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30 May 2023

Dear Jemma,

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

Thank you for the invitation to respond to this consultation. Customer service is a central focus for ENWL. Within the context of the RIIO regulatory framework, we are encouraged and enabled to implement many customer service improvements that have delivered real benefits for customers, especially through the cost-of-living crisis and Covid-19 pandemic. We appreciate this opportunity to reflect on the specific challenges for the retail sector and for sharing best practice across the industry.

We are an innovative leader, developing solutions to meet consumer needs, including in the customer service space. Some examples of the recent customer initiatives we have led on are: a credit voucher scheme for pre-payment customers who cannot get through to their supplier and are experiencing heightened vulnerability as a result, which has been shared and rolled out by other network companies, and; rebranding our Priority Services Register as the [Extra Care Register](#). We also led the way, operating a pilot (with United Utilities) sharing data with the water sector, which has continued as a business-as-usual process.

From our experience operating the 105 service, we know customers are finding it challenging to contact their suppliers. There are many situations where a customer needs to talk to their supplier, they consider the matter important, and it is part of the supplier's role to resolve the issue. Of particular concern are urgent issues involving prepayment credit and meter faults. These time-critical meter related issues equate to unplanned power cuts for those customers. To address this concern, we have led work on a Retail Energy Code change proposal, R0053, now being progressed by that code manager. This aims to deliver a 24/7 supplier contact service for customers, as well as an onsite response (where necessary) to fix meter faults.

During this cost-of-living crisis, demand for support services is likely to have increased. Certainly, the number of customers in vulnerable circumstances has increased, as many more are struggling with energy costs. We do therefore acknowledge that suppliers will incur some costs, particularly in extending services outside of Monday to Friday standard business hours and by providing a choice of contact routes. It will be important for Ofgem to ensure the regulatory regime enables the level of service provision customers require. A wider



societal conversation may be needed, if suppliers and Ofgem determine there is not a cost benefit case for improved supplier contact and capacity to meet these urgent customer needs in a timely way.

Within Appendix 1 to this letter, we have provided comments on the specific consultation questions. Please contact me if you would like any further information on these responses.

We look forward to further engagement with Ofgem on these issues and the publication of stakeholder's responses to this consultation.

Yours sincerely,

**Samantha Loukes**  
**Customer Vulnerability Inclusion Manager**

## **Appendix – Response to specific consultation questions**

### **Question 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?**

We agree that supplier contact ease is a priority issue. As a DNO, around 14% of the calls we receive through the 105 service relate to matters that should be directed to the supplier, suggesting customers are struggling to make contact. This includes issues which, whilst not involving loss of power on the network or electrical safety concerns, are 'emergency' scenarios for those customers – such as running out of credit on a pre-payment meter.

We ourselves have difficulties contacting most suppliers out of hours via the prescribed routes and this weakens our ability to help those customers, where the supplier is the party required to act. Our distribution customers are affected when our network faults contact centre resource is drawn into supporting customers with issues only a supplier can resolve. Our customer advocacy partners have advised they too struggle to contact suppliers, even during normal working hours – which limits their ability to assist with areas such as debt.

As well as ensuring supplier contact teams are appropriately resourced and available out of hours, we believe it is important that they offer multiple communication channels, to support the needs of different customer groups. We do not, however, think a dedicated phone number for vulnerable customers is the answer – we believe this could further complicate the messaging for that group. We have technology ourselves that is used to identify inbound calls from those customers and automatically route them (more quickly) to the appropriate support team.

From our experience dealing with supplier-related queries, one additional area we feel should be looked at (as part of this policy review) is the ability to deploy engineers to resolve meter faults. We are suggesting that, when a customer contacts their supplier, the responsibilities on that supplier to provide full end-to-end resolution of the issue (including where this means arranging a site visit by the meter operator) should be clearly defined, with simple, understandable response timescales in place. Please see Retail Energy Code change proposal R0053, raised by ENWL, for more information.

### **Question 2: Do you have any views on potential options to address priority issues and do you agree with the extra requirements we are proposing?**

We support option 2 (24/7 contact being in place). This is because, as a DNO, we know the significant impact a power cut can have on customers. Running out of credit on a prepayment meter (or feeling unable to afford to top up) also represents an unplanned power cut for an individual customer, with the same (or greater) level of impact as a network fault. Customers in these situations may need prompt assistance from their Suppliers at any time – including weekends, bank holidays, and overnight.

