppliers

- Participants are most likely to contact suppliers by telephone when making complaints – it is generally quicker and easier than writing and allows for more personal engagement. Letters (or, in some cases, email) are used when a more formal communication is needed.

### 2.2 Good and Bad Experience of Complaining

- Positive experiences often relate to softer elements of complaints handling – pleasant, helpful staff who appear to take the customer seriously and seem genuinely interested in resolving their problem. A (sincere-sounding) apology also goes a long way.
- A quick and efficient resolution is also appreciated, or at least a sense that their problem is being dealt with, via a letter of acknowledgement and updates on progress.
- Having a single point of contact with someone who is knowledgeable enough and empowered enough to help them resolve their problem is also very helpful.
- Many of the negative elements were simply the reverse of this:
  - being kept waiting on the phone for long periods of time (and having to navigate numerous menus of options to get to this point)
  - being passed from person to person and having to repeat their details and their problem each time
  - talking to operators who do not understand their problem (either due to language issues, lack of empathy or lack of knowledge)
  - not being called back
  - not being kept informed
  - and complaints simply taking too long to resolve.
- On the whole, though, energy suppliers were not felt to be significantly better or worse than other large companies, especially utilities/telecoms

companies. Examples of best practice often came from smaller companies.

- The impact of the complaints handling experience on supplier choice was generally low, but it did seem to contribute to the context in which participants make decisions – eg a poor experience would impact on their general feelings towards a company and so make them more likely to switch.

## **2.3 Most Important Elements of Complaints Handling Process**

- It was difficult for participants to pin down the key elements in the process as all were felt to be important in obtaining a satisfactory solution – you cannot make a complaint unless you know how to, your complaint will not be handled well if the staff are not adequately trained and so on. Also priorities vary depending on the circumstances and specific nature of the problem.
- Overall, transparency was felt to be crucial as a context for the whole procedure. For many, transparency (including acknowledging the complaint and keeping customers up-dated on progress) and managing expectations on timescales were more important than actual speed of response (within reason).
- Being dealt with by someone who has the knowledge and power to deal with their problem (and ideally a single point of contact or seamless transition to someone else so that customers do not have to repeat their details again) is also important.
- While speed of response is important, it is the ultimate quality of the response which is key and should not be sacrificed for the sake of speed. There is also an acknowledgement that some problems take longer than others to solve.
- At the end of the day, participants would like to know where they stand when they contact a company: what is going on, what to expect and that a knowledgeable person is dealing with it. This makes them feel more confident, reassured and in control.

## **2.4 Ofgem's Future Role**

- Across the groups, the consensus was that Ofgem should be setting performance standards in the area of complaints handling. This would ensure that they know what to expect when contacting a supplier to make a complaint, both in terms of level of service and expected timescales.

- While most did not go so far as wanting compliance with a recognised standard like BS ISO 1002, it was felt that there needs to be some kind of system to ensure that suppliers provide accurate information on their performance against these standards.
- If standards are to have any impact on performance, then participants felt that Ofgem needs to have ‘teeth’ – to be able to penalise suppliers who do not meet the targets.

## **2.5 Recommendations and Conclusions**

- The research suggests that there is an important role for Ofgem to play in setting standards for complaints handling, but that it is important that a) Ofgem is able to penalise suppliers who fall short of the standards and b) that the performance data cannot be seen to be open to manipulation by suppliers.
- There could also be benefits to consumers in Ofgem or another independent body publishing complaints performance data so consumers can make informed decisions on their choice of supplier. These, along with other details of performance standards set, need to be clearly published or signposted – as do the details of the new system of redress etc in 2008. This signposting could be done at points of contact between suppliers and consumers – eg on bills, other literature and during the complaints procedure itself.
- Another concern for customers was the cost of contacting suppliers. Free numbers for complainants or, at the very least, clearly stating the cost of making a call to a given number, would be helpful.

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## 3. Consumers' Experience of Complaints Handling

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### 3.1 Contacting suppliers and making complaints

Participants spoke about using a range of different means to contact their energy supplier when making complaints, but by far the most popular was telephone. Calling a supplier is, for the most part, quick and easy when compared to writing or emailing but, crucially, it also allows for much more personal engagement. Participants argued that talking to someone over the phone means that they have a much clearer sense of how seriously they are being taken, have more control over how their complaint is handled and, ultimately are less likely to be 'fobbed off' by staff.

*It's better to talk to them on the phone cos you can get more out of them than by writing a letter and then waiting.*

Birmingham

This is also reflected in many participants' preference for face-to-face contact where it is available (references made to old energy showrooms). Some felt that talking face-to-face would be more likely to make things happen – so for them it is not about convenience.

*[In the old showrooms] you saw someone face-to-face and you actually felt they were dealing with it there and then*

Exeter

However, contacting a supplier by telephone is not always any easy experience and does not guarantee a quick resolution. Calls inevitably involve going through menus of push button options and participants said they are often left to wait for extremely long periods which is frustrating and time-consuming.

*Some of these menus go on for ever.*

Glasgow

*You're listening ... and by the time it gets to number 5 I don't even know what 1 is!*

Cardiff

Many felt that long complicated phone calls were likely to put many people off complaining at all or encourage them to give up if their problem was not resolved quickly.

*Robotic operators giving out options and numbers to press generally causes frustration, and it ends up in the customer giving up.*

Stockport

*You tend to put your problems on the back burner because you know you're going to get such a hard time on the phone. If it's not that serious a complaint you're kind of put off by the procedure.*

Glasgow

It was also suggested that complicated or involved systems of menus, while only an irritation for most, are likely to be much more of a barrier to certain customers and prevent them from being able to get the assistance they need.

*It's really a heavy burden for people that are older. They don't understand this 'press 1, press 2' and they panic.*

Glasgow

Furthermore many participants talked about how costly making such calls can be, especially for those who only have mobile phones. For mobile phone users, 0870 numbers are often not covered as part of their free minutes packages. Some suspected suppliers might be making money from phone calls made by complaining customers.

*The one thing I really get [annoyed by] is these stupid 0845 numbers.*

Cardiff

*I've often wondered if they get revenue from the calls.*

Glasgow

On occasions when customers speak to call centre operators from different parts of the country or from different countries altogether, it can be difficult for either party to be fully understood, which makes complaining more long winded.

