
Consumer standards statutory consultation

Publication date: 26 July 2023

Response deadline: 23 August 2023

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We are consulting on proposals to make it easier for domestic customers to contact their supplier and to help identify and support domestic customers that are struggling with their bills. We have built on proposals consulted on earlier this year.¹ We would like views from people with an interest in customer service, consumer protections, vulnerability and debt. We particularly welcome responses from consumers, energy suppliers, consumer groups and charities. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

¹ [Consultation on a framework for consumer standards and policy options to address priority customer service issues | Ofgem](#)

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Foreword

Providing customers with good customer service is a critical part of an energy suppliers' role. Customers should expect their supplier to be easy to contact and to provide them with help if they are struggling with their bills.

As the energy regulator, we are standing up for the rights of consumers and driving up standards. We actively monitor supplier performance and act to ensure that suppliers are complying with their obligations to consumers. For example, earlier this year, we took action against a supplier for excessively long call waiting times.

We have also considered the need for new rules, focused on the issues that matter the most to domestic consumers. In discussion with consumer groups, we have proposed new rules that will make it easier for domestic customers to contact their supplier and help customers struggling with their bills.

In particular, if adopted, our proposed licence conditions and guidance should mean:

- Suppliers' enquiry services are contactable outside of standard working hours.
- Suppliers have a 24/7 enquiry service for customers without power or gas where it is the supplier's responsibility to resolve the issue.
- Suppliers identify and prioritise domestic customers in vulnerable situations who may require immediate assistance, or representatives acting on their behalf.
- Suppliers engage earlier to understand customer ability to pay and offer repayment plans earlier, including repayment holidays when customers are unable to pay.

Some suppliers already provide aspects of this good service to their customers. However, our proposals will ensure that all domestic customers, no matter which supplier they are with, are able to receive these levels of service. We expect the suppliers' boards to take responsibility for the service they provide to customers.

We really appreciate the feedback and engagement that we have had from consumers, energy suppliers, consumer groups, charities and wider stakeholders. In particular, we are grateful for the support from Citizens Advice for the use of their star rating.

We consider that these proposals will deliver benefits to consumers. We are proposing for them to be in place for the coming winter, when many households may struggle even more with their bills and will be looking to their supplier for support and advice.

Neil Lawrence, Director at Ofgem

Executive Summary

With many consumers struggling with their bills, it is more critical than ever that suppliers provide them with good service. There are many examples of suppliers providing great supplier customer service. However, our market monitoring, consumer research and stakeholder feedback show us that supplier customer service on the whole is not meeting many consumers' needs.

As the energy regulator, our aim is to drive standards up across industry. Considerable work is underway to achieve this. Our monitoring, compliance and enforcement of existing customer service licence obligations is critical. Our customer service Market Compliance Reviews (MCRs) are still ongoing, and we are improving our customer service monitoring. We recently took enforcement action against a supplier for long call waiting times and unanswered calls.²

All of this work is critical in ensuring that customers get good service from their suppliers this winter. As part of this workstream, we are refining our rules to ensure that domestic customers can contact their suppliers and get support if they are struggling to pay.

Longer-term, we are considering whether we need to regulate the sector differently to drive the delivery of good customer service.

May 2023 policy consultation

In May, we consulted on:

- An overarching consumer standards framework that sets out how we regulate to raise consumers standards and how we can continue to most effectively monitor and track consumer standards issues going forwards. This included a proposal to introduce new reputational incentives (eg requiring suppliers to publish customer service data).
- Specific improvements to address priority domestic customer service issues in time for this winter. This included proposals to improve ease of contact and tailored advice and support for consumers struggling with their bills.

We undertook qualitative research³ directly with consumers to test our proposals. As part of our consultation, we also engaged industry and consumer groups via roundtables.

We received over 40 responses to our consultation:

² [Ofgem's deep dive delivers £5m boost for consumers | Ofgem](#)

³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

- There was general support of our regulatory and monitoring framework. Many stakeholders supported exploring reputational incentives to drive improvements. However, some suppliers were concerned about the impact on competition. We provide an update on our latest thinking on our regulatory and monitoring frameworks in this document.
- Whilst many suppliers were keen to work together to address priority issues, many suppliers did not support our specific proposals to do this, especially for contact ease. They considered that we need more evidence to demonstrate issues and justify our proposed solutions (i.e., that the benefits outweigh the costs for customers). There was mixed support for our proposals to help consumers struggling with their bills.
- Consumer representatives were generally supportive of our proposals. They considered that a more prescriptive approach to regulation is required. However, they did not consider that a general 24/7 enquiry service for all customers was necessary (some network companies disagreed). There was broad support for proposals for customers struggling with their bills.

Our proposals

Based on the feedback and evidence received, we have updated our policy positions and this document outlines how we propose to address priority issues. We consider that our proposals outline consumers' basic expectations of their supplier.

Improving contact ease

To make it easier for domestic customers to contact their suppliers, we are proposing to add new requirements to existing licence conditions, for supplier enquiry services to:

- Be available via different methods of contact that take into account customer needs.
- Be open at times that reflect consumer needs. Specifically, we state in proposed guidance that we expect suppliers to be open longer than standard working hours.
- Be open 24/7 for customers who have lost power or gas due to issues related to their supplier.
- Be provided by the supplier for free for certain consumers in vulnerable situations.
- Identify and prioritise domestic customers in vulnerable situations who may require immediate assistance, or representatives acting on their behalf.

Alongside the proposed modified licence conditions, we are consulting on guidance on our expectations for domestic suppliers in relation to their new and existing licence requirements on contact ease. This includes our expectation that suppliers will be able to justify and explain their level of performance if it took significantly or consistently longer than 5 minutes on average to answer phone calls.

With the evidence made available to us through the consultation process, we have assessed the impact of our proposals. We consider our proposals will deliver benefits to consumers and make it easier for consumers, in particular customers in vulnerable situations, to contact their supplier. This is supported by the responses we received to our consultation and our recent consumer research. We received some costs data from four suppliers who suggest that the range of the two options of the contact ease package we outlined in our May 2023 policy consultation would cost them on average around £4-6 per customer per year. However, we provisionally judge that our revised policy options would be less costly than some of our May 2023 proposals, and therefore supplier costs may sit at the lower end of this range.⁴ Overall, we consider that these proposals are consistent with our duties, will provide benefits to customers, and view the costs to suppliers of implementing these policies as proportionate.

Identifying and supporting consumers that are struggling with their bills

To help support domestic customers that are struggling with their bills we are proposing adding new requirements to existing licence conditions for suppliers to:

- Proactively engage customers to understand their ability and offer debt repayment plans at the earliest opportunity (i.e., after 1 missed quarterly scheduled payment, after 2 missed monthly scheduled payments or after a customer has stated that they are likely to miss the next scheduled payment).
- Consider payment holidays for periods of time, when customers are unable to afford their energy bills.

We know that some customers are struggling to pay their bills and it is important that they receive a high level of service from their supplier when they do. In the coming months we will continue to work with consumer groups, charities, and industry to find ways of raising standards and ensuring consistency across the debt pathway. This will build on Ofgem's work on good practice for supporting customers in payment difficulty.

⁴ For more information on our proposals and an explanation of these costs' values, see Chapter 3 on improving contact ease.

⁵Some limited cost data we received based on the identification and support/advice for customers struggling with their bills option package outlined in our May 2023 consultation indicates that the policy would cost suppliers around £3 per customer per year.⁶

Based on the assessment of the impact of our proposals and the evidence received, we consider that our proposals will build on existing work to better protect consumers this winter.

Improving overall customer satisfaction

These new rules form part of our broader, ongoing work to drive improvements in overall customer satisfaction. To help strengthen the incentives on suppliers to deliver overall good service, we are proposing to introduce new licence requirements for suppliers to publish information on their customer service performance.

In time for this winter, we are proposing that licensees must make available information on their customer service performance as measured by Citizens Advice. From some limited costs data we received as part of our option in the May 2023 consultation, we expect this policy to cost suppliers around £0.13 per customer per year.⁷ In parallel we will work with stakeholders, including Citizens Advice, to develop a measure of customer experience.

We consider that requiring suppliers to publish information on customer satisfaction performance will allow consumers to better understand which suppliers are delivering a good service, driving competition on quality of service and delivering better outcomes for consumers. Longer-term, if we do not see improvements, we will consider whether we need to regulate the sector differently to help deliver good service.

Scope

Our proposals for winter 2023 focus on domestic customers only. In parallel, we are also considering how to drive up standards for non-domestic consumers through our separate non-domestic review.

⁵ <https://www.ofgem.gov.uk/publications/good-practice-supporting-customers-payment-difficulty> and <https://www.ofgem.gov.uk/publications/debt-communications-messaging-evidence-customer-and-behavioural-insights>

⁶ Note that no data were received for the cost of ending minimum repayments option outlined in our May 2023 consultation. See identifying and supporting customers that are struggling with their bills section below and the original option outlined in our May 2023 consultation. Note, based on the limited data we received, we also consider the costs of implementing these policies to be proportionate as the policies are in line with our duties and would provide benefits to customers.

⁷ See reputational incentives section below. Note that the costs outlined are as provided for the reputational incentives policy outlined in our May 2023 policy consultation: [Consultation on a framework for consumer standards and policy options to address priority customer service issues | Ofgem](#)

Next steps

We are consulting and seeking views on specific draft licence changes and our draft guidance for contact ease to implement our proposals. We are proposing to publish a decision on any licence changes by early October 2023 and for any licence changes to go live in December 2023. From engagement with suppliers, we understand that some elements of our proposals may take longer to implement than others and we are seeking feedback and evidence on our proposed implementation timescales. We will also publish our updated guidance on contact ease. We will work with stakeholders to refine our licence changes and our associated guidance document.

Alongside this, and building on Ofgem's previous behavioural research in this area⁸, we will work with the industry to continue to find ways of raising standards and ensuring consistency across the debt pathway (eg embedding best practice compassionate customer debt handling into supplier practices). Through our consultation, this was identified as an area where suppliers could improve their performance to make a meaningful impact for consumers this winter.

Whilst we have focused on addressing some of the key drivers of customer satisfaction (eg quicker response times and longer opening hours for consumers), we ultimately want suppliers to provide good service to consumers. We do not want suppliers to improve contact ease, at the expense of overall customer satisfaction (eg responding quickly, but not resolving queries).

To help make sure that suppliers are focused on overall customer experience, we would also like to work with the industry to develop a robust, Ofgem-approved overall measure of customer experience to be published regularly for the benefit of consumers. This will allow us to better identify issues, help support competition and drive suppliers to improve their service.

We expect the suppliers' boards to take responsibility for the service they provide to customers and for their compliance with licence obligations. We will continue to monitor customer satisfaction with suppliers and supplier compliance with their licence obligations. We will take action where we identify that suppliers are not complying with their licence obligations. This could include compliance or enforcement action, consideration of further prescriptive rules and/or development of new incentives (eg financial incentives) to drive suppliers to deliver good performance.

⁸ [Debt communications messaging: Evidence from customer and behavioural insights | Ofgem](#)

Chapter 1 – Introduction

Section summary

This section sets out what we are consulting on and the broader context for our proposals. It also informs stakeholders of the consultation process and how they can respond.

What are we consulting on?