We do, however, suggest that Ofgem undertakes further analysis, to assess the costs and benefits of this option, over option 1 (7-10pm availability). There may be a pragmatic solution, which specifies issues that require 24/7 support, and those that can be addressed the next day. We would stress that 365-day availability is an absolute minimum requirement. From our experience, lack of availability on weekends and public holidays is a particular problem for customers.

We also recommend Ofgem strengthens the wording of these conditions, to emphasise satisfactory customer experience and outcomes. It is important that these requirements capture resolution of issues, rather than just acknowledging and logging the initial query.

### **Question 3: Do you have any evidence that suggests that we should be considering additional and/or different rules beyond what we have proposed?**

Please refer to work on Retail Energy Code (REC) change proposal R0053, regarding the resolution of meter faults.

DCUSA change DCP-364<sup>1</sup> and the considerations for this change can all be accessed transparently on the DCUSA website. This change process contains potentially useful information for Ofgem in looking at supplier contact matters.

**Question 4: Do you agree with our proposed approach of introducing reputational incentives in our priority areas?**

Yes, we agree with reputational incentives for now, but would encourage Ofgem to go further with the use of incentives – with, for example, league tables.

In terms of financial incentives, Ofgem would need to consider how aligned this approach is with a competitive market. In monopoly sectors (like electricity distribution in which we operate) incentives are delivering a focus on, and substantial improvement to customer service.

In the supply sector, competition should be delivering for customers. We suggest that schemes to protect customers from high costs of energy have done much good but also potentially reduced competitive pressures for suppliers and challenges in the supply sector may have driven a heightened focus on costs to serve.

We believe that a key factor to consider, in going beyond purely reputational incentives, is whether competition restrengthens and consequently drives up customer experience, especially for customers in vulnerable circumstances.

If used, any financial incentives should be calibrated based on the conditions of the supply market specifically – rather than referencing calculations used for network operator price controls. Any incentive rewards should also be linked to the value of improved services for customers.

**Question 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.**

We agree that there is a cost to being more accessible to customers. From our experience however, the scale of the cost will vary, depending on the specific contact routes and follow-up services offered. Additionally, the starting point for each supplier will be different, which could make a significant difference to each individual supplier's costs.

**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.**

Ofgem could consider looking at:

- The number of customers utilising emergency credit on their prepayment meters, and the duration. This could help track the number of customers struggling with debt / affordability.
- Reporting metrics such as website response and wait times.
- When and how the supplier last notified a customer of their rota load block letter. This is important customer information and Ofgem might want to review the effectiveness of supplier communication.

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<sup>1</sup> [Provision of Information on Suppliers Emergency Metering Service Provisions - DCUSA](#)

If any additional monitoring is introduced, the reporting instructions and guidelines should be clear and unambiguous, to enable consistent comparisons.

**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?**

We note that the principles-based approach was introduced in 2016. On reflection, we question whether this approach has had the desired effect and, given the level of change in the market since then, is still appropriate. We support rules-based approaches as we consider these give customers and stakeholders greater clarity and certainty of the level of service they will receive. Rules-based approaches should, however, still allow companies to choose to go further.

In setting a rules-based approach, Ofgem should consider if minimum standards should be specific to reflect the size of a supplier.

If a principles-based approach is going to be taken forward, this must be accompanied by clear, prescriptive minimum standards and expectations from the outset. In setting those standards, Ofgem should focus on what customers require and are willing to pay for, rather than current comparative levels of performance.

**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**

We agree that the reputational approach could be a good start, is achievable for the coming winter and could then generate a dataset to inform consideration of future incentives. As responded above, any step to apply incentives more prevalent in monopoly markets would need to be very carefully thought through by Ofgem. We suggest it is not a priority to complete this specific work (to assess the appropriateness of financial incentives) by winter 2023.

We would also note that a simple ranking, based on just one measure, does not always provide the best overall indicator for customers. For example, if all suppliers are above a particular standard, the one in last place may actually be performing very well. Therefore, a 'compliance mark' might be a way to show that a supplier at least meets a minimum standard and suppliers can then further differentiate their service and compete as normal, beyond that minimum standard.