*They can't always understand what you are talking about or they you. That is frustrating I think*

Exeter

Some operators were seen to lack empathy on occasions, especially when customers become upset, and some participants believed that the operators are trained to put the phone down on you if the customer gets angry. It was felt that operators should be trained to diffuse anger and be more resilient when people are upset.

*I don't like it when they're falsely sympathetic...when they say we'll sort the problem out for you and then you get 'accidentally' cut off*

London

The other popular means of making contact was letter writing. A letter is seen as cheaper but more importantly is also seen as being more official. Participants believed that writing to a supplier represented a more formal communication not least because it left a record of any exchange that could be referred to later. This was in contrast to telephone conversations which many felt could all too easily be forgotten or ignored.

*I write because then I have a record of what my complaint is whereas when you telephone you get some oik who doesn't [care]*

Birmingham

Some spoke of calling first to establish a complaint and see if it could be quickly resolved, but then writing a letter to formalise the process.

*I normally take notes of who I spoke to, what time and what date, so if you need to follow that up in a letter you can say I spoke to so and so.*

Cardiff

There was a perception by some participants that letters are taken more seriously by companies than phone calls. Conversely others thought that companies ask for things in writing because it is likely to put people off making the complaint in the first place.

Some participants argued that using email had all the same advantages as letter writing. The increased flexibility and immediacy of communicating through email were favoured by some, and it was generally regarded as an option that suppliers should make available.

*It's easier to write an email than to write a letter.... You get away with bad grammar and not so good sentence structure, if you're not so confident.*

Glasgow

*The internet works just as well if not better ... last time I moved I emailed my new account details to my new supplier and everything was set up in a few hours.*

Cardiff

However, there was general recognition that many people do not have access to email and so it should never be the only option.

## 3.2 Good and bad experience of complaining

### Positive experiences

Many of the things that had made a positive difference to people's experiences were the softer elements of complaints handling – pleasant, helpful staff who appear to take the customer seriously and who seem genuinely interested in resolving their problem. Apologising was particularly appreciated as long as it seems sincere.

*What was good...they apologised for the delay and reduced the cost*

London

*Just apologising [is good]. The number of times you don't get an apology!*

Cardiff

Participants also talked of liking when their problem is resolved quickly and efficiently by, say, sending an engineer out as soon as possible, or quickly reimbursing or refunding money on billing disputes without arguing or offering credit. In this respect, it was all about the customer feeling like the company cares about their problem and it wants to resolve it and keep them happy. Some even referred to gestures of apology like bouquets of flowers sent to their homes.

*[They] acknowledged their mistake and gave me compensation and some wine.*

Stockport

Even if the problem is not resolved immediately participants said they like to have some sense that the problem is being dealt with, for example, having some form of acknowledgement that their complaint is being dealt with, or being updated on progress. Getting called back by staff, receiving a letter or email, or being told when the company hopes to have the customer's problem resolved, all made participants feel more confident in, and contented with, the process.

*Some acknowledgement of your complaint – that it's been taken on board and someone has looked at it*

Exeter

*[When companies promise a response within a given time] it gives you a timescale to look to and then if you haven't got a response within 5 working days you can take your complaint further*

Exeter

*You haven't fallen into a black hole or you don't think you have fallen into a black hole. You know someone is dealing with it and the issue is going to be sorted*

Exeter

Being able to talk to the same person each time they call up in reference to a complaint was also seen as a positive thing. This means that the operator is more engaged with a person's specific complaint and so can deal with the problem more efficiently.

*It would be nice if you could get through to the same person...I had a problem with insurance and it got done because I was talking to the same person every time and she knew what I was talking about*

Exeter

It was also considered helpful for staff to have good knowledge of the service or product they are dealing with. Participants gave examples of occasions when the first person they spoke to was able to understand the problem, imagine the solution and begin the process of resolution without having to pass them onto someone else or ring off and re-contact them later or, worse, get the customer to ring back at another time.

However, participants also said they like it when an operator is able to pass them to a manager straight away when a problem cannot be resolved, rather than just promising a call back or asking them to call again later.

Participants felt that often it is down to luck whether or not the person they get through to is able, or willing, to help them and resolve their problem.

*If you find the right person, they will look after you.*

Stockport

## Negative experiences

Many of the negative elements that participants described were simply the reverse of those elements they felt were positive, or when elements they cited as helpful were not done. This was true for the softer issues as well as the more practical elements. For example, participants reported that they are often left feeling that the person they have spoken to did not understand them and did not appear to care about their problem, and that often suppliers do not ever apologise for problems.

*Attitude [can be annoying]. You can tell when someone is actually listening to you or not.*

Birmingham

Others argued that suppliers tend to treat customers very mechanically, going through the process of resolving the complaint but not showing any empathy for the customer and their distress or annoyance.

*One of my recent complaints was that I was without electricity for 4 days and 5 nights. I got no apology, nothing. They gave me an electric heater and I don't have any electricity*

Exeter

Participants spoke of having to navigate numerous menus of options before eventually being kept waiting for long periods to get through to an operator and then often being passed from one operator to another.

*I waited on the phone for 15 minutes before an operator answered.*

Stockport

This was particularly frustrating for smaller problems which participants thought should be resolved quickly and simply with an apology or reimbursement. Some felt that the complaints process was deliberately awkward to put people off ever bothering with it.

*I think the complaints procedures are unnecessarily complicated just to get something straightforward sorted out*

London

*You do actually feel that the whole system has been set up to put you off complaining. There are so many different procedures to go through*

Exeter

Likewise many participants spoke about having to talk to different people and giving each one of them the same details, personal details to identify themselves and then the details of their problem. Often a member of staff would pass them onto to someone else without briefing the new operator and they would then have to describe their problem again.

*Some of them make you give them all your details for about 10 minutes and then they say I'll just pass you onto someone else and you've got to go through it again*

Exeter

*When they pass you over to someone else and you have to tell them the whole story again – they haven't got the information.*

Birmingham

*What's poor? People not taking responsibility for complaint and saying it should be dealt by another department*

London

This was an issue within a single phone call but was sometimes also a problem if they needed to contact the company more than once. Often when they call back staff have no recognition that they had called up and made a complaint on this issue before and they had to repeat the whole process again.

*What annoys me most is when you want to speak to someone and they say they're called Mary and you think you're getting somewhere...you phone back three days later and she's in a different department in a different country and you have to start all over again...*

London

*There is different teams as well ... if something happens to escalate your problem and you've caught them between teams ... you have to do it all over again.*

Cardiff

In addition, it was often felt that staff do not have enough knowledge or authority to deal with the problem and this leads to the customer being passed around to other people and more waiting before they feel like their problem is being resolved.