- 1.1 On 3 May 2023, we published a policy consultation seeking views on proposals to further drive up standards in the retail energy sector for all consumers. This included proposals to make it easier for customers in vulnerable situations to contact their supplier and to require suppliers to provide tailored support for customers who are struggling to pay their bills as soon as possible. We have reviewed and considered responses received to our May 2023 consultation.
- 1.2 In the light of stakeholder comments received and our own analysis to date, which we describe in this document, we are now formally consulting on changes to the Standard Licence Conditions (SLCs) to improve contact ease, strengthen the advice and support provided to consumers struggling with their bills and enhance the incentives for suppliers to provide good service to their consumers.
- 1.3 Accordingly, this Statutory Consultation is accompanied by statutory notices of our intention to modify:
 - SLC 27.5, by adding new licence condition 27.5B;
 - SLC 27.8A; and
 - SLC 31G.3, by adding new licence conditions 31G.3A - 31G.3E.
- 1.4 This document is split into 8 chapters, with five appendixes:
 - Chapter 1: Introduction
 - Chapter 2: Customer satisfaction and our approach to driving up standards
 - Chapter 3: Improving contact ease
 - Chapter 4: Identification and support/advice for customers struggling with their bills
 - Chapter 5: Reputational incentives
 - Chapter 6: Other key areas to support our assessment
 - Chapter 7: Monitoring and evaluation
 - Chapter 8: Consumer Standards framework
 - Appendix 1: Summary of policy positions

- Appendix 2: Proposed SLC modifications
- Appendix 3: Draft Guidance on Expectations of Supplier Contact Ease
- Appendix 4: Questions
- Appendix 5: Privacy notices on consultation

Context and related publications

- 1.5 With many consumers struggling with their bills, it is more critical than ever that suppliers provide them with good service.
- 1.6 We have a range of work already underway to drive up the service received by domestic consumers. We are improving our monitoring to better understand customer's experience of energy and ensure that suppliers comply with their existing obligations. To drive up the service received by energy customers, we undertook a Market Compliance Review (MCR) into customer service earlier this year. We are working with industry to address the issues identified through the MCR. We have also taken action against suppliers that have failed to comply with existing obligations.
- 1.7 Alongside this workstream we are also reviewing relevant SLCs and guidance to consider what additional requirements may be required to protect Prepayment Meter (PPM) consumers. We recently published an Involuntary PPM - Supplier Code of Practice⁹ and we are formally consulting on translating the code into licence rules and/or guidance.¹⁰
- 1.8 We are also considering how to drive up standards for non-domestic consumers through our separate non-domestic review.¹¹

Consultation stages

- 1.9 We invite stakeholders to submit comments on any aspects of this consultation on or before 23 August 2023. Depending on the evidence we receive through this consultation, we expect to publish our Decision by early October.
- 1.10 We are proposing for any new licence conditions to go live from early December 2023. From engagement with suppliers, we understand that some parts of our proposals may be easier to implement than others. As part of this consultation, we are seeking feedback on our proposed implementation timescales.¹² Our

⁹ [Involuntary PPM Code of Practice \(ofgem.gov.uk\)](https://www.ofgem.gov.uk/publications/involuntary-ppm-code-of-practice)

¹⁰ [Statutory Consultation – Involuntary PPM | Ofgem](https://www.ofgem.gov.uk/publications/statutory-consultation-involuntary-ppm)

¹¹ <https://www.ofgem.gov.uk/publications/non-domestic-market-review-findings-and-policy-consultation>

¹² See Chapter 6 for more detail on what evidence we ask for.

proposed implementation timescales are therefore subject to change, based on the feedback and evidence received.

How to respond

- 1.11 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document's front page.
- 1.12 We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 1.13 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

- 1.14 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.15 If you wish for us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 1.16 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 1.17 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

1.18 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

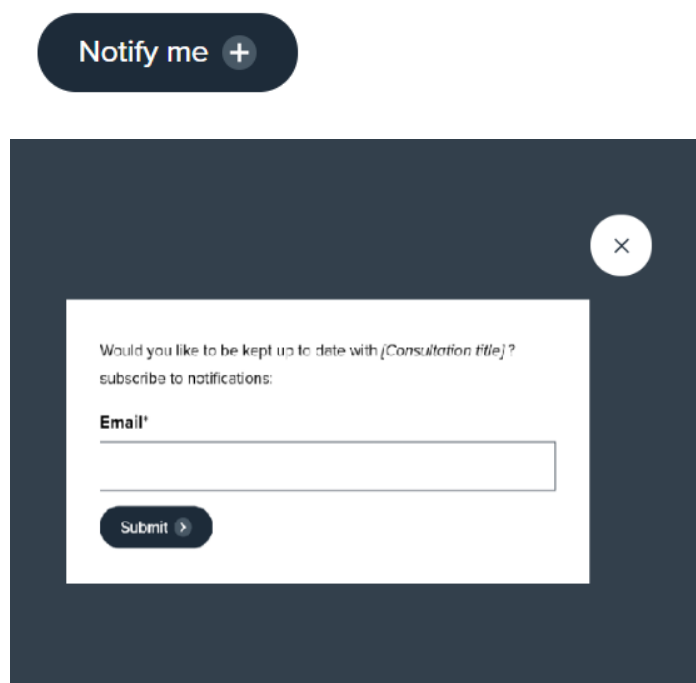
1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk.

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website.

[Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations)



The image shows a dark blue button with the text 'Notify me' and a plus sign. Below it is a dark blue modal window with a white background. The modal contains the text: 'Would you like to be kept up to date with [Consultation title]?' followed by 'subscribe to notifications:'. There is an 'Email' label and a text input field. At the bottom of the modal is a dark blue button with the text 'Submit' and a right-pointing arrow. A close button with an 'x' is in the top right corner of the modal.

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

Chapter 2 – Customer satisfaction and our approach to driving up standards

Section summary

With many consumers struggling with their bills, it is critical that consumers get good service.

We recognise that the last couple of years have presented unprecedented challenges for consumers and suppliers, but high-quality standards are a fundamental component of a well-functioning market. Whilst there are many examples of great service, overall industry customer satisfaction has declined.¹³

Experience suggests that competition alone will not drive sufficient performance. We have significant work underway to improve suppliers' performance for customer satisfaction. We are already improving our monitoring of suppliers' performance and taking a more proactive approach to compliance and enforcement of existing rules. Alongside this, we consider it right for us to consider whether we need to introduce new rules to ensure suppliers deliver good service.

We commissioned qualitative research with consumers to get their feedback on addressing issues relating to contact ease, as well as the advice and support from suppliers when struggling to pay energy bills. The research also explored participants' views on our proposals for reputational incentives.

Customer service quality and satisfaction in the energy market needs to improve

- 2.1 In our May 2023 consultation, we outlined that whilst there are many examples of great service, overall domestic consumer satisfaction with the customer service from their energy supplier decreased from 74% in Q4 2018 to 66% in Q4 2022.¹⁴
- 2.2 The majority of consumer organisations who responded to our consultation agreed that supplier customer service has been declining and encouraged us to be proactive in addressing these concerns. Several consumer organisations provided additional evidence to support their position. For example, Consumer Scotland's response outlined information from their Energy Tracker which shows low consumer satisfaction in Scotland. It also showed that in spring 2023, only

¹³ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

¹⁴ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

46% of consumers thought their supplier made it easy to contact them, and this had fallen from 51% in spring 2022. 24% of consumers also said they did not think their supplier made it easy to contact them.¹⁵

- 2.3 Many suppliers considered that reported low levels of customer satisfaction were temporary issues driven by external factors (eg Covid, the energy crisis and the current high price of energy). Many suppliers were keen to highlight the positive changes that they already made to improve customer satisfaction and address priority issues. Several suppliers also considered that we need more evidence to understand the issues and justify our proposed solutions.
- 2.4 Several suppliers also questioned whether new customer service standards should be our top priority right now. These suppliers encouraged us to focus on other issues instead (eg compliance with existing obligations, energy affordability issues and delivery of Net Zero).
- 2.5 We recognise that the last couple of years have presented unprecedented challenges for consumers and suppliers. We also consider that there are examples of suppliers providing consumers with good service and acknowledge that, following our work with industry, improvements have already been made.
- 2.6 However, we consider that high-quality standards are a fundamental part of a well-functioning market and good supplier customer service is critical to achieving wider objectives for consumers (eg energy affordability and net zero at lowest cost). Various research from other sectors and contexts shows that quality customer service is linked to customer satisfaction,¹⁶ excellent customer service is associated with positive feelings,¹⁷ and customer service is more important than product value in predicting customer loyalty.¹⁸
- 2.7 Experience suggests that competition alone may not drive sufficient performance. We therefore consider it right for us to consider whether we need to introduce any new rules to ensure that consumers receive good service. Furthermore, suppliers themselves may also see benefits from improvements they make in

¹⁵ Consumer Scotland (2023) Energy Tracker 3. Taken from consultation response provided to Ofgem as part of our policy consultation process.

¹⁶ Álvarez-García J, González-Vázquez E, Del Río-Rama MC, Durán-Sánchez A. Quality in Customer Service and Its Relationship with Satisfaction: An Innovation and Competitiveness Tool in Sport and Health Centers. *Int J Environ Res Public Health*. 2019 Oct 16;16(20):3942. doi: 10.3390/ijerph16203942. PMID: 31623254; PMCID: PMC6843569.

¹⁷ Calvert GA, Pathak A, Ching LEA, Trufil G, Fulcher EP. Providing Excellent Consumer Service Is Therapeutic: Insights from an Implicit Association Neuromarketing Study. *Behav Sci (Basel)*. 2019 Oct 14;9(10):109. doi: 10.3390/bs9100109. PMID: 31615003; PMCID: PMC6826515.

¹⁸ Leung, K., Li, W.-K., & Au, Y.-F. (1998). The impact of customer service and product value on customer loyalty and purchase behavior. *Journal of Applied Social Psychology*, 28(18), 1731–1741. <https://doi.org/10.1111/j.1559-1816.1998.tb01343.x>

customer service standards.¹⁹ In the following chapters we discuss the evidence to support our proposed policy positions and proposed SLC changes.

2.8 This workstream is part of our broader work to deliver in consumers' interests. We already have considerable work underway on energy prices (eg our work on the default tariff cap) and to deliver net zero at lowest cost (eg our work on smart meters and half-hourly settlement).

Our broader approach to customer satisfaction

2.9 We already have much work underway to improve the service provided to consumers. There are extensive, existing requirements for suppliers to deliver good performance. We are also improving our monitoring of supplier performance and taking a more proactive approach to compliance and enforcement. For example:

- Earlier this year we conducted a MCR into supplier customer service and complaint handling. This identified several areas for improvement (eg inadequate customer service performance and weaknesses in customer service agents' training). Following the MCR, we have been engaging with suppliers to drive improvements in processes to ensure customers are treated fairly, and able to contact their supplier to get the support they need. This work continues to be a priority for us.
- We have also taken enforcement action where suppliers do not comply with existing obligations.

2.10 In May 2023 we consulted on our proposed overarching framework to raise consumer standards. This proposed building on current arrangements to get the right balance of rules-based and principle-based standards, adopting a more tailored, robust approach to market monitoring and taking a more strategic, proactive approach to monitoring, compliance and enforcement.

