

Consultation on a framework for consumer standards and policy options to address priority customer service issues

- 1. Do you agree with our assessment on what good looks like for the issues consumers are facing relating to the priority issues of contact ease and identification and support/advice for consumers struggling with their bills. Are there any issues missing?**

Advice Direct Scotland agrees with the assessment of what good looks like for customers. Vulnerable customers need to be able to contact their supplier through a range of methods, as there needs to be a recognition that out of hours services which are only accessible by live chat or email, do not serve all customers. Advice Direct Scotland often deals with customers who do not have internet access due a lack of funds, or those with digital exclusion issues who may only be able to contact their supplier by phone.

In terms of identification of customer issues, again we agree with the assessment of what good looks like but would add identification of regular self-disconnection. Although it is covered in the SLC's and the new code of practice, a reiteration of this guidance would be welcomed. We often see repeat contacts from customers who have self-disconnected on multiple occasions, or customers who contact us because they have been told that they will receive no further help from their suppliers.

In addition, although technically a small group, we would like to see proactive engagement from suppliers with customers who are seeing high bills due to meter issues, and those who are on multi rate tariffs but not using night or heat rates. Identifying these customers would lower bills and mean they are less likely to fall into debt.

- 2. Do you have any views on potential options to address priority issues and do you agree with the extra requirements we are proposing? Please supply evidence to support your response.**

Advice Direct Scotland would generally support option 2. In working hours, we would like to see each supplier offering a dedicated option for vulnerable customers, likely via a press button option for calls or key word identification in live chat. Out of hours availability of a phone service as well as online support for vulnerable customers is needed. We agree that extended supplier hours for customer service would be welcomed but there is not necessarily a need for 24-hour phone service for the general line.

At present most available support for customers who are self-disconnected is only available to contact until 5pm. This added to long call waiting times from suppliers means that customers who go off supply between 4pm and 6pm may struggle to access support. Friendly credit generally starts from 6pm and is only available for those going off supply after that time. This leaves a dangerous window of time for prepayment customers who may not be able to access help and therefore remain

off supply for whole night. This could be addressed either by extending supplier hours for self-disconnection support, or by extending friendly credit hours.

3. Do you have any evidence that suggests that we should be considering additional and/or different rules beyond what we have proposed? Please supply evidence to support your response.

Improving customer access to support by extending service hours needs to be balanced with ensuring quality of service for those customers. Customers need to be receiving high quality service and complaint solutions, getting through to a customer service agent easily should be the absolute minimum requirement.

Many suppliers outsource contact centre work overseas to keep costs lower. The social enterprise arm of our organisation, Social Enterprise Direct, used deliver aspects of the Scottish Power Hardship Fund. This was then outsourced to South Africa at a cost we could not compete with. The concern is that cultural differences can make evaluating vulnerability and understanding fuel poverty more difficult for those agents which may mean missing out on harder to catch signs that customers are struggling.

4. Do you agree with our proposed approach of introducing reputational incentives in our priority areas? Please supply evidence to support your response.

Reputational incentives having less efficacy due to lower market competition.

The collected data that would be the base of the reputational incentive also has some issues in terms of representation. The citizens advice five-star rating is weighted based on the number of contacts into their service. This could mean that a supplier who answers the phone quickly but has a high number of direct complaints will be rated more highly than one with low complaint numbers, but the complaints mainly coming through other channels. The complaints data is only collected for complaints raised through the consumer service, Extra help unit or OSE. This means a large amount of complaints data is missing from those customers who complain directly to their suppliers.

This data is only for the England and Wales consumer services and therefore not representative of the service experienced by Scottish customers.

5: Do you agree with what we have set out in the assessment chapter? Please provide supporting evidence with your views. For evidence regarding additional costs, please provide quantitative data.

Customers should not have to pay extra cost for the provision of quality customer service, the data quoted in the consultation shows a decline in customer service over time which suggests supplier

behaviour has contributed. There is an argument that much of the service listed in the document is a level of customer service which suppliers should already have been reaching.

21.31% of calls into our service in the last financial year were due to customers who could not find their suppliers contact details. We also receive a large number of contacts across all subject areas where customers were well informed of the complaints process and therefore not in need of advice but raised the issue via our service because of an inability to reach their supplier.

On the point of the cost of these measures causing a barrier to the market, it can be argued that a new supplier who cannot meet the standard should not be able to enter the market, as they would not be able to provide the required level of service to their customers.

Question 6. Using the list of prospective data items we present in the monitoring chapter as a guide, what other additional data items could we aim to collect and from what data sources? Do you consider there are any challenges you may face when collecting/providing these? If so, please provide any supporting evidence you have.

At present the standard license conditions have yet to be updated to reflect that we are the statutory provider of energy advice in Scotland. During the recent investigation into PPM force fit practice, we were approached to share data with Ofgem, but as the SLC's are yet to be updated, it was not possible to set up a legal data sharing agreement.

Our concern is that the data collected from England and Wales is not necessarily representative of the energy landscape and problems faced in Scotland.

Question 7: Do you have any comments on the factors that should be considered in determining whether to use principle-based or rule-based approach to setting standards?

Although we agree that a principle-based approach would mean better tailored and more flexible solutions for customers, we would have concerns over the ability to monitor supplier adherence.

At present customer service areas which are clearly set out in the SLC's and therefore clear to suppliers, are not always followed. A principle-based approach means greater flexibility for suppliers, but also greater ability to avoid support.

1.8. Question 8: Do you agree with our early view of reputational based incentive options for winter 2023 and the potential incentive options for development over the longer-term? Please provide explanations to support your responses.

In the current market where there is little switching or competition on price the value of reputational based incentives is low. Although it has been mentioned that this plan is looking at longer term solutions, the current predictions do not show an end to the energy crisis anytime soon.

In regard to regulatory and financial incentives, these need to be substantial enough to ensure adherence. At present fines and redress contributions seem to be the cost of doing business, with many suppliers continuing the same behaviour despite having to pay out for poor practice.