*Kept me on hold three times as she wasn't sure what she was taking about*

Stockport

*I waited on the phone for 15 minutes before an operator answered.*

Stockport

Of particular frustration was the use of call centres, particularly those using staff based overseas, or even in different parts of the country, where different accents can make the discussion much harder to understand for both parties. Call centres were also associated with having to wait for long periods of time in a queue in order to be connected to someone.

*Was on the phone for an hour because I couldn't understand his accent*

Stockport

Beyond contact and communication with suppliers, a key problem for many participants had been the long waits they had endured before their complaint had ultimately been resolved. These waits ranged from a few weeks through to several months, and in isolated cases participants had been waiting for up to two years to have a problem resolved.

*They give you a false hope. They say someone will be round  
in 24 hours and 6 months later...*

Cardiff

There was a general acceptance that often problems will take time to sort out, and that some issues in particular are likely to involve longer timescales to resolve. However, the consensus across the groups was that waiting times as a whole were too long, and a general sense that this was a reflection of the attitude and commitment of the energy suppliers rather than an inevitable consequence of the technical issues involved.

*They can make a simple complaint very complicated or take  
a long time to resolve*

London

Often they were told to expect a call back or a visit from staff and these never materialised or happened far later than they had been told to expect. Being kept up to date and knowing what is being done to resolve their complaint was important for participants and so a lack of visibility of process and being kept in the dark was very frustrating for many, and left them feeling powerless and ignored.

*Last week they billed me for a gas bill that isn't mine. I've  
got a personal advisor and I've got to ring. So I rang and  
he was going to ring back in 24 hours. That was Friday.  
It's now Wednesday and I've heard nothing. And I've  
emailed them twice*

Exeter

## **Comparison to other sectors**

Most participants did not feel that energy suppliers were significantly better or worse than other large companies they had dealt with, certainly not other utilities or telecoms companies. Some made the case that although energy suppliers had a worse reputation than companies in other sectors this might be down to the more regular contact that people have with energy suppliers.

*Perhaps we have more dealings with the gas and electric. I  
mean, how often do you ring up an airline?*

Exeter

Some had examples of companies that had been better at keeping them updated and maintaining one point of contact – banks in particular were thought to do this better, while others mentioned the council and benefits services. In these examples they called up and spoke to the same person each time they needed assistance.

*With banks there's usually a person you can talk to, a  
name, the benefits service, there's usually a person you can*

*talk to, the council, there's usually a person you can talk to, but not with gas and electricity*

Exeter

Generally speaking, examples of best practice came from smaller companies – there was a perception that they needed to do more to keep their customers happy.

*I think that when you've got small companies you get a better response cos they want to keep your custom*

Birmingham

*The staff [at bigger companies] have got a chairman who is making 170 thousand or a million, so why should they care [about the way they deal with you]*

Birmingham

### 3.3 Switching gas/electricity suppliers

Generally the impact of complaints handling experiences on supplier choice was low – the significance of the complaints *procedure* as opposed to the complaint *issue* was difficult to pin down.

Nonetheless, participants' experiences of the way their complaint was handled does seem to contribute to the context in which they make decisions about suppliers – they understand that mistakes happen but are less forgiving when their complaints are not handled well.

*I think what generates a lot more complaints is the fact that it is a call centre and you don't seem to be getting anywhere. So you're already annoyed because you've got a complaint and that just gets blown out of proportion because you're through to a call centre. You wait 20 minutes, nobody understands what you're talking about, they say they are going to ring you back and they don't, so what was a complaint gets worse*

Exeter

Participants gave the impression that a badly handled complaint would not, by itself, make them change supplier, but it would impact on their general feelings towards a company so that they would be more likely to choose an alternative should circumstances ever make it easy for them to change in future. One participant talked about having a bad experience with a supplier but not being motivated to change until someone came to the door promoting an alternative supplier. Being unhappy with their current supplier they were receptive to the idea of changing which they might not have been if they had a better relationship with the company.

*Somebody [knocked on] the door... I probably wouldn't have phoned somebody up myself.*

Glasgow

It was also clear that some important barriers exist to inhibit people switching regardless of their experience of complaining. In particular, there was a sense that switching gas/electricity supplier would not guarantee any improvement in service because *'they are all the same'*.

*It's a case of 'better the devil you know'*

London

Others feared a break in supply if they switched suppliers, because of problems experienced during the switching process in the past. In many cases, the process was simply perceived to be too much hassle – consumers were not prepared to go through all the phone calls and meter readings.

*I'm the type, probably with being a wee bit older, I like staying with the same company. It's the hassle...*

Glasgow

*There's a website "Switchsupplier.com" [...] and it says 'switching is quick and easy'. Well switching isn't quick, and it's not easy. You've got to prepare yourself for several weeks of endless phone calls and endless emails.*

Glasgow

Some spoke about being angry with their provider and wanting to change but not wanting to do so until their problem had been resolved. Generally this was those participants who had been overcharged and wanted to make sure they got a resolution before they switched.

*I want to get my money back first*

London

## 4. Most Important Elements of Complaints Handling Process

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Having discussed their positive and negative experiences of making complaints, participants were then asked to think about which are the most important elements in creating a positive and effective complaints handling procedure. In order to do this they were provided with a number of cards, each one detailing a different element drawn up by Ipsos MORI and Ofgem, as well as any additional elements that they felt were important. They were asked to put them in order of priority, running from those that they felt were the most crucial elements to those that they felt were merely nice to have or of little real importance.

The different elements were as follows:

Visibility of process (how to complain & who to contact)
Signposting to appeals process or ombudsman if not happy with outcome
Choice and convenience of contact (phone/freephone, email, post)
Speed of acknowledging your complaint
Being kept updated on progress
Speed of final response
Quality and completeness of final response
Personalisation of process (how well they appear to know your case)
Expertise/knowledge of staff
Empowerment of staff (can make decisions without referral to others)
Attitude of staff (e.g. Politeness and interest)

It was difficult for participants to pin down the key elements in the process in a strict hierarchical order. All were felt to be important to obtaining a satisfactory solution in some way – for instance, you cannot make a complaint unless you know how to, your complaint will not be handled well if the staff are not appropriately trained and so on. The different elements were all seen as interacting in complex ways with priorities varying depending on the circumstances and the specific nature of the problem.