2.11 We also consulted on whether we need to regulate the sector differently to help deliver good service. For example, testing and trialling new reputational or financial incentives and penalties for suppliers to deliver good customer service. More information on our proposed overarching framework and use of new incentives can be found in Chapters 5 and 8.

¹⁹ For example, improvements in debt management and collection processes may benefit the supplier through reductions in costs associated with these activities. See identification and support/advice for those struggling with their bills assessment below.

Improvements to address key issues for winter 2023 and beyond

- 2.12 As part of our broader work already underway to drive up consumer standards, we consulted on new, more prescriptive rules to deliver some improvements for domestic customers in advance of next winter. These new rules build on existing outcome-based requirements and outline some basic expectations for suppliers.
- 2.13 These proposed new rules are focused on addressing two key areas for low customer satisfaction - the ease of contacting suppliers and supplier identification and support/advice for customers struggling with their bills. We also consulted on introducing new reputational incentive requirements to drive suppliers to improve customer satisfaction more generally. We provide more detail on our specific proposals to address these issues in the following chapters.
- 2.14 Some stakeholders identified additional supplier issues that they considered should be prioritised (eg minimising unexpectedly high bills, fixing faulty meters and improving complaint resolution). However, the majority of consumer groups and charities highlighted the importance of addressing priority issues. Several stakeholders highlighted that these priority issues disproportionately impact customers in vulnerable circumstances.
- 2.15 Specific work to address issues with involuntary PPM installation and non-domestic customers is being progressed separately. We continue to liaise with the relevant teams to ensure our work is consistent.

Consumer research

- 2.16 To help inform our work, we have engaged extensively with consumer groups, charities and industry throughout this work, as well as drawing on existing evidence, such as monitoring data and consumer research. Alongside this we also commissioned Thinks Insight and Strategy to undertake bespoke qualitative research with domestic energy customers.²⁰
- 2.17 This research consisted of 24 in-depth interviews with customers that said they were either falling behind or struggling to pay their energy bill and 3 focus groups with a broader cross section of GB energy consumers. The research explored customers' views on the proposals being outlined in our May 2023 consultation. It also explored their barriers and needs when contacting their supplier or seeking support with their energy bills, as well as their expectations and experiences.

²⁰ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023.

Chapter 3 – Improving contact ease

Chapter summary

We propose adding new licence requirements for enquiry services to:

- Be provided by the supplier for free for customers in vulnerable situations who are at risk of detriment from a service that is not free.
- Offer a range of contact methods that reflect customers' needs.
- Be open at times that meet customers' needs. We expect that this will require suppliers to be open for extended hours.
- Be open 24/7 for customers that have lost power or gas due to supplier issues.
- Prioritise customers in vulnerable situations that require immediate support, or representatives acting on their behalf.

In this chapter, we summarise the feedback to our May 2023 policy consultation, outline our updated proposals, and assess the impact of our proposed way forward.

Question 1: Do you have any comments or questions on our proposed licence changes to improve supplier contact ease?

Question 2: Do you have any comments or views on our proposed contact ease guidance document? We would welcome evidence of ways in which suppliers are already delivering best practice.

- 3.1 Whilst there are many examples of good service, on average, it is becoming increasingly difficult for customers to contact suppliers to get information, advice and support. Our evidence shows a recent decline in consumer perceptions of contact ease. Fewer consumers who have contacted or attempted to contact their supplier say it was easy to do so compared to Q4 2018.²¹
- 3.2 In this chapter we outline:
- Good contact ease, our May contact ease proposals and summary of feedback received.
 - To ensure that our consultation and rationale are clear, the remainder of this chapter takes each proposal in turn and outlines:
 - Desired outcome

²¹ [Ofgem and Citizens Advice, Consumer Perceptions of the Energy Market Survey, Q4 2022](#)

- Our May 2023 policy consultation position
- The feedback received
- Our assessment of our proposals
- Our conclusions

What does good contact ease look like?

3.3 In Table 2 of our May 2023 policy consultation, we presented initial thinking about what good looks like.

3.4 Consumer groups and suppliers broadly agreed. Some stakeholders considered that our ultimate focus should be on customer satisfaction, not just contact ease. We agree with this. We note that we focused on contact ease, as we identified this as a key driver for low customer satisfaction. Some consumer groups also considered that we should focus more on consumers getting a timely and appropriate response to their queries.

3.5 Based on the feedback received, we consider that our description of “good” contact ease remains relevant.

3.6 Table 1: What effective outcomes look like for contact ease

Area of focus	What does good outcomes look like?
Finding methods of contacting supplier	Customers are able to easily and clearly identify methods of contacting their supplier.
Method of contact meeting different customer needs	Customers, in particular customers in vulnerable situations, are able to identify a method of contacting their energy supplier that meets their needs.
Contacting suppliers and getting timely and appropriate response	Customers, in particular customers in vulnerable situations, are able to contact their supplier in a timely manner via their chosen contact method and get query resolution.

Our May 2023 policy consultation proposals to address contact ease issues

3.7 In Table 2 of our May 2023 policy consultation, we described the contact ease issues that consumers are experiencing and highlighted the evidence we had gathered to demonstrate these issues.

3.8 Building on the existing standards²², in Table 3 of our May 2023 policy consultation we proposed potential options to refine and/or introduce new standards.

Summary of stakeholder responses

3.9 Stakeholder views on our proposals were mixed.

3.10 At a high level, suppliers were supportive of seeking to address issues. However, they considered that more evidence was needed to understand the issues and justify our proposals. Suppliers considered that our proposals were too prescriptive and too expensive to implement. However, we received little cost evidence from suppliers to support their positions.

3.11 Many suppliers suggested that changes to price cap allowances would be required to pay for proposals. Based on the limited supplier costs data provided by four suppliers, we estimate that the combined policies as outlined in this section on contact ease²³ would amount to a weighted average of around £3.66 per customer per year.²⁴ This weighted average is broken down in Table 2 below across the key policy areas we have assessed. Note that the estimated costs per customer per year values are primarily based on data received for option 1 for the contact ease policies as per our May 2023 consultation document, and the costs must only be taken as indicative for these revised proposals. We have used these costs values due to the policy option changes since our previous consultation. For example, we are no longer proposing to introduce a 24/7 enquiry service for all customers, which would have been closer to the costs for option 2. Furthermore, the supplier who provided the lowest estimate of cost per customer per year stated it would incur around £0.63 per customer per year to

²² There are already existing standards around contact ease, as outlined in Annex 2 of our May 2023 policy consultation.

²³ Of these four suppliers, some provided more detailed cost item breakdowns than others. As such, we have calculated the costs values for the different policies based on the line items provided to us by suppliers. For example, for range of contact methods, less than four suppliers provided information on this and thus this has been used to calculate the weighted average. Please note that these figures are from a limited number of suppliers based on previous policy options, so should only be taken as indicative values. See next several footnotes on calculation of weighted averages, our assessment of why the combination of policies are closer to Option 1 of the May 2023 policy consultation and explanations of costs values provided in Table 2 below.

²⁴ Weighted average based on total customer numbers from the four suppliers that responded to our consultation with quantitative costs data for the contact ease policies. Please note that this figure, and all figures across this statutory consultation do not mirror the methodology used for setting the default tariff cap allowances and must not be compared or conflated with figures for those allowances. We have presented the figures in this way due to limited data being provided to us by suppliers. Also note that customer numbers are based on our best estimates of supplier provided data to us from RFIs. For example, a customer with an electricity account with one supplier and a gas account with another has been included in both suppliers' total customer numbers. However, as this would be a customer for both suppliers', we judge this to be an accurate estimate to determine the costs that suppliers would accrue as a result of these policies.

implement option 1, and around £2 per customer per year for option 2. See footnotes for further information on the interpretation of this costs data.

3.12 Table 2: Estimated costs breakdown for key contact ease policy options

Policy	Cost per customer per year to suppliers
Free to access enquiry service	£0.70
Opening hours for all & 24/7 enquiry services for customers without supply due to supplier issues²⁵	£2.37
Range of contact methods	£0.59
Total	£3.66

3.13 Consumer organisations broadly welcomed our proposals, were supportive of our positions (except for the need for a general 24/7 contact line for all) and considered that we needed to be more prescriptive about suppliers' customer service. Many consumer groups mentioned the additional burden that the voluntary and charity sector had picked up due to customers being unable to contact their supplier. Consumer organisations stated that they did not consider that suppliers should receive additional funding to provide basic levels of customer service. Some organisations suggested additional requirements for suppliers (eg to introduce a new KPI for waiting times).

3.14 Participants in our consumer research considered that, apart from the requirement for a general 24/7 enquiry service, our proposals reflected basic, "business-as-usual" expectations for their supplier. Our consumer research participants also noted the importance of supplier compassion and empathy.²⁶

3.15 Network operators considered that suppliers should be required to have a 24/7 enquiry service to receive reports and resolve out-of-hour meter issues that suppliers are responsible for. This was due to the number of out-of-hours calls they are receiving for issues that the supplier is responsible for (eg supplier meter issues where the customer is without power).²⁷

²⁵ Please note we have combined these policy costs together as we consider that our opening hours for all and 24/7 enquiry services for customers without supply due to supplier issues policies are closer to the combined costs of the May 2023 policy consultation contact ease option 1 costs. To note, that based on the supplier data we received as part of the May 2023 consultation, we estimate that 24/7 phonelines for all would have cost suppliers around £4.04 per customer per year. Note, however, there are likely overlaps in the £2.37 and £4.04 customer per year costs which we have been unable to delineate due to the limited costs data received and due to the revised policy changes. For us to be able to assess the costs of these revised policy options, we ask suppliers to provide us further, detailed information on costs as part of this statutory consultation (See Chapter 6 for more detail).

²⁶ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

²⁷ See assessment section for 24/7 enquiry services for customers without supply due to supplier issues below for more information.

Our reflections on feedback received

- 3.16 We welcome the feedback on our proposals. Getting the right balance of principles and prescriptive-based regulation is a challenge, but important in ensuring that we design standards that best deliver desired outcomes for consumers. We welcome the feedback received on ensuring that we get the right balance, and we have amended our proposals to reflect stakeholder feedback.
- 3.17 As part of this consultation, we are seeking feedback on proposed licence modifications alongside a draft guidance document which sets out our expectations in relation to supplier contact ease, by outlying industry best practice and offering examples of ways in which supplier may comply with the new rules we are proposing to introduce.
- 3.18 We have noted suppliers' views that our proposals would necessitate changes to the default tariff cap. For us to be able to consider these views in full, we encourage suppliers to fully engage with providing evidence on any additional costs of implementing these changes, including any forecasted costs, as part of this workstream and the operating cost allowances review.
- 3.19 We agree that evidence is critical in justifying proposed licence changes. In many areas, the feedback and evidence received to our May 2023 policy consultation have helped us understand the impact of our proposed positions and informed our updated policy positions.
- 3.20 In the rest of this document, we focus on each of our proposals individually.

Free enquiry services

Desired outcome

- 3.21 Ensuring that customers are able to identify a method of contacting their energy supplier that meets their needs. Specifically, we want to ensure that the cost of contacting a supplier doesn't cause or worsen detriment for customers in vulnerable situations.

May 2023 policy consultation position

- 3.22 In our policy consultation we proposed that suppliers offer customers a freephone telephone line from both landlines and mobiles.

Stakeholder responses

- 3.23 Most consultation respondents were supportive to the introduction of freephone lines, with consumer groups being strongly in favour of freephone lines and free alternative methods of contact.
- 3.24 Consumers participating in the qualitative research received showed suppliers being free to access positively and felt it important not to add costs onto someone who is already struggling financially, especially considering long call wait times. Most felt a free phone removes one worry (cost implication) that customers may have about calling their supplier.²⁸
- 3.25 Some suppliers were concerned about the cost of introducing a freephone for all consumers. Some suppliers highlighted that, as part of their Energy UK Vulnerability Commitments,²⁹ they already had a freephone telephone for customers struggling with their bills.

Our assessment

Benefits

- 3.26 There would be benefits for customers in vulnerable circumstances from having a free method of contacting their suppliers. We consider that not adding costs for customers that already struggling to pay their bills will help ensure that contacting a supplier does not worsen a customer's financial situation. This may also remove a barrier to contacting their supplier for a customer in a financially vulnerable situation.
- 3.27 When presented with our freephone policy option, participants in the qualitative consumer research indicated that the option would be logical as it would specifically help customers in vulnerable circumstances, and those that are struggling to pay their bills.³⁰
- 3.28 This policy will also further align with best practice in the energy sector. We note that some energy suppliers already offered freephone numbers to all customers³¹

²⁸ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

²⁹ <https://www.energy-uk.org.uk/our-work/vulnerability-commitment/>

³⁰ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

³¹ [Consultation on a framework for consumer standards and policy options to address priority customer service issues | Ofgem](#)

and many offer a freephone number to customers in financial hardship, as part of the Energy UK Vulnerability Commitment.³²

Costs of policy

- 3.29 Based on limited data provided by suppliers as part of their responses to our May 2023 policy consultation, we estimate that of the total weighted average of £3.66 cost per customer per year outlined above for the key contact ease policy options³³, it would cost suppliers around £0.70 per customer per year to implement a freephone policy to ensure those in vulnerable circumstances do not pay for calls to their supplier. However, we also note that many suppliers already provide a freephone number to customers in financial hardship as outlined above.
- 3.30 There is a risk that free methods of contact targeted to customers in vulnerable circumstances could be used by those not in these customer group, thus resulting in adverse outcomes for those in vulnerable circumstances. There is also a risk that some customers in vulnerable situations would not be aware they are eligible for free methods of contact (eg due to the transient nature of vulnerability).³⁴

Conclusion / revised proposals

- 3.31 We consider there to be sufficient evidence on user needs and benefits from providing a free point of contact to customers in vulnerable situations, who due to their circumstances or characteristics, may experience detriment if there is a cost to supplier enquiry services. We are therefore proposing to target our proposals, so that suppliers are specifically required to provide free enquiry services for these customers, rather than all customers.
- 3.32 Specifically, we are concerned about customers in financially vulnerable situations. For these consumers, we are concerned that the cost of contacting a supplier may become a barrier to engagement or may worsen the situation of customer in a financially vulnerable situation.
- 3.33 We recognise that vulnerability is complex and can be transient. We therefore consider that there may be periods of time when all customers could see benefits from these proposals.
- 3.34 We recognise that some stakeholders also wanted suppliers to offer a freephone service to other consumer groups. For example, in their consultation, Age UK indicated that suppliers should offer freephone numbers to those aged 75+ (of

³² [Vulnerability Commitment - Energy UK \(energy-uk.org.uk\)](https://energy-uk.org.uk)

³³ As based on costs provided for Option 1 of the May 2023 policy consultation.

³⁴ [Consumer Vulnerability Strategy 2025 | Ofgem](#)

which 40% do not use the internet) and others facing digital exclusion.³⁵ It is estimated that at least 33% of all energy consumers still use the phone to contact their supplier³⁶ and that in Q4 2022, 41% of consumers preferred to contact their supplier by phone.³⁷ Under our proposals, where a customer is in a financially vulnerable situation, then suppliers should provide this enquiry service for free. We consider it best practice to also offer freephone numbers to customers that are not financially vulnerable but are digitally excluded (eg they lack the skills to engage digitally). Going forward, we intend to do further work to determine how best to meet the needs of consumers that are digitally excluded.

- 3.35 We acknowledge there are costs associated with this policy option, but it is our view that there are sufficient benefits to providing a free point of contact for those who may be in vulnerable circumstances. Furthermore, we consider the costs that suppliers would incur from these policies as proportionate. Since our proposals are more targeted, and many suppliers already provide freephone numbers for those in financial hardship, we also consider that the financial costs of compliance could be lower than indicated above.
- 3.36 To implement this proposal, we are proposing to amend the standard supplier licence conditions. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. We invite views from stakeholders on our proposed licence drafting. Alongside the new licence conditions, we are consulting on guidance on our expectations for suppliers.
- 3.37 In response to feedback to our consultation, and to ensure that our proposed licence is technology-neutral and future-proofed, we are not proposing to prescribe the contact methods that suppliers must use. Instead, we are proposing that supplier must have contact methods that meet the needs of their customers (see rest of chapter).
- 3.38 To meet the needs of customers in vulnerable situations we currently expect that suppliers will need to provide a freephone number to financially vulnerable customers. We are concurrently consulting on draft guidance in which we set out that we would consider it best practice to offer a free phonenumber to some other scope as well as more broadly (eg customers that are digitally excluded).

³⁵ Age UK response to our policy consultation

³⁶ Ofgem vulnerability summit

³⁷ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

Contact information that is easy to locate

Desired outcome

- 3.39 To ensure that customers are easily able to identify methods of contacting their supplier.

May 2023 policy consultation position

- 3.40 We proposed introducing new requirements that supplier contact information is easy to locate.

Stakeholder responses

- 3.41 Stakeholders were broadly supportive of our proposals to ensure that contact information is easy to locate. Some stakeholders had suggestions about how suppliers should publish contact information to ensure that it is easy to locate (eg on consumer bills).
- 3.42 Through the qualitative consumer research, consumers said that a more prominent phone number is useful, particularly when in a crisis or anxious.³⁸

Conclusion

- 3.43 We continue to consider it is important that information on suppliers' enquiry services is easy to locate. We consider that suppliers are already sufficiently required to do this under Standard Licence Condition 0. We are therefore not proposing to introduce any new licence requirements on this.
- 3.44 Instead, we are consulting on guidance for suppliers and consumer representatives, outlining our expectations for ensuring that contact information is easy to locate.
- 3.45 We will continue to monitor supplier compliance with existing licence obligations and take action where we identify potential non-compliance.

Opening hours for all

Desired outcome

- 3.46 To ensure that customers are able to contact their energy supplier at times that meets their needs.

³⁸ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

May 2023 policy consultation position

3.47 In our May 2023 policy consultation, we proposed two potential policy options; suppliers being open (a) Extended hours (eg 07:00-22:00 every day) or (b) 24/7 for all customers.

Stakeholder responses

3.48 Stakeholders had mixed views on our proposals for suppliers to be open extended hours or 24/7 for all customers.

3.49 Suppliers were not supportive of our proposals to be more prescriptive about opening hours. Suppliers felt there was insufficient evidence that extended hours were necessary and that the implementation costs would be too high. Some suppliers were concerned that there was little demand for out-of-hours services and that requiring them to be open longer would reduce resource capacity at peak times.

3.50 Extended hours were positively received by consumers participating in the qualitative research. Consumers that had contacted their supplier stated that more opportunity to choose a convenient time to reach out, would have eased their anxiety about contacting their supplier. Consumers also expected extended hours could reduce call wait times. However, most participants said they felt a 24-hour customer service for all is not necessary. They considered that the number of calls received would not justify the potential increased numbers of staff or cost implications.³⁹

3.51 There was strong support from consumer groups and others for our proposals for extended hours, however, several respondents indicated that a 24/7 enquiry service for all customer lines was not necessary.

Our assessment

Benefits

3.52 We consider that requiring suppliers to be open at times that reflect customers' needs will ensure that suppliers design their opening hours to take this into account. In a Which? survey of energy customers, 15% of customers were dissatisfied by their provider's customer service contact hours.⁴⁰ Furthermore, we note that 2022 Office for National Statistics Labour Force Survey data outlines

³⁹ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁴⁰ Which?, 2022, Annual Energy Customer Survey from Which? response to our policy consultation

that when asked, 73% of people in the UK responded that they work during the day.⁴¹ This may restrict a large number of customers' ability to make essential contact during core daytime working hours. To meet the needs of customers that work 09:00-17:00, we expect that suppliers' enquiry services will need to open at times outside this period. Our proposed guidance document will provide information on our expectations.

- 3.53 This policy will ensure that all customers get access to good levels of service already provided by some suppliers via some contact methods. From analysis we carried out, suppliers comprising around four-fifths of both the electricity (81%) and gas (81%) markets⁴² already offer some form of extended hours⁴³ during the week and opening hours on the weekend across different contact methods.⁴⁴ However, the analysis also shows that some suppliers in the market do not clearly offer these services (eg through clear opening hours for email or webform responses) and that some of these extended opening hours could only be for limited contact methods (eg text message services), which may mean these do not serve customer needs.
- 3.54 We consider that our proposals will also align with best practice in other comparable sectors. From further research we carried out on water supplier websites, the majority of water suppliers already offer extended hours phonedlines beyond 09:00-17:00 Monday - Friday, and several offer some hours on Saturdays.⁴⁵
- 3.55 In response to our consultation, other stakeholders that did have extended opening hours (eg consumer and debt helplines, and network operators), stated that if suppliers were open for extended hours then this would reduce the number of enquiries they received outside 09:00-17:00. These stakeholders considered that many of the enquiries they received during this period would be best taken forward by the customers' energy supplier.

⁴¹ [The night-time economy, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/night-time-economy)

⁴² Assessment using best estimates of Q1 2023 gas and electricity market shares for suppliers with a market share of 1% or higher. For latest published data, and an explanation of the market share data, please see Ofgem data portal.

⁴³ Taken to mean any form of contact method that was for extended hours beyond 09:00-17:00 during the week and any hours on the weekend.

⁴⁴ Note that in this analysis, we excluded contact methods where it was not clear what the opening hours were, where we deemed the form of contact would not be covered by customer service representatives (eg a completely virtual assistant) and where our research indicated the method was labelled as 'emergency only'.

⁴⁵ [Licences and licensees - Ofwat](#). We considered all companies as per the latest Ofwat Licences and licensees page in this research. We excluded companies where phonenumber opening hours were not clear on websites or where the company website indicated it was an industrial water supplier. We also considered additional suppliers, including the main water supplier in Scotland, Scottish Water.

3.56 When participants in the qualitative research were presented with our proposals, they indicated that they thought extended hours could help reduce call waiting times and reduce the anxiety they face about finding a convenient time to call their suppliers, along with being passed between departments.⁴⁶

Costs

3.57 We estimate that of the total weighted average of £3.66 cost per customer per year outlined above for all the key contact ease policy options, it would cost suppliers around £2.37 per customer per year to implement the extended hours policy we outlined in our May 2023 policy consultation (eg the prescriptive option for 07:00-22:00 every day). Note these revised policy options may provide flexibility to suppliers as they are no longer based on prescriptive rules to extend hours from 07:00 – 22:00 everyday, but instead to extend hours based on the needs of their customers. Furthermore, some suppliers already offer extended hours contact services and may not incur costs associated with this policy.

3.58 There is a risk that suppliers stretch available resources (eg call centre staff) to accommodate the increase in contact centre hours. This could result in adverse customer outcomes such as longer call wait times and decreased quality of customer service. We consider that existing licence obligations mitigate this risk. For example, suppliers are required to ensure that customer service arrangements and processes are complete, thorough and fit for purpose (SLC 0).⁴⁷ We also consider that requiring suppliers to publish information on the customer service performance should ensure that suppliers are incentivised to provide good service to all their customers.

Conclusion / revised proposals

3.59 To reflect the feedback and evidence received, our revised position is to require suppliers to be open and processing enquiries at times that reflect customer needs.

3.60 We are consulting on guidance outlining our expectations. For example, that to meet customers' needs, suppliers will need to be open longer than 09:00-17:00.

3.61 We are not proposing to be prescriptive about exactly when suppliers' general enquiry services must be open. We note that several consumer groups did not

⁴⁶ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁴⁷ <https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions>

consider that 24/7 for all customers was necessary and there is not general agreement on the exact hours' suppliers should be open for.

- 3.62 We are proposing to amend the standard supplier licence conditions to implement our proposals. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. We invite views from stakeholders on our proposed licence drafting.
- 3.63 We consider there to be sufficient benefits to implementing this policy option. The evidence shows there are benefits to suppliers being open at times that meet customers' needs. In addition, there may be positive impacts for the voluntary and charity sector from customers being able to contact their supplier more easily out-of-hours.

24/7 enquiry services for customers without supply due to supplier issues

Desired outcome

- 3.64 To ensure that customers without power or gas, due to supplier issues, are able to contact their energy supplier at all times.

May 2023 policy consultation position

- 3.65 We consulted on a 24/7 enquiry service for all customers.

Stakeholder responses and consumer research

- 3.66 The majority of respondents (including consumer representatives and suppliers) indicated that a 24/7 enquiry service for all customers was not necessary. Many felt there was not sufficient evidence of a need for a 24/7 service for all to justify the cost of implementation.
- 3.67 There was universal support from network companies for the 24/7 option. Network companies cited the high numbers of out-of-hours calls they receive for queries which should be directed at suppliers. In particular, they noted the number of calls they receive where a customer is without electricity or gas due to supplier metering issues.
- 3.68 Consumers participating in qualitative research did not feel a 24/7 service for all was necessary and did not justify the potential cost.⁴⁸

⁴⁸Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

Our assessment

Benefits

- 3.69 We consider that a 24/7 service for customers who are off-supply may reduce the burden on other energy market participants.⁴⁹ Several network operators noted that they receive many calls to their emergency 24/7 lines from customers trying to contact their suppliers. They considered that suppliers should be required to have 24/7 service to receive notifications and provide assistance to customers with out-of-hours meter issues. From responses to a Retail Energy Code modification RFI that were provided to us⁵⁰, one Distribution Network Operator (DNO) outlined that between 25-50% of out-of-hours calls made to them are due to misdirected supplier calls where a customer has been unable to get through to their supplier to report a fault or raise a query with them. Furthermore, in January 2023, a DNO contact centre, during the evening, conducted a test to determine the availability of 43 suppliers out-of-hours. It was able to speak to 7 out of the 43 suppliers (16%) on either their generic or out-of-hours number.⁵¹
- 3.70 We consider that where a customer is without supply it is critical they get access to timely advice and support at all times. Customers, especially customers in vulnerable situations, are at significant risk of incurring harm when they are without supply. Network operators are already required to provide enquiry services 24/7 to customers without supply due to issues relating to their network. Network operators provided evidence to demonstrate that they received enquiries from customers that were without supply due to issues relating to the supplier (eg meter faults). We consider this demonstrates there are some customers that would benefit from being able to get urgent information, guidance or advice from their supplier.

Costs

- 3.71 Since we are proposing to require suppliers to introduce a very targeted 24/7 enquiry service, rather than a 24/7 enquiry service for all, we estimate the costs of this policy are closer to the Option 1 extended hours policy as per the May 2023 consultation, and may be included in the cost of £2.37 per customer per

⁴⁹ One example comes from the NEA response to our policy consultation.

⁵⁰ Retail Energy Code (RECC) Modification RFI for R0053 – 24/7 Emergency Metering Service. The purpose of the RFI was to determine issues surrounding where customers are off-supply due to a fault with the Metering Equipment rather than DNO equipment and where DNO operatives attending are not able to resolve the issue, leaving the fault not fixed and customers without supply.

⁵¹ For those suppliers who the contact centre was unable to speak with, the contact centre waited on hold for up to 3 minutes before leaving the call. Information from same RECC mod RFI.

year outlined in the previous section. Some suppliers have indicated to us that extended hours policies (primarily for 24/7 phonelines for all) costs would not be offset due to the low demand they have outside of 8pm-8am hours. We estimate that the 24/7 phoneline for all customers policy we outlined in our May 2023 consultation would cost around £4.04 per customer per year, based on a weighted average from the data provided to us by four suppliers.⁵²

- 3.72 Some of the costs outlined in the extended opening hours section above may also apply to this policy.

Conclusion / revised proposals

- 3.73 To reflect the feedback and evidence received, our revised position is to require suppliers to provide a 24/7 service for customers without supply in circumstances where it is the suppliers' responsibility to resolve the supply interruption.
- 3.74 The evidence and feedback received from network companies highlighted that there is out-of-hours demand for urgent advice and support from suppliers from a specific group of customers - those who are without supply due to issues attributable to their supplier (eg meter faults). Due to the high-risk circumstances these customers may find themselves in, we are therefore proposing that suppliers provide or procure enquiry services at all times for these customers. This aligns with the requirement for gas and electricity network companies to provide enquiry services at all times for customers without supply due to issues attributable to the network operator.
- 3.75 We are proposing to amend the standard supplier licence conditions to implement this. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. We will provide guidance on our expectations. We invite views from stakeholders on our proposed licence drafting and proposed guidance document.
- 3.76 We consider that our proposed licence drafting does not preclude suppliers from making commercial decisions about implementing the provision of this service. We intend to work with network companies and suppliers to help facilitate the delivery of good consumer outcomes and ensure that it is clear who customers should contact in emergency situations.

⁵² Based on the 24/7 extended hours for all policy element as per the May 2023 consultation. Please note previous discussion of why policies are closer to Option 1 costs.

Identify and prioritise customers in vulnerable situations

Desired outcome

3.77 To ensure that customers in vulnerable situations are able to get a timely and appropriate response from their suppliers.

May 2023 policy consultation position

3.78 We consulted on suppliers identifying and prioritising customers in vulnerable situations.

Stakeholder responses

3.79 Stakeholders were broadly supportive of our proposal to prioritise customers in vulnerable situations. Some suppliers noted that they already did this. Some other suppliers were concerned about their ability to identify these customers and implement this proposal. Some suppliers also wanted further prescriptive guidance about which customers to prioritise. Some stakeholders questioned whether all customers in vulnerable situations needed to be prioritised.

3.80 Some consumer organisations noted that they can also often wait a long time to speak to suppliers when representing customers in vulnerable situations. Several considered organisations that call on behalf of customers in a vulnerable situation should also be prioritised.

Our assessment

Benefits

3.81 Prioritising customers in a vulnerable situation will provide clear benefits to this group of customers who often have more complex needs. Through the qualitative research commissioned by Ofgem, participants fed back that long call wait times are a barrier to contacting their supplier when they are struggling to pay their bills. Participants welcomed the proposal, as this is seen as a positive step to improving the contacting process for those in financially vulnerable situations. However, they questioned how this would work in practice.⁵³

Costs

3.82 We didn't receive any specific evidence from suppliers on the cost of prioritising customers in vulnerable situations. Though given the obligations set out in SLC

⁵³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

0⁵⁴, which suppliers already have relating to providing for customers in vulnerable situations, we do not expect any additional cost associated to prioritising these customers to be material.

- 3.83 Suppliers indicated there is a risk that customers that are not in a vulnerable situation try to “game” the system to be prioritised. This could have adverse impacts for customers in vulnerable situations that do require immediate assistance or support.

Conclusion

- 3.84 Based on the evidence and feedback received to our consultation, we continue to consider that it would be beneficial for suppliers to seek to identify and prioritise enquiries from customers in vulnerable situations that require immediate support or guidance.
- 3.85 We recognise that vulnerability is complex and can be transient. We therefore consider that there may be periods of time when all customers could see benefits from these proposals. We would expect this to be reflected in how suppliers implement this requirement. We note that under their existing obligations suppliers are already required to identify customers in vulnerable situations.
- 3.86 Based on the evidence received in consultation responses, we also consider representatives that call on behalf of a customer in a vulnerable situation should also be prioritised. Consumer representatives and families/friends can play a critical role in supporting customers in vulnerable situations. Where they are contacting a supplier on behalf of a customer in a vulnerable situation, we consider that suppliers should also seek to identify and prioritise these queries, to ensure that customers in vulnerable situations get a timely and appropriate support.
- 3.87 We are proposing to amend the standard supply licence conditions to implement this proposal. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. We invite views from stakeholders on our proposed licence drafting.
- 3.88 We note that there are different ways in which a supplier could comply with these new obligations. For example, they could use data and technology to help identify customers in vulnerable situations. Alternatively, suppliers could ask customers provide information upfront to help them understand whether their enquiry is

⁵⁴ <https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions>

from a customer in a vulnerable situation (eg “Press X if you are calling to seek help because you are struggling with your bills”). We are consulting on guidance outlining our expectations for complying with new proposed requirements.

Offer a range of contact methods that meet customers’ needs

Desired outcome

3.89 To ensure customers have methods of contacting their supplier that meet their needs. Whilst most suppliers offer a range of contact methods, we want to ensure that the contact methods offered meet the needs of different customers.

May 2023 policy consultation position

3.90 In our May 2023 consultation, we proposed that suppliers ensure enquiry services are available via alternative contact methods (including but not limited to a dedicated email address and webchats), in line with accessibility needs.

Stakeholder responses

3.91 Stakeholders were broadly supportive of our proposals. Several consumer groups highlighted the importance of different methods of contact, to meet different consumers’ needs.

3.92 Some suppliers noted that they already offered different methods of contact and therefore should not be required to do this. Some suppliers also considered that they should not be required to provide specific types of contact method (eg required to have a phonenumber or email address) and should instead be given flexibility to identify the best contact methods that meet consumers’ needs.

3.93 Through the qualitative research, consumers said they felt alternative methods of contact are important because they offer a suitable option for everyone.⁵⁵

Our assessment

Benefits

3.94 Customers, including those who may be in vulnerable circumstances, value a range of contact methods. In a 2022 Which? survey of over 2,000 UK adults, 68% most wanted energy providers to include an email address on their energy

⁵⁵ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

bill, 66% a telephone number, 49% a website address, 35% internet chat, 10% Facebook messenger and 2% another method.⁵⁶

- 3.95 Several consultation responses stated that those with mental health issues or disabilities would benefit from non-phone methods of contact (eg email or internet chat). For example, the Money and Mental Health Policy Institute report that those with mental health issues have difficulties using at least one communication channel, and over half (54%) struggle with use of the phone.⁵⁷ Participants in our qualitative consumer research also indicated that alternative methods of contact offer a suitable option to meet different customers' needs.⁵⁸
- 3.96 We consider that ensuring suppliers have methods of contact that meet customer needs will improve supplier contact ease and could reduce the demand burden on consumer groups and charities services.⁵⁹

Costs

- 3.97 Based on the limited evidence received, we estimate that of the total weighted average of £3.66 cost per customer per year outlined above for the contact ease policy options, it would cost suppliers around £0.59 per customer per year to implement the policy on a range of contact methods. However, where suppliers already offer a range of contact methods that meet the needs of its customers⁶⁰, we expect that these costs won't be accrued.

Conclusion

- 3.98 Based on the evidence and feedback received, we continue to consider that ensuring that suppliers offer a range of contact methods that reflect the needs of its customers, including customers in vulnerable situations, will deliver benefits for these suppliers' customers.
- 3.99 We consider there to be sufficient benefits to implement this policy. In particular, we consider that our proposals will improve outcomes for customers in vulnerable circumstances (eg those who may have mental health issues or disabilities).
- 3.100 To implement our proposal, we are proposing to amend the standard supply licence conditions. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. Alongside the new licence

⁵⁶ [Energy bills transparency - Which? Policy and insight](#)

⁵⁷ Holkar M, Evans K and Langston K. Access Essentials. Money and Mental Health Policy Institute. 2018.

⁵⁸ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁵⁹ Various responses to our policy consultation

⁶⁰ See analysis results in opening hours for all assessment section.

requirements, we are also consulting on non-exhaustive guidance on our expectations for the types of consumers needs that suppliers will need to take into account, when determining the range of contact methods available.

Additional stakeholder suggestions for new requirements

Stakeholder responses

3.101 In addition to our proposals, some stakeholders suggested additional supplier requirements to help facilitate contact ease.

3.102 Several consumer organisations noted issues with supplier call waiting times. They considered that suppliers should be required to answer consumer calls within a specified period of time or that suppliers should be required to have sufficient call centre capacity.

Our assessment

3.103 We consider that suppliers are already obligated to answer consumer calls in a timely manner. Under SLC0.3(c)(i), suppliers are already required to make it easy for customers to contact them. We also note that under SLC0.3(c)(iii) suppliers are required to ensure that their customer service arrangements and processes are complete, thorough, fit for purpose and transparent. We consider that excessively long call waiting times are inconsistent with these requirements. We have recently taken enforcement action in relation to excessively long call waiting times. Since we consider that suppliers are already obligated to answer calls in a timely manner, and we have demonstrated that these licence obligations are enforceable, we therefore do not consider that additional licence requirements are required at the moment.⁶¹

3.104 Customers value their time and would benefit from any potential reductions in call waiting times. National Energy Action (NEA) estimate that the cost to consumers per year of time wasted on call waiting may amount to around £10m per year⁶², and as outlined previously, participants in the qualitative research fed back that long call wait times are a barrier to contacting their supplier when they are struggling to pay their bills.⁶³

⁶¹ [Ofgem's deep dive delivers £5m boost for consumers | Ofgem](#)

⁶² NEA response to our policy consultation

⁶³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

Conclusion

- 3.105 We consider that being able to contact suppliers and getting a timely and appropriate response, is a critical part of a supplier being easy to contact and delivering good customer service.
- 3.106 Since we consider that suppliers are already required to answer customer calls in a timely manner, and we demonstrate that existing obligations are enforceable, we do not consider that a new licence requirement is necessary at the moment.
- 3.107 We are consulting on providing more guidance on our expectations for call waiting times. Based on previous industry performance we currently consider that best practice is to answer the phone on average in 3 minutes or less.⁶⁴ This broadly aligns with trends observed for the top 10th percentile⁶⁵ of Citizens Advice energy supplier call centre wait time data between Q3 2020 – Q1 2023.⁶⁶ These data can be found in Table 3 below.
- 3.108 This would also align supplier call waiting times with other essential service sectors. For example, Chart 1 below shows that between 2018-2022 mobile phone, and broadband and landline providers consistently answered calls on average in less than 3 minutes.⁶⁷

⁶⁴ In Q2 2022, the 10th percentile value was 3 minutes and 22 seconds. This represents the maximum 10th percentile value across periods covered in the analysis.

⁶⁵ Which we consider as the threshold for best practice

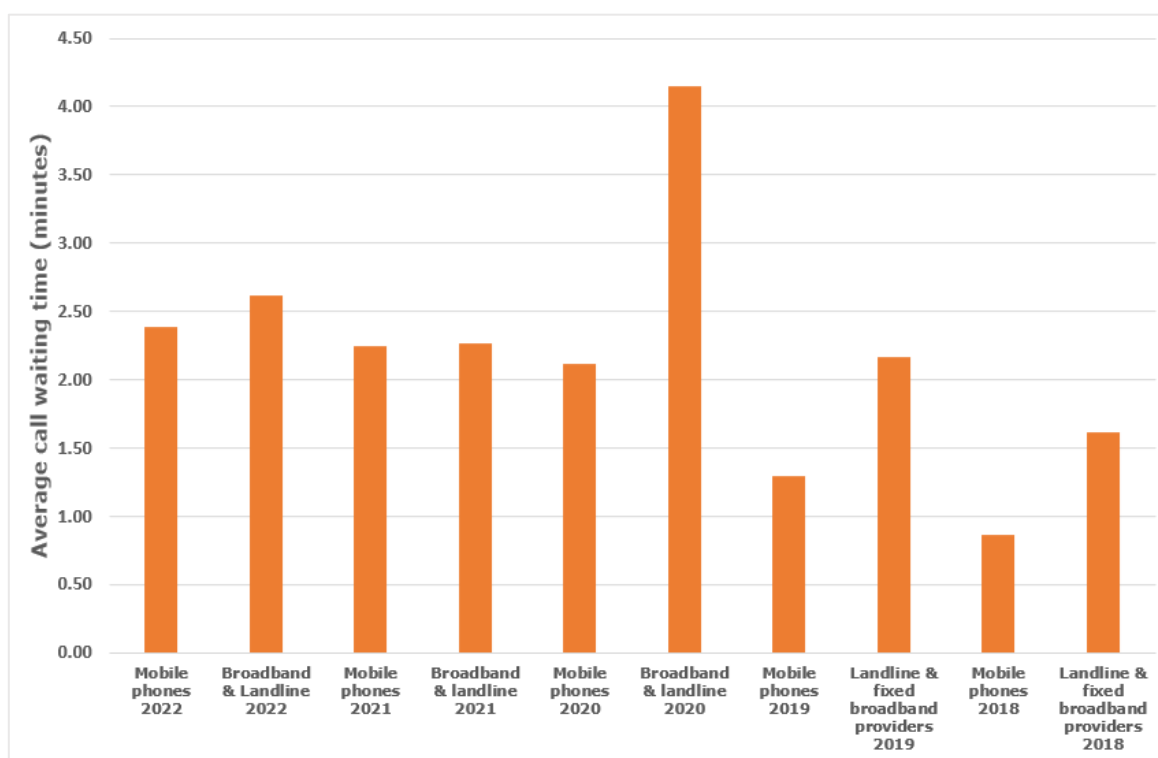
⁶⁶ [Domestic energy supplier performance data - Citizens Advice](#). Note we have utilised all available data which has been developed under the latest Citizens Advice methodology from Q3 2020. Also please note that the data in different periods covers different numbers of suppliers, some of whom may have exited the market or not included for other reasons.

⁶⁷ [Report: Choosing the best home broadband, mobile and landline provider - Ofcom](#). Note that the Ofcom data methodology may have changed across years and therefore figures for different years may not be comparable to each other. The referenced statement excludes Broadband and Landline in 2020 which had an average call waiting time of above four minutes.

3.109 Table 3: Top and bottom 10th and 20th percentiles of Citizens Advice call centre wait time data (minutes and seconds)

Time Frame	10 th Percentile	20 th Percentile	80 th Percentile	90 th Percentile
Q3 2020	00:28	01:11	04:31	04:42
Q4 2020	00:28	01:41	07:14	08:15
Q1 2021	00:33	02:02	05:11	08:14
Q2 2021	01:00	01:38	04:00	06:15
Q3 2021	02:15	02:44	07:08	08:30
Q4 2021	01:58	02:27	08:01	13:26
Q1 2022	03:18	04:01	08:04	12:22
Q2 2022	03:22	03:41	07:15	08:14
Q3 2022	02:48	03:14	07:38	09:22
Q4 2022	02:39	03:59	09:58	16:24
Q1 2023	02:36	03:26	06:29	06:57

3.110 Chart 1: Mobile phone and broadband & landline providers average call waiting times (minutes) 2018-2022 – Ofcom data



3.111 We would expect a supplier to be able to justify and explain its level of performance if it took, significantly or consistently, longer than 5 minutes on average to answer phone calls. This aligns with the most basic current threshold

set by Citizens Advice, as part of their star rating methodology, for average call centre wait times.⁶⁸

3.112 We provide more information on our expectations in our proposed guidance document, which we are seeking feedback on.

⁶⁸ [How the scores are worked out - Citizens Advice](#)

Chapter 4 – Identification and support/advice for those struggling with their bills

Chapter summary

We are proposing to introduce new requirements for suppliers to:

- Engage, understand ability to pay and offer support at the earliest opportunity (i.e. after two missed monthly payments or one missed quarterly payment, or when a customer has informed the supplier that they are unable to make the next scheduled payment).
- Repayment plans must be based on ability to pay, including considering temporary pausing of scheduled repayments when customers are unable to pay.

We will also continue to work with consumer groups, charities, and industry to find ways of raising standards and ensuring consistency across the debt pathway.

In this chapter, we summarise feedback to our May 2023 policy consultation, outline our updated thinking and assess the impact of our proposed way forward, in relation to supporting consumers that are struggling with their bills.

Question 3: Do you have any comment or questions on our proposed licence changes to better support customers struggling with their bills?

- 4.1 It is important to note the scale of the affordability challenge currently facing consumers. In Q1 2023, 3.1 million domestic customer accounts were in debt or arrears for over 91 days.⁶⁹ In developing standards in this area we are looking to build on broader work already being undertaken by Ofgem and Government to address the affordability challenge. It is also important to acknowledge the substantial role suppliers play when their customers get into payment difficulty.
- 4.2 Cost of living challenges are impacting all aspects of customers' lives. We recently published a joint letter, with other regulators, outlining our shared expectations for how companies in our respective sectors should treat customers in financial difficulty fairly.⁷⁰
- 4.3 Upfront in this chapter we highlight what good looks like, the issues we identified and summarise feedback received.

⁶⁹ Ofgem analysis of data provided by suppliers. Note that this figure is based on accounts and is treated separately for electricity and gas, therefore this figure is not for households.

⁷⁰ [Cost of Living Working Group - Joint Letter | UKRN: the UK Regulators Network](#)

4.4 In the remainder of this chapter, we take each proposal in turn and outline:

- Desired outcome
- Our May 2023 policy consultation position
- The feedback received
- Our assessment of our proposal
- Our conclusion

What does good look like?

4.5 In Table 4 of our May 2023 policy consultation, we presented thinking about what good looks like. Stakeholders broadly agreed with us. Some stakeholders considered that our approach to 'debt' should be considered holistically and should be more joined up with other sectors (eg financial sectors). In relation to debt prevention, some consumer groups considered that suppliers should seek to minimise supplier actions that contribute towards debt (eg shock bills).

4.6 We agreed with stakeholder feedback that we should take a holistic approach to consumer debt. As noted upfront, we have been working with other regulators on the cost of living, including looking at how customers in debt should be treated. We recently published a joint letter which sets out cross-sector expectations.⁷¹ We also agreed that suppliers should seek to minimise suppliers' actions that contribute towards debt and have updated the table below accordingly.

4.7 Table 4: What effective outcomes look like for identification and support/advice for customers struggling with their bills.

Area of focus	What does good look like?
Identifying customers who are struggling with their bills/in payment difficulty	Suppliers make use of data and customer interactions to identify customers who may be struggling with their bills.
Debt prevention	Consumers at risk of payment difficulty are supported to help manage their finances (eg offered suitable debt repayment plans at the earliest opportunity, flexibility on billing timetables) and avoid building up debt (eg energy efficiency). Suppliers minimise actions that contribute towards debt (eg shock bills). Where it does happen, there is recourse to remedies or accountability under our enforcement regime.

⁷¹ https://ukrn.org.uk/app/uploads/2023/06/joint-CEO-letter-publication_280623.pdf

Area of focus	What does good look like?
Proactive engagement	Suppliers make proactive contact with customers in payment difficulty through a range of communication methods.
Suppliers engage with customers compassionately	Suppliers provide clear information about debt and engage with consumers sensitively and compassionately about how they can provide support
Debt support	Suppliers provide customers with tailored support to meet their needs (eg signposting to charities, appropriate repayment plans, provide of credit, hardship funds).
Debt recovery	Suppliers tailor debt paths according to customer situation. Debt recovery actions are fair and proportionate. Work in this area is being taken forward as part of our involuntary PPM workstream.

Issues and our May 2023 policy consultation proposals to address them

- 4.8 In Table 4 of our May 2023 policy consultation, we described the issues in relation to suppliers identifying and supporting customers that are struggling with their bills. We also highlighted the evidence that we had gathered to demonstrate these issues.
- 4.9 As outlined in Annex 2 of our May 2023 policy consultation, there are already existing rules around identification and support/advice for customers struggling with their bills. For instance, our standards require suppliers provide customers struggling with their bills additional support. Our proposals built on these standards.
- 4.10 In our May 2023 policy consultation, we proposed to clarify and build on existing standards to require suppliers to:
- Engage, understand ability to pay and offer support for those struggling to pay bills (eg tailored repayment plans) at the earliest opportunity.
 - End minimum repayment rates for customers on debt repayment plans, to ensure repayment plans are tailored to meet individuals' needs.

High level stakeholder responses

- 4.11 In general, stakeholder views on our proposals were mixed. Consumer groups were very supportive of our proposals and submitted evidence to support their views. There was mixed support for our proposals from suppliers. Some suppliers were concerned about the impact of our proposals on supplier debt and resilience. These suppliers questioned whether there was sufficient evidence to justify our proposals. From limited costs data we received on this policy, we estimate the costs to suppliers to be £2.73 per customer per year.

At earliest opportunity, proactively contact, identify and provide support to customers that are struggling with their bills.

Desired outcome

4.12 We want suppliers to proactively contact customers in payment difficulty, so that they can understand an individual customer's ability to pay and provide consumers with tailored support to meet their needs.

May 2023 policy consultation position

4.13 In May we consulted on introducing specific requirements for suppliers to, at the earliest opportunity, contact customers at risk of struggling to pay their bills, understand their ability to pay and offer tailored repayment plans.

4.14 For customers who pay monthly this could be after two missed monthly payments and for those paying quarterly, after one missed payment. Alternatively, this could be immediately after a customer has contacted the supplier to inform them that they are struggling to pay their bill.

Stakeholder responses

4.15 Supplier feedback to our proposals was mixed. Some suppliers were supportive of our proposals. Some suppliers considered that they already did this and that new prescriptive rules would not be beneficial.

4.16 Consumer groups were all very supportive. Many highlighted how important early consumer engagement was to delivering good consumer outcomes.

4.17 Participants in the qualitative consumer research said suppliers actively reaching out early will help to prevent them from getting into serious or unmanageable debt. Many also said that this would overcome a number of barriers they raised to alerting their supplier of their situation and challenges to paying their bills. Participants said this proposal would be the most impactful. Participants did question how suppliers would contact them, with some expressing alarm at the prospect of receiving lots of letters or calls – stating the tone of communication is vital. They also mentioned they need to feel supported by their supplier rather than feeling chased for payment.⁷²

⁷² Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

- 4.18 Some stakeholders questioned how this proposal tied in with our Involuntary PPM Code of Practice proposals (eg for suppliers to make a minimum number (10) of contact attempts across multiple channels).

Our assessment

Benefits

- 4.19 Our evidence suggests that customers would value proactive, empathetic supplier support. Participants of the qualitative consumer research indicated that proactive, empathetic contact from their energy supplier would have tangible impacts for customers struggling with their bills. For example, by stopping customers from getting into problem debt and removing barriers to customers contacting a supplier first. Identifying and contacting vulnerable customers proactively was identified as our most impactful proposal from the research.⁷³
- 4.20 Customers also agree that contacting them after two missed payments would be effective. In the qualitative consumer research, participants felt that contact after two missed monthly payments was appropriate as missing one payment may not be reflective of a customer's situation (eg a particularly 'bad' month) and gives time for the customer to potentially resolve the situation themselves.⁷⁴
- 4.21 We consider that early, effective proactive engagement could be one factor in helping to stop or limit debt growth for those not yet on a repayment plan. Our May 2023 policy consultation showed that average debt where a repayment plan was in place sat at £848 for electricity and gas combined, which was significantly lower than those without a repayment plan with average arrears of £1,853.⁷⁵
- 4.22 Improvements in customer service and consumer outcomes may rely on effective, tailored, proactive contact and debt support. For example, the 2021-22 NEA Fuel Poverty Monitor research concluded that, to improve customer service, suppliers needed to proactively review existing debt repayment plans for customers whose debts are increasing, and to take quick action to contact customers who have fallen into debt for the first time.⁷⁶ Furthermore, one response to our policy

⁷³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁷⁴ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁷⁵ As we outlined in the May 2023 consultation, we are aware that there may be various reasons for the differences between those on repayment plans and those not on repayment plans, and debt growth figures. See the [Consultation on a framework for consumer standards and policy options to address priority customer service issues | Ofgem](#).

⁷⁶ NEA response to our policy consultation

consultation indicated that effective debt support may result in vulnerable customers being treated better across the energy industry.⁷⁷

- 4.23 Proactive engagement may help minimise broader issues for customers in vulnerable situations. There is evidence that energy debt worries may exacerbate broader physical, psychological and financial challenges. In their response, the University of East Anglia argued that financial difficulties faced in energy are usually part of wider financial challenges and are linked to other spending choices on areas such as food, housing and health.⁷⁸ Furthermore, Money and Mental health research on England indicates that over 420,000 people in problem debt each year consider suicide and 100,000 people in debt actually attempt suicide. Furthermore, four in five (81%) of those who had seen an energy bill increase in the previous year had cut back on their energy use, over half (53%) had cut back on other essential spending, and one in five (20%) had borrowed money to pay bills.⁷⁹ Experian also noted that there may be situations where a customer uses their credit card to pay off energy debt and face further detriment due to high interest rates.⁸⁰ If left unchecked, this could result in a continuous cycle of growing arrears.
- 4.24 Overall, proactive engagement to understand ability to pay and offer support may provide clearer debt pathways for customers and have positive supplier impacts (eg reduced debt management and collection costs).⁸¹ It follows that proactive debt management would see benefits for both customers and suppliers.
- 4.25 Responses to our May 2023 policy consultation also indicated that if suppliers do provide effective debt management facilities, then the burden on other organisations (eg debt charities) may decrease and allow them to help more clients.⁸²

Costs

- 4.26 We received very limited cost data to suggest that the early contact debt support policy would cost around £2.73 per customer per year. Note that in one response, one supplier indicated that suppliers with larger numbers of customers struggling with their bills or in vulnerable circumstances may face higher costs than others.

⁷⁷ One response to our policy consultation

⁷⁸ Pay (for it) as you go: Prepaid energy meters and the heat-or-eat dilemma, by Burlinson, Davillas and Law, 2022; Fuel poverty and financial distress by Burlinson, Giuliatti, Law and Liu, 2021; and Getting warmer: Fuel poverty, objective and subjective health and well-being, by Davillas, Andrew Burlinson and Liu, 2022

⁷⁹ [mha_energy_standards_guide_web.pdf \(moneyandmentalhealth.org\)](https://www.moneyandmentalhealth.org/mha-energy-standards-guide-web.pdf)

⁸⁰ Experian response

⁸¹ One supplier and University of East Anglia responses to our consultation

⁸² Responses to our consultation

- 4.27 There is a risk that proactive communications may be seen as excessive if not managed well by suppliers. In the qualitative consumer research, participants indicated that proactive support and communication from suppliers may be seen as 'alarming' if increasing in frequency and may result in customers not engaging with communication with their suppliers.⁸³ We consider that our proposals to work with industry to improve the debt pathway (including better embedding best practice compassionate customer debt handling into supplier practices) will help minimise this risk. We also consider that our work to improve reputational incentives and ensure suppliers are focused on delivering overall good service, could also minimise this risk.
- 4.28 Some responses highlighted a concern that early engagement may increase burden on debt charities and organisations. For example, a few responses to our policy consultation indicated that if suppliers do not develop the expertise for effective debt management, they may instead rely more on their services such as through signposting.⁸⁴

Conclusion

- 4.29 As we outlined above, we consider this policy option will provide benefits for customers. Furthermore, improvements in debt management processes may provide benefits not only for customers but to suppliers themselves.⁸⁵
- 4.30 We therefore propose to amend standard supplier licence conditions to require suppliers to engage, identify ability to pay and offer repayment plans at the earliest opportunity for those customers at risk of struggling to pay their bills. Specifically, we want suppliers to contact customers no later than after two missed monthly scheduled payments or one quarterly missed scheduled payment, or after a customer has informed the licensee that they are unable to make the next scheduled payment. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. We invite views from stakeholders on our proposed licence drafting.
- 4.31 We have already issued guidance to suppliers about how to engage with consumers compassionately.⁸⁶ We intend to continue to work with industry to find ways of raising standards and ensuring consistency across the debt pathway,

⁸³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁸⁴ Responses to our consultation

⁸⁵ See section below on other benefits of tailored debt support policies.

⁸⁶ <https://www.ofgem.gov.uk/publications/good-practice-supporting-customers-payment-difficulty> and [Debt communications messaging: Evidence from customer and behavioural insights | Ofgem](#)

including understanding how this guidance can be more effectively embedded into supplier practices to minimise the risk of proactive supplier engagement being negatively perceived by consumers.

Repayment plans to reflect ability to pay

May 2023 policy consultation position

4.32 In May we proposed to ensure that repayment plans are proportional and tailored to meet the individual needs of consumers, this included ending minimum repayment rates.

Stakeholder responses

4.33 Consumer organisations were overwhelmingly supportive of our proposals. However, supplier feedback was mixed. Some suppliers were supportive of our proposals. However, other suppliers were concerned about the impact of our proposals on supplier debt and supplier resilience. Some suppliers suggested that a customer's ability to pay should be regularly reviewed.

4.34 Overall, the majority of consumers that took part in the qualitative research felt removing minimum repayments is a useful solution to create a compromise that works for both them and their supplier, as even minimum rates can be too high. Some did raise concern on how this could be misused and taken advantage of.⁸⁷

Our assessment

Benefits

4.35 Ensuring that repayment plans reflect ability to pay, including considering pausing minimum repayments, may allow for more flexibility. As mentioned, most participants in the qualitative consumer research felt that this would be a useful solution that works for both sides, as sometimes even minimal repayment rates are too high for those in debt. Many participants felt that the right repayment plan will differ between people.⁸⁸

4.36 Offering repayment plans which reflect customers' ability to pay, including considering pauses in repayment levels, could potentially support the ability of financially vulnerable households to maintain consumption for other essential needs. In a study of consumption effects of mortgage payment holidays in the UK

⁸⁷ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁸⁸ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

during the COVID-19 pandemic, an International Monetary Fund study showed that mortgage payment holidays allowed liquidity-constrained households to maintain higher annual consumption growth compared to those non-eligible for the policy.⁸⁹ Furthermore, there is precedent for similar measures being taken in other sectors. For example, the Financial Conduct Authority and Government have recently developed a new mortgage charter including the option of payment deferrals. To note, lenders that comprise 75% of the market have signed up to the charter.⁹⁰

- 4.37 This policy may also benefit customers' mental health outcomes. A study on debt, credit payment holidays and mental health during COVID-19 in the UK found that credit payment holidays could significantly reduce the negative effects on mental health of debt. Furthermore, the authors conclude there may be beneficial impacts of using credit payment holidays in other policy contexts.⁹¹
- 4.38 This proposal may also mean customers on prepayment meters may be less likely to self-disconnect or self-ration to ensure they stay on supply. This benefit may extend to other customers not on pre-payment meters who may also be struggling with their bills.
- 4.39 There may be other expected benefits that overlap between this option and the earlier contact option previously outlined, such as benefits from clearer debt pathways and less impact on psychological and physical health of customers. Furthermore, a pause in repayments could see benefits for both the customer and supplier. For example, the supplier would not incur additional costs of unsuccessful debt recovery for a period of time and customers may benefit from improvements to mental health.

Costs

- 4.40 No data were provided by any suppliers on the costs of pausing repayments. Some suppliers indicated to us that they are concerned about the potential increase in bad debt operational expenses.
- 4.41 There is a risk that customers could attempt to misuse the support provided. A few participants in the qualitative consumer research were concerned about no minimum repayments being misused and taken advantage of (eg people not

⁸⁹ [Consumption Effects of Mortgage Payment Holidays: Evidence during the COVID-19 Pandemic \(imf.org\)](#)

⁹⁰ [Chancellor agrees new support measures for mortgage holders - GOV.UK \(www.gov.uk\)](#)

⁹¹ [Debt, Credit Payment Holidays, and their Relationship with Mental Health during the COVID-19 Pandemic in the United Kingdom - Matthew Sparkes, Senhu Wang, Jacques Wels, 2023 \(sagepub.com\)](#)

being truthful with how much they can afford to pay). Furthermore, the policy may disincentivise customers from saving money to pay energy bills.

- 4.42 There is also a risk that pausing repayments may mean some customers stay in debt longer. This may have adverse impacts on some customers such as stopping them from being able to switch to better tariffs due to being in debt.

Conclusion

- 4.43 We continue to consider that ensuring repayment plans reflect ability to pay is critical. We have refined our proposals to make that clear.
- 4.44 Existing rules already require suppliers to give due consideration to customers' ability to pay when setting repayment rates. Under these rules, we would not expect suppliers to set repayment rates in any manner that does not give due to consideration to a customer's ability to pay (eg a supplier identifying a repayment value that all customers must make, regardless of their ability to pay).
- 4.45 We acknowledge that a customer's ability to pay may change over time. We therefore support suppliers considering temporary pauses on repayments, as part of a repayment plan. Where repayments are paused, we propose regular reviews of these customers' ability to pay (in accordance with existing supplier obligations to understand a customer's ability to pay). Before ending the pause, a supplier should give due consideration to ensuring that a customer is on a payment plan that reflects their ability to pay.
- 4.46 We acknowledge that how suppliers can best support customers struggling with their bills can differ between customers. For some customers (eg a customer whose ability to pay is unlikely to change), temporarily pausing debt repayments may not be the most appropriate solution. We therefore propose that suppliers have flexibility to consider alternative ways of supporting their customers.
- 4.47 While we have not received any cost information from suppliers and have some evidence on benefits, our view is that this policy serves as support to our existing licence requirements. For example, if a customer is on a repayment rate that they cannot afford, then there would be no increase in bad debt for money that the customer could not pay at the full repayment rate anyway.
- 4.48 Whilst there is a risk that some customers could misuse the policy, we consider that suppliers will carry out adequate procedures to identify whether a customer has the ability to pay. We note that suppliers are already required under SLC 27 to take specific steps to understand a customer's ability to pay (eg providing clear guidance and training for staff on how to elicit information on ability to pay). We

also note our recent letter where we outlined our expectations that suppliers use standardised measures to assess customers' financial circumstances.⁹²

- 4.49 Furthermore, similarly to the previous tailored debt support option on earlier contact, benefits may accrue from debt management processes and outcomes that suit both the customer and supplier.
- 4.50 We are consulting on changes to the standard supply licence conditions to implement these changes. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence.

Additional stakeholder suggestions for new requirements

- 4.51 Several stakeholders highlighted the importance of compassionate and sensitive engagement with customers that are struggling with their bills. Several consumers groups considered that there are issues with the level of compassion shown by some suppliers.
- 4.52 The qualitative consumer research also highlighted the importance of supplier empathy.⁹³ An Ofgem research piece indicated that debt communications that are not compassionate in tone and do not focus on available solutions may lead to worse consumer outcomes.⁹⁴ Furthermore, the Q4 2022 Consumer Perceptions in the Energy Market survey showed that 20% of credit meter customers who had fallen behind on bills and contacted their supplier for support did not consider that their supplier communicating with them sensitively.⁹⁵ To support the importance of empathy, in StepChange's 'Mixed Messages' report last year they found that nearly 90% of clients said communications they had received from financial services firms triggered negative emotions including fear.⁹⁶
- 4.53 Some consumer representatives also highlighted the importance of suppliers minimising the actions that could contribute towards a consumer being in debt (eg unexpectedly high bills).
- 4.54 We know that some customers are struggling to pay their bills and it is important that they receive a high level of service from their supplier when they do. In the coming months we will continue to work with consumer groups, charities, and

⁹² <https://ukrn.org.uk/cost-of-living-working-group-joint-letter/>

⁹³ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁹⁴ [Debt communications messaging: Evidence from customer and behavioural insights | Ofgem](#)

⁹⁵ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

⁹⁶ [Mixed Messages. Creditor Communications. StepChange](#)

industry to find ways of raising standards and ensuring consistency across the debt pathway.

Chapter 5 – Reputational incentives

Section summary

In light of the feedback received from stakeholders, we have updated our minded-to position on reputational incentives proposals as follows:

- We would require suppliers to publicise the Citizens Advice customer service star rating at a prominent location and in a format that is readily accessible for consumers
- We expect this to be an interim measure that will remain in place until a longer-term reputational incentive is implemented.
- We intend to put in place an Ofgem led measure of customer experience. Over the next year we will begin the process of working with Citizens Advice, suppliers and the wider industry to inform our thinking on this. We encourage stakeholders to positively engage in this process to ensure that this measure of customer experience that is developed is consistent, robust and representative.

In this chapter we summarise stakeholder responses to the May 2023 policy consultation on our views on reputational incentives for winter 2023, outline our updated minded-to position and outline our assessment of our proposed policy positions.

Question 4: Do you have any comments or questions on our proposed SLC changes to require suppliers to publish information on their customer service performance, as measured by Citizens Advice?

- 5.1 We want suppliers to seek to continuously improve the service that they provide to their customers, and to discourage poor supplier performance.
- 5.2 We are keen to consider whether any additional tools could be used alongside competition, to help provide incentives for good service and deterrents for poor service.
- 5.3 In our May 2023 policy consultation, as part of our broader framework for consumer standards, we suggested further testing and trialling of incentives and deterrents to deliver good performance. We highlighted that, to a certain extent, we already use incentives and deterrents to help drive desired market outcomes (eg reputational incentives). Our consultation sought views on whether we should place greater focus on these additional tools. For more information, see Annex 3 of our May 2023 policy consultation.

Our May 2023 policy consultation proposals and stakeholder feedback

Desired outcome

5.4 Whilst there are some great examples of supplier customer service, overall industry customer satisfaction is below our expectations. We want to shift supplier culture to focus on improving customer experience by providing good levels of customer service.

May 2023 policy consultation proposals

5.5 Our consultation included proposals to introduce, in winter 2023, a new rule requiring suppliers to clearly display details of website hyperlinks to customer service data from a specified third-party organisation such as Citizens Advice, in a prominent location on their websites. The Ofgem website would also sign-post to this external survey.

Summary of stakeholder responses

- 5.6 Broadly, consultation respondents were supportive of our winter 2023 reputational incentive proposals, with most respondents recognising that this could be a useful means to improve transparency and drive consumer engagement. Some respondents agreed that reputational incentives can encourage positive shifts in supplier culture and performance. Several stakeholders also highlighted that requiring suppliers to publish information on their customer satisfaction could help support the development of effective competition.
- 5.7 Various stakeholders highlighted the importance of utilising customer service data that is based on robust, consistent metrics to ensure a fair comparison between suppliers' performance.
- 5.8 Some respondents highlighted the importance of considering the key metrics that suppliers are required to publish, to ensure that we do not drive perverse supplier behaviour. For example, metrics that focus on delivering narrow outputs (eg call waiting times) rather than broad consumer outcomes (eg customer satisfaction).
- 5.9 While a majority of respondents were supportive of using Citizens Advice star rating data, some respondents raised concerns over uncertainty resulting from Citizens Advice's current review of its customer service survey methodology. A number of others questioned Citizens Advice's current underlying methodology

(eg one respondent suggested that the weighting system used by Citizens Advice creates ratings that are not fully representative of suppliers' performance).

- 5.10 Stakeholders had mixed views on whether our proposals would better support competition. Some stakeholders considered that reputational incentives would be beneficial to drive non-price competition based on customer service and positively impact suppliers' performance levels. However, other respondents suggested that with the current low levels of competition in the market, reputational incentives are unlikely to have a meaningful impact on consumer behaviour and would have neutral impact on competition. A number of respondents questioned the added value of requiring suppliers to publicise the Citizens Advice star rating data, given that this information is already publicly available. Some stakeholders were concerned that using reputational incentives may have a negative impact on competition.
- 5.11 Several respondents agreed that this would be a useful first step in developing more substantial reputational incentives and as part of a wider toolkit that also incorporates monitoring, compliance and enforcement.
- 5.12 Many respondents considered that the proposals could go further, with several respondents suggