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To: RetailStakeholderTeam@ofgem.gov.uk

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

Good afternoon,

Introduction

Ecotricity were the world's first green energy company when we established in 1995 and we now have over 175k domestic and non-domestic supply accounts, alongside over 100MW of self-developed renewable generation capacity. We continue to invest in new sources of renewable generation, with two new solar parks recently commissioned and our first green gas mill and energy storage sites under construction.

We understand that the perception of the current market framework relating to consumer standards and priority services customers by the public and especially the consumer charities has decreased over the past few years. The market conditions along with the scaling up at speed and the implementation of Government schemes, meter read day and the increases of overall costs, have contributed to increased contact with consumers. With no future schemes currently projected, these increases should subside to nearer pre pandemic/cost of living crisis levels.

We believe any changes to regulation should be proportionate and not a one size fits all, or a knee jerk reaction to a perceived view of the industry as a whole. Suppliers already have to report on customer service (through the new RFI), complaints data and PSR through the Social Obligation Report, rather than add additional measures to all suppliers it would be prudent to manage those requirements independently with those suppliers perceived to be falling short. Ecotricity strive to maintain and improve positive customer outcomes for all customers, while working within the financial constraints required to ensure we are sustainable for a successful future.

It is important to note the Ecotricity take every opportunity to ensure we provide the correct customer outcomes and where we haven't met our desired standards, we put the issue right as soon as possible. Due to limited timeline for collating a response, this response is high level.

Please find responses to the consultation questions below:

Questions relating to our approach to addressing 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?

Ecotricity agree with the assessment of what good looks like to the consumer, however, any additional metrics/regulations should be proportionate and not further inadvertently financially detriment the consumer through additional operating costs being required within the price cap.

It should also be noted that the industry has had to adapt quickly and efficiently to a large number of external constraints over the past 5 years and those domestic suppliers who are left standing, have strived to provide great customer outcomes throughout a tumultuous period for which we hopefully won't see again.

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.

Overview

We agree that customers should be able to contact their supplier within the suppliers specified opening hours. Ecotricity have recently extended our operating model with lines open 9am – 7pm Monday to Friday and 9am- 1pm on Saturdays, reducing our wait times to now circa a minute from our average of 2 minutes this year, we operate an additional line for Priority Service Customers, an emergency line for out of hours queries and friendly hours overlapping with opening times. Should we deem these measures to be out of sync with our customer requirements through reviewing feedback, these would be reviewed accordingly. We do not believe it would benefit our customers to extend our opening hours or our communication offerings.

Customer Service

Suppliers should not be mandated as to the opening hours for our contact centres. To enable competition and to ensure we operate in a financially sustainable model, all suppliers should be permitted to measure their own performance and adjust the operating model to suit their customer needs. Where performance dropped below the perceived agreeable standards by Ofgem, this should be addressed accordingly.

For suppliers to operate either a 24/7 365-day or a Monday – Friday - 10pm contact centre then this will drive up operating costs, hence driving up the operational costs under the Price cap for all customers with a limited improvement in overall service standards. This should be a supplier decision with customers having a choice to move to a supplier with improved service standards.

Suppliers should also not be mandated as to how a customer can make contact. Where a supplier offers additional services above email and phone, that should be a decision for the supplier, not all customers want to use alternative solutions, this will place additional burden on smaller suppliers and potentially result in a service that's detrimental to the customer as opposed to improving.

Removal of debt repayment minimum level

The removal of a debt repayment minimum level of payment and extending the collection timescales would have significant impact on the ability of suppliers to ensure financial resilience in accordance with all our current and upcoming Licence obligations. We are against this proposal with the current requirements along with the involuntary PPM Code requirements being monitored accordingly, as opposed to additional regulation.

This proposal could have the opposing effect of its desired outcome, resulting in further suppliers entering into the SoLR space, hence further increasing costs for the consumer.

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.

We don't believe there are any additional requirements that should be considered to provide further prescription on suppliers.

With the introduction of the involuntary PPM Code, in addition to the Energy UK Vulnerability code these are designed to improved customer outcomes and provide additional support within the debt journey. These in accordance with the current standard Licence Conditions should be sufficient to deliver the outcomes that are being sort.

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

We agree with the reputational incentives as a metric to highlight the work being completed within the industry will support all customers not only priority service customers.

A point to note is that there are already metrics which are published, however these are not promoted. These highlight the positive work being completed by suppliers to support their customers consistently over the past 5 years and especially since Covid in relation to the level of additional support offered to customers in grants, write offs and advice.

Questions relating to Assessment and Monitoring of Options

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.

To adhere to all the proposed measures within the consultation, many of which are flawed and could lead to detriment to customer outcomes, as opposed to the objective to improve outcomes, the costs could be extortionate on behalf of the supplier, hence then the customer.

To manage the requirements as set out, there will be a requirement for additional front-line employees covering both customer service and debt, there will be a requirement for further managers, quality personnel and regulatory personnel. The industry is getting increasingly difficult to recruit into especially within Regulation and Compliance.

Due to the financial constraints placed through the price cap (maximum of 1.9% for an efficiently run company, moving to 2.4% to cover additional ring-fencing requirements) the industry will become less attractive to investors and innovation could reduce due to less capital to effectively manage large scale projects.

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.

The list is extensive and will require a number of changes to systems to obtain the full reporting requirements. With the number of regular RFI's being sort along with financial oversight, these should provide a comprehensive overview of all supplier's performance.

In view of the oversight obtained through this information, these should direct further MCR's to specific suppliers to drive improvements as opposed to a blanket response to all medium and large suppliers.

Consumers Standards Framework

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?

Should any change be made to the standard licence conditions these should be reflective and not disproportionate to the requirements of a stable energy market. These should be principle based to allow for competition and innovation towards net zero.

To make these rules based, would be detrimental to the long-term performance and sustainability of a supplier and inflate costs further.

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.

We agree with the reputational incentives to drive performance, as long as these are not overly onerous and duplicated information is required in slightly differing formats from different organisations/teams. We support the driving up of customer outcomes, to ensure customers aren't confused around increased metrics all organisations should work together to provide one consolidated report and ensure it's published with key facts and positive messaging where appropriate.

Yours faithfully

Nicola

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For and on behalf of Ecotricity