*You've got 10 people in the room with 10 different experiences and asking them to categorise things. You can't really do that, you're taking bits of experiences from one set circumstances and some things will have more weight at any one time.*

Birmingham

Furthermore, participants were not very comfortable making trade-offs between different elements and preferred to argue the case for treating them all as important.

*It's impossible to prioritise and put things in order...it's everything or nothing...*

London

In several of the groups, participants focused on the sequential importance of the different elements, from the beginning of the process through to the end – i.e. the most important element was finding out who to contact and how, followed by the attitude of staff and running through to final outcome. For some of these participants it was difficult to break the experience down into the importance of contributing elements rather than simply as the importance of elements in a linear process.

Overall, transparency of the process was felt to be crucial as a context for the whole procedure. Even when other elements are not being taken care of in the ideal way – especially the 'softer' elements – clarity of process is seen as making complaints a lot less frustrating and giving the impression that the procedure is under control and likely to have a useful outcome.

*If you get an initial response and they say they will sort it in 4 days and if they are going to fail in that we'll keep you posted. And if they don't meet the 4 days you get another letter saying sorry we're working on it and it will be another so many days*

Exeter

Having a single point of contact throughout the process, or ensuring good record keeping of all customer contacts were thought to be important – having to talk to several people and re-tell their story was a big irritation for participants.

*Speaking to one person [would be good] cos every time you call up you get a different person. You'd know where you are then.*

Birmingham

Part of this was seen to be ensuring that staff are adequately trained and knowledgeable in their area of work, but also ensuring that they are empowered enough to make decisions and resolve problems by themselves in as many cases as possible.

*[When staff are empowered] it's more personal. It feels as though in some ways it's their own little business.*

Glasgow

*The contact should know exactly what they are doing*

Birmingham

*If you've got someone who's helpful that is lovely, but if they don't have the power to help you then that is not good enough*

Exeter

This was thought to be particularly important with issues that are more likely to be routine. Ultimately if a complaint cannot be resolved immediately then customers need to have a clear sense of what is being done and/or be given updates on progress – in the absence of this the feeling is that, for all they know, nothing might be happening and their problem is being overlooked.

*"Sorry I haven't got back to you, I am working on it, I haven't forgotten you" – that would make you feel better*

Exeter

Acknowledgement of the problem and being kept informed of progress were therefore very important – including giving complainants a clear sense of timescales. For many transparency of process and managing expectations on timescales were even more important than actual speed of response (within reason).

There was some cynicism about help lines and the cost of making calls, a clear sense that companies should not be making money out of this, and that customers should be able to call a free phone number. There was a clear sense that making a complaint about a service should not cost the customer anything, and that suppliers should be providing a free service for complaints.

*The utilities companies are the ones who make the biggest profits so why don't they put it back into supplying something like this?*

Exeter

The ideal speed of the process was the most difficult element to pin down decisively. For many situations it was assumed that the faster it could be resolved the better. This was certainly the case with regards to phone contact and the process of registering a complaint and having it acknowledged. Equally there was an assumption that some problems should be resolved quickly and easily and not demand any waiting.

*Surely if they answer you quickly that's that. If you've done it 6-7 times then it's 6-7 times that they have had to deal with you. To do it quickly and efficiently they are saving money*

Exeter

However, there was also acknowledgement that some things might involve more time to resolve and regardless of the efficiency of staff and other issues will necessarily have a longer timescale than others.

*Speed of response – that's entirely dependent on the nature of the complaint. If it's a billing complaint you might be prepared to wait maybe two weeks. If you're central heating packs in, you want it fixed in a matter of days.*

Glasgow

Ultimately as long as the elements around transparency of process, as outlined above, were adequately dealt with then participants generally agreed that they would be prepared to wait longer for a more comprehensive resolution of their problem. This was certainly preferable to getting a swift compromise resolution.

*The quality of the final response is actually the most important thing*

Exeter

*You've made a complaint; they've done the job – all the rest in between can be thrown away.*

Birmingham

*At the end of the day, it's better that you've got the right quality and completeness than speed*

Exeter

The importance of the visibility of process - i.e. how easy it is to find out who to complain to and how – as well as the range of contact options available, was considered fairly high but was talked about very differently across different groups. While many put these at the top of their list of priorities, others assumed that these elements would be handled properly as standard and that therefore they did not need to be addressed specifically when talking about priorities.

Reference to an appeals process or ombudsman was a consistently lower priority for participants. This was largely down to the low awareness of these services but also tended to be thought of as a last resort and not one of the elements that will, for the most part, have that much impact on the complaints experience.

*If I've got a complaint I don't want to hear about an ombudsman*

Cardiff

*You won't know whether you'll need [the ombudsman] until you know what the outcome is.*

Birmingham

Having said that, many felt that it is important to know about the ombudsman and how to contact it, especially as this could be used as leverage when dealing with their energy supplier.

There was, however, a low level of awareness of the ombudsman. While many assumed that an ombudsman would exist in the energy industry, others had little idea that there was, or should be, someone for them to go to if their problem was

not resolved. This was clearly the case for the few participants who had been trying to resolve problems for prolonged periods of over a year but had not yet resorted to talking to the ombudsman. Unaware of the ombudsman, many participants spoke of taking their problem to their MP or the local council.

It was felt important that an ombudsman was in place but also that it was clearly signposted as part of the information provided on the complaints handling process. However, this was rarely brought up as one of the most important elements of the complaints handling process. For many it was simply assumed that this would be available and signposted if they looked out for it.

*It should be on the bill, so you know it's there*

Exeter

*Some suppliers may feel a little intimidated if you threaten them with the ombudsman...might gee them up a bit*

Exeter

*In an ideal world we wouldn't need it*

Exeter

In total 16 of those who took part in the discussions said, at recruitment, that they had made a complaint to their energy supplier in the last year, and of those 5 stated that they had been told that they might refer their complaint to the ombudsman if they were not fully satisfied with their supplier's response.

'Softer' issues such as the attitude of staff and their level of empathy towards the customer, while considered of high importance, were ultimately regarded as secondary to many of the elements outlined above. If the other elements are handled correctly then the attitude of staff becomes less relevant and the complaints process can still be satisfactory, and ultimately a good attitude or polite manner is the first thing that customers would be prepared to lose so long as the other elements are taken care of. In some cases participants even felt that any sense of empathy from staff would probably not be sincere and they would rather staff energy went into solving problems rather than trying to appear friendly to customers.

*They don't need to be your pal*

Glasgow

However, this should not be taken as an indication that staff attitude is unimportant. When we asked about good and bad experiences it is often the softer elements, like staff attitude, that were mentioned, which points to their significance in influencing how customers *feel* they were dealt with by their supplier even though, when they think about it more logically, they can reason that they are secondary to a satisfactory resolution.

To summarise this section, participants would like to know where they stand when they contact a company to complain: what is going on, what to expect, and

that a knowledgeable person is dealing with the problem. This makes them feel more confident, reassured and in control.

## 5. Requirements for Regulatory Protection

### 5.1 Ofgem's future role

Participants were asked to think about what they thought Ofgem's role and responsibilities in relation to complaints handling should be in the future. As a focus and stimulus for the discussion they were provided with a list of four potential options developed by Ipsos MORI and Ofgem. These were as follows:

Option	Pros	Cons
1 Do not interfere more than is necessary	Other sectors (e.g. supermarkets) complaints not regulated. Gas & electricity also competitive.	Gas and electricity an essential service and not the same as supermarkets.
2 Require companies to publish information outlining their complaints process & statistics on complaints	Helps consumer find their way through the process. Allows consumer to compare performance and exercise choice to switch.	Will information be meaningful to consumers? Is price more relevant to switching?
3 Set performance standards – e.g. X% complaints dealt with in Y weeks.	Sets a benchmark to compare performance. Ensures timeliness of resolution.	Will this timescale ensure a quality decision? Will comparisons be meaningful?
4 Compliance with a recognised standard e.g. BS ISO 10002	International standard provides guidance on the process of complaint handling. Requires auditing and monitoring.	Question of cost of complying with a wide ranging standard, monitoring & auditing.

Crucially there was limited reflection among participants on the role of competition, and little confidence in its power to influence the practice of the large energy companies when it comes to complaints handling. There was a general sense that companies are 'too big' and 'all the same' so that it is not possible to make critical choices between suppliers.

*At the moment it seems like they are all powerful and there is absolutely nothing you can do about it. Obviously I could leave but then they are all pretty bad*

Exeter

Most participants, therefore, tended to favour more control from regulators and less room for variation between suppliers. As a result the consensus was that leaving complaints handling to market forces, as in 'option 1', would not be effective.

The majority thought that 'option 2', publishing of performance data, was essential. Some argued that this was vital if companies were to be held to account and if consumers were going to make informed decisions about their choice of provider.

*If they're not publishing this information and making it available, then they can hide their number of complaints and hide their poor service ... and they can't be held accountable.*

Cardiff

However, others did not think that people would choose a supplier based on their track record on complaints handling, and indeed no one reported having used existing and available data when making such decisions in the past. Cost and general reputation were much more important criteria in supplier choice.

*We came into this room today and probably one of us knows about Ofgem...Where would these results be published? 99% of the British public wouldn't read them. Who would actually go and find out that information? I know for a fact that I wouldn't. [But] If I read something in the paper that so-and-so had been fined £200 million for doing something, then I would think "Oh!". I would take an interest more.*

Glasgow

There was also some cynicism regarding how trustworthy published statistics might be and some participants talked about needing reassurance. They argued that statistics would need to be collected and collated independently and guaranteed in some way by Ofgem. Publishing them on an official, independent site, like Ofgem's web site, would help to instil trust in the figures, although they would also need to be easily available to those without internet access.

*If you've not got internet access or you don't know where to look, why can't it be available in the local library.*

Cardiff

Across the groups the consensus was that 'option 3' – setting of performance standards – was what Ofgem should be doing. The feeling was that this would

mean customers knew what to expect when they contacted a supplier about a complaint, both in terms of the level of service they should expect and the timescales they should expect to be working within.

*If there are standards set they are easier to monitor. You've got some sort of audit trail. You can see what they should be doing and what they are actually doing. As long as they are penalised for not meeting them*

Exeter

Participants felt that there were some areas where standards should be established to guarantee certain levels of service, but also appreciated that these would need to be realistic standards and would have to take into account the limitations that suppliers face as well as the needs of consumers.

*I think a lot of problems can be quickly dealt with so it should be cos that means most will be taken under that, but there will be a lot that obviously will require a lot more time.*

Cardiff

*You have to set reasonable parameters for how long is long. If you have a complaints procedure [and you] set it so that it's 10 days, two weeks, that might not be enough time for things to be investigated ... in which case that makes the procedure a mockery. You have to be fair to the supplier ... as long as you know what the timescale is.*

Birmingham

For the most part participants were confident that as long as standards were reasonable then they shouldn't lead to a drop in quality in order to meet timelines or quotas. However, some did argue that there would need to be controls in place to ensure that could not happen.

*You've got to have some sort of quality control [with option 3].*

Cardiff

'Option 4' was also preferred by some who felt that, in the absence of any effective market pressure, there should be as much control as possible to ensure high standards across the industry and little value in allowing more flexibility or difference between suppliers; many who thought this way simply felt that not having this level of regulation would just be giving suppliers more freedom to get away with poor levels of service.

*I think if they were to go down that line [option 4], you would start to have a wee bit more trust in them... you would think well they do have to listen to me, and they do have to answer me, and they do have to deal with it.*

Glasgow

Some were cynical about the benefits that ISO compliance brings and felt that it would only create wasteful bureaucracy and few benefits beyond those already offered by 'option 3'.

*I disagree [with option 4]... totally impractical. Fair enough long term, get to that standard but to go from one point to another just in one fell swoop... there's got to be a middle ground.*

Glasgow

Others felt that rigid audit systems such as this do not necessarily guarantee consistently high levels of service or performance.

*[It could be like Ofsted] cos what happens with schools is they know that they're coming so that they do a lot of preparation and it's not a natural environment ... they need to come when no one is expecting them.*

Cardiff

Many were also put off by the likely cost of a more comprehensive system. Indeed cost, rather than any impact on competition, was generally the only factor that made them believe there should be any limit on regulation.

*As much as possible without it costing too much*

Exeter

However, many argued that increased standards and levels of regulation should not mean increased costs being passed down to the consumer. Beyond a general feeling that big energy companies are already making enough profit to absorb extra costs, participants felt that improved levels of service should help companies increase revenues anyway, through promoting greater efficiency, although this was clearly an argument at odds with assumptions about the absence of market forces where complaints handling is concerned.

*Any organisation should consider complaints as an opportunity [for self promotion]*

Birmingham

*Why not take it [costs of improved complaints handling procedures] out of their profits?*

Glasgow

Furthermore some participants argued that regulating complaints handling procedure would have an impact on a suppliers' performance across the board. They felt that one element of the service cannot easily be separated from the others and treated in isolation, and that the way a supplier handles one part of its operation is likely to impact on others. For this reason the benefits of increased

regulation cannot simply be traded off against the increased cost but need to be seen as part of the complete package of a supplier's service offering.

*At the end of the day, we are talking about essential services here that do impact on your next door neighbour. It's not like a cowboy builder... if they're not providing a service for you and your house blows up then that's affecting everyone else... It all comes in with the essential service you're getting. It's all as one.*

Glasgow

Participants thought that ultimately if regulations were going to guarantee improved performance then Ofgem would have to have teeth – i.e. threaten suppliers with penalties for not meeting their performance targets. These might include fines, preferably heavy such as those recently paid by BA, or some form of financial compensation for those whose complaint has not been adequately or quickly resolved. One participant mentioned a fine paid by BT for every day beyond a fixed timescale that they spent resolving a problem.

*It depends what power they have got. If they have got power, to enforce if the standard drops... a few teeth*

Exeter

*For a regulator to be effective, it has to be feared by the organisation that it regulates. My own impression is that the energy companies don't fear Ofgem at all.*

Glasgow

Participants felt that for most part large companies such as energy suppliers are more concerned about what their shareholders think than their customers. Therefore they felt that fines would be the most effective way of forcing suppliers to comply as it would threaten profits and frighten shareholders.

*Basically the power companies exist to provide for their shareholders and we are incidental in that process as customers ... there is a level of unhappiness [among customers] that they will accept in order to maximise profit.*

Birmingham

*Make the shareholders worry*

Stockport

Others felt that those who do not meet regulated standards should be 'named and shamed' by Ofgem. This would raise the profile of the issues of poor performance and give customers more resources to differentiate between different suppliers. However, this on its own was felt to be insufficient without the added threat to suppliers of a financial penalty.

## 6. Recommendations and conclusions

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This research suggests that there is an important role for Ofgem to play in setting standards for complaints handling, since participants did not think that competition alone ensures satisfactory complaint handling.

It is important, though, that Ofgem is seen to have ‘teeth’ and can penalise suppliers who fall short of the standards. It is also important that any performance data produced could not be seen as open to manipulation by suppliers.

The areas where Ofgem could feasibly have a role in setting performance standards include:

- Timelines for complaints handling
  - Adjusted for different types of problem.
  - And mindful that this would not necessarily improve the quality of complaint resolution.
- Transparency of the process – obliging suppliers to:
  - Acknowledge receipt of a complaint within a specified timescale;
  - Inform complainers of how long the process will take and what the next steps should be;
  - Keep them up-dated on progress.
- Length of time complainants are kept waiting in a queue when telephoning to make a complaint

There could also be benefits to consumers in Ofgem or another independent body publishing complaints performance data so that consumers can make informed decisions on their choice of supplier. If these data are going to be useful for consumers and help to inform their decisions on suppliers then they, along with details of any performance standards set for suppliers, need to be clearly published or signposted. Consumers cannot use such information to make decisions if they do not know the data are available and how to access them.

To guarantee customer confidence in their authenticity, it would be helpful for the statistics to be published independently, perhaps on Ofgem's website.

However, signposting should be higher profile, especially bearing in mind the low awareness of Ofgem and similar organisations. For this reason signposting might be at the point of contact between consumer and supplier, either on the bills or other literature, or during the complaints procedure itself (during telephone, email or letter exchanges) – or probably a combination of these things.

However, participants believed that, ultimately, price and overall quality of service are more important than complaints handling when it comes to choice of energy supplier. In order to ensure that these standards are met and are taken seriously by suppliers, it could be useful to have a system of fines in place to hold to account those companies that are not meeting their obligations. This could be in the form of a straight fine if the company's performance did not meet standards over the course of a year, or might involve fixed payments to customers in individual cases of poor complaints handling. The research suggests that the former may be more effective.

Another key concern for participants was the cost of contacting suppliers and there was a strong feeling that customers should not have to pay to make a complaint. If possible suppliers could be obliged to provide free numbers for complaints, or at the very least could be required to clearly state the cost of making a call to a given number.

Overall it is important to raise the profile of the different agencies available for consumers to fall back on especially once the system changes in 2008. The option of referral to the ombudsman, Consumer Direct or the Nationals Consumer Council should be also clearly advertised so that people know that these exist and can, if necessary, use them as leverage to obtain a satisfactory solution from their supplier. Ofgem could have a role in ensuring suppliers provide this information as part of their complaints handling procedure.

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# Appendices

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# Topic Guide

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**Consumer Views on Complaints Handling: OFGEM (J31357)  
FINAL VERSION Discussion Guide - 10/08/07**

### **Core objectives**

To aid Ofgem in developing regulations prescribing standards for the handling of consumer complaints by gas and electricity supply companies by researching the views of a cross section of the public likely to be affected.

Specifically to:

- a) understand consumers' experiences of gas and electricity companies' complaint handling procedures;
- b) seek their informed opinions on what elements of the process are considered to be important or valued in order to improve gas and electricity companies' complaint handling procedures; and
- c) seek their views on how far they expect regulatory protection in this area
- d) find out to what extent poor customer service would prompt them to switch provider.

### **Context**

From next year, the nature of consumer representation in the energy sector will change so that there will be greater emphasis on consumers being able to resolve their complaints at first port of call with their gas or electricity company.

Currently energywatch, the consumer representative body, investigates those complaints which gas and electricity consumers have been unable to resolve with their energy company. Consumers also, after a set period has passed (12 weeks), have the option of referring their complaint to the independent Energy Supply Ombudsman, set up on a voluntary basis by the major energy suppliers.

In the new regime, energywatch will be replaced by a three tier system, and the Energy Supply Ombudsman will be replaced by a statutory redress scheme.

During the course of the workshops, we will explore with a range of consumers what their views are relating to complaints handling and the role they see for regulators in ensuring regulatory protection. In order to help people think about the issues, we have:

- Ahead of the workshop, asked participants to talk to friends and family about their experience of complaining to a gas or energy supplier or large company, and to bring an example of a letter or email they have received in response to a complaint;
- Produced some fact sheets about the current complaints pathway;
- Produced some cards with aspects of a good complaints system written on them, which they should sort out in order of priority;
- Produced some fact sheets with options for Ofgem's/regulatory bodies' roles in ensuring regulatory protection to the customer.



Please look out for prompts to use these fact sheets/tasks in the topic guide.

Outline of the event programme

- There are six extended focus groups in total and each workshop is 2.5 hours long. They run from 6.30pm - 9pm.
• 10 participants have been invited to each focus group with the view that 8 will show up.
• Each focus group will be facilitated by an Ipsos MORI researcher and will be digitally audio-recorded.
• There will be a member of staff from Ofgem in some/all of the focus groups and their role is simply to observe.
• Aside from their contribution to group discussions, there will be other ways for participants to give their views. They can write comments in their pre task sheet, submit letters for our analysis and make comments on a card.
• The substantive content of the topic guide is below:

Table with 3 columns: Section, Objective, and Approx time. Row 1: 1. Scene setting (6.30pm), Set context for discussion and ensure people are comfortable with the process, 15 min.

<p><b>2. Personal views (6.45pm) START RECORDING</b></p> <ul style="list-style-type: none"> <li>Now, for the next half hour, we want to discuss what makes a good and what makes a poor complaints process.</li> <li></li> <li>But first I just want to quickly check how you make complaints. Let's start with the electricity and gas suppliers – do you complain by phone/email/post?</li> <li></li> <li>And is it any different for other types of big organisation?</li> <li></li> <li>Do you complain in the way you prefer or would you prefer to do it some other way?</li> <li></li> <li>Ok, now drawing on your own experiences, what makes a good complaints process? Why? <u>USE FLIP CHART TO LIST GOOD ASPECTS AND PROMPT WITH:</u> And was that a gas or electricity supplier?</li> <li>And what makes a poor complaints process? Why? <u>USE FLIP CHART TO LIST POOR ASPECTS AND PROMPT WITH:</u> And was that a gas or electricity supplier?</li> </ul> <p>Quickly, I want to check if anyone has ever switched energy supplier because of the way a complaint was handled? If so what aspect of the complaint handling triggered the switch? <u>USE FLIP CHART TO LIST REASONS</u></p> <p><u>PROMPT:</u> What things would make people switch supplier?</p> <ul style="list-style-type: none"> <li></li> <li>Now, let's just recap. Are the electricity and gas suppliers better, worse or the same as other companies at handling complaints?</li> <li></li> <li>Why do we think that is?</li> </ul> <p>What should the energy sector do/avoid doing?</p>	<p>Opportunity to 'dump' negative views and start to learn about each other's experiences</p> <p>Check mode of complaint.</p> <p>Opportunity to refer to pre-task and collect any letters/emails people have brought with them</p> <p>Start to establish what factors make a good complaints process</p>	30 min
<p><b>3. Context setting (7.15pm)</b></p> <ul style="list-style-type: none"> <li>Explain that the next half hour will be spent considering exactly how one would decide what the ideal complaints process would be but before we do that, we wanted to give people more food-for-thought. <u>REFER TO HANDOUT PAGE 3 AND QUICKLY EXPLAIN EACH ONE.</u></li> <li></li> <li>Is there anything missing that you mentioned before as an aspect of a good complaints system? <u>IF SO, WRITE MISSING ASPECT ON A BLANK CARD. PRESENT SORT CARDS.</u></li> </ul>	<p>Gives participants more ideas to draw on and react to. Also sets limits on what's possible.</p>	10 min

<p><b>4.Developing the ideal system (7.25pm)</b></p> <ul style="list-style-type: none"> <li>• <u>REFER TO HANDOUT PAGE 4.</u></li> <li>• As group you must pick and choose from elements available to identify ideal energy complaints system.</li> <li>• Please rank in order of what you think is absolutely necessary to make a complaints system work for you.</li> <li>• You have 15 minutes and then I'd like a couple of you to feedback on the group's decision.</li> </ul> <p>(7.40pm) WHEN PARTICIPANTS FEEDBACK ASK:</p> <ul style="list-style-type: none"> <li>• Why did you choose those elements in that order?</li> <li>•</li> <li>• You say ....[insert top priority] is most important. What do mean by that? What sort of service standard are we talking about?</li> <li>•</li> <li>• Is it currently delivered to that standard by gas and electricity suppliers?</li> <li>•</li> </ul> <p>CHECK BOTTOM OF THE PILE:</p> <ul style="list-style-type: none"> <li>• Why is ....[insert bottom priority] is least important?</li> <li>•</li> <li>• Why is ....[insert 2<sup>nd</sup> bottom priority] is next least important?</li> <li>•</li> </ul> <p>PROBE MORE ON TRADE-OFFS IF TIME:</p> <ul style="list-style-type: none"> <li>• What determined the mix of service levels – explain the trade offs you made?</li> </ul> <p>IF NO TRADE OFFS SPONTANEOUSLY OFFERED GIVE AN EXAMPLE FROM THE LIST:</p> <ul style="list-style-type: none"> <li>• For example, if you want a high quality and full response, how far are you prepared to sacrifice speed of response? What's a reasonable balance?</li> </ul>	<p>This process will reveal top level priorities and it will also reveal within those. For the top THREE, it will reveal what is REALLY important to people and why.</p> <p>Changed to one group only <b>not</b> two as it makes it easier to digi-record and moderate.</p> <p>15 mins of tasking and 20 minutes debrief</p>	<p>35 min</p>
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<b>Tea and comfort break (8pm)</b>		5 mins
<b>5.The current role of regulator (8.05pm)</b> <ul style="list-style-type: none"> <li>• Were you aware of Ofgem before you were recruited to the focus group?</li> <li>•</li> <li>• IF SO: What did you think its role is?</li> <li>• USE FLIP CHART TO WRITE DOWN</li> <li>•</li> <li>• When would you go to Ofgem (if ever) and why?</li> </ul>	Un-deliberated views to give you an idea what the public as a whole think of the role of the regulator (and to identify any misunderstandings)	10 min
<b>6. Presentation (8.15pm)</b> <ul style="list-style-type: none"> <li>• <u>REFER TO HANDOUT PAGE 5</u></li> <li>• Explain the current role of Ofgem</li> <li>•</li> <li>• <u>REFER TO HANDOUT PAGE 6</u></li> <li>• Explain the current role of Ofgem in relation to complaints</li> </ul>	Give people the real information so they can react to it	10 min
<b>7. The ideal role of energy regulator (8.25pm)</b> <p>Thinking about Ofgem, what do you think its role should be in ensuring energy suppliers have a good complaints process in place for customers?</p> <p>There are different degrees to which a regulator can get involved with laying down standards for complaints – have a look at these different levels of involvement:</p> <p>As a minimum Should it.....? <u>REFER TO HANDOUT PAGE 7</u></p> <ul style="list-style-type: none"> <li>• As a minimum, what do you feel is the appropriate level of involvement from a regulator?</li> <li>•</li> <li>• Why is that?</li> <li>•</li> <li>• PROBE FOR: <ul style="list-style-type: none"> <li>a) Suppliers and customers need flexibility?</li> <li>b) There's no one way of delivering a complaints process?</li> <li>c) Cost?</li> <li>d) Bureaucracy?</li> </ul> </li> </ul>	Information on how people view regulation	25 min

<p><b>8. Wrap up and close (8.50pm)</b></p> <ul style="list-style-type: none"> <li>• <u>HAND OUT BLANK HEXAGONS/CARDS</u></li> <li>• Please write on the cards a message to Ofgem.</li> <li>•</li> <li>• Given the context of the discussions, what would their key recommendation be in terms of setting standards for complaints handling for energy suppliers and why?</li> <li>•</li> <li>• On the flip side, please let us know if we can re contact you to know more about any of the complaints you have made so we can put them in as case studies (unattributed).</li> </ul> <p>Thank everyone and close with next steps. <u>REFER TO FINAL HANDOUT PAGE 8</u></p> <p>ON COMPLETION GIVE OUT INCENTIVE</p>	<p>Useful way to get individual feedback from participants and to identify what they think are the key messages</p>	<p>10 min</p>

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# Prompt materials

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# Consumer research on complaint handling

Information for consumer focus groups  
August 2007

## Why is this research important?

*Consumer representation in gas and electricity is changing next year*

- energywatch which deals with complaints will be replaced by:
  - Consumer Direct – giving advice to consumers;
  - the new National Consumer Council – dealing with complaints about disconnection or involving a vulnerable customer; &
  - an Energy Ombudsman can decide on unresolved complaints.

*However, more emphasis on consumers being able to resolve their complaints at first port of call with their gas or electricity company.*

- Ofgem, the gas & electricity regulator, has to set standards on complaint handling for energy companies to comply with.
- It is seeking views from consumers and others on the right approach.
- This event is one of six around the country.

## Elements of a complaint handling process

- Visibility of process (how to complain & who to contact)
- Signposting to appeals process or Ombudsman if not happy with outcome
- Choice and convenience of contact (phone/freephone, e-mail, post)
- Speed of acknowledging your complaint
- Being kept updated on progress
- Speed of final response
- Quality and completeness of final response
- Personalisation of process (how well they appear to know your case)
- Expertise/knowledge of staff
- Empowerment of staff (can make decisions without referral to others)
- Attitude of staff (e.g. politeness and interest)
- Plus any others which people feel important

## Developing the ideal system

- Look at the different parts of the complaints process, are any important ones missing that were mentioned earlier?
- Imagine you could design the ideal complaints system.
- Your task as a group is to try to rank order which are more important or valued parts of the complaints process.
- You have 20 minutes to do this.
- Then we will discuss why some things are more important than others.

## What Ofgem does in general

- Ofgem regulate gas and electricity companies.
- They make sure companies operate to certain licence conditions and regulations in order to protect consumers and promote competition.
- For example, they require gas and electricity supply companies to provide different payment methods and will enforce this.
- This sort of regulation ensures customers have a choice in how they pay.


## What Ofgem can and can't do on complaint handling?

- At present Ofgem requires supply companies to publish their complaints procedures in plain and intelligible language.
- Moving forward Ofgem must make regulations to improve complaint handling standards in the industry. It will listen to and consider the public's views before making these regulations.

*However, Ofgem:*

- Can't stop complaints happening – unfortunately even with the best system mistakes do happen.
- Can't stop individual cases of poor performance by complaint handling staff e.g. wrong advice.
- Can't regulate the "softer" elements of complaint handling e.g. politeness and empathy.

## What as a minimum should Ofgem do?



	Pros	Cons
Do not interfere more than is necessary	Other sectors (e.g. supermarkets) complaints not regulated. Gas & electricity also competitive.	Gas and electricity an essential service and not the same as supermarkets.
Require companies to publish information outlining their complaints process & statistics on complaints	Helps consumer find their way through the process. Allows consumer to compare performance and exercise choice to switch.	Will information be meaningful to consumers? Is price more relevant to switching?
Set performance standards – e.g. X% complaints dealt with in Y weeks.	Sets a benchmark to compare performance. Ensures timeliness of resolution.	Will this timescale ensure a quality decision? Will comparisons be meaningful?
Compliance with a recognised standard e.g. BS ISO 10002	International standard provides guidance on the process of complaint handling. Requires auditing and monitoring.	Question of cost of complying with a wide ranging standard, monitoring & auditing.

## Next steps

- Feed this research into Ofgem’s consultation document on what it thinks it should do to regulate complaint handling standards in the industry.
- Publish the consultation document for public comment.
- Take on board comments and publish final decision on Ofgem’s role in regulating complaints handling standards in the industry.
- Around April 2008 – New regulations will come into force.



Promoting choice and value  
for all gas and electricity customers

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# Pre-task sheet

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# Pre-Workshop Task

Before you come along to the workshop please have a go at the following task. It should only take you 15 minutes or so.

## Complaining about a public service

Please talk to friends and family about their experiences of complaining about a public service they have used such as:

- A gas or electricity supplier
- A telephone company
- A water supplier
- A train or air company
- A council service such as bin collection or housing repairs.

Please ask them:

- What was good about the way the complaint was dealt with?
- What was not so good?
- What could have been done to make the experience better?

We have provided a sheet for you to fill in if that helps you to remember what your friends and family have told you.

*There are no right or wrong answers - we're just interested to see what your and your family and friends' experiences have been.*

We would also like you to bring with you, if you have one, a copy of a letter or email that you or your family have received in response to a complaint. We would like to look at these.

Please fill in the table below with the main points from any chats you have had with friends and family about complaining about a public service.

Public Services that was complained about	What was good about the way complaint was dealt with	What was bad about the way the complaint was dealt with?
<i>EXAMPLE: Gas or electricity supplier</i>	<i>Speed of response</i>	<i>The person who dealt with us was rude</i>

Name: \_\_\_\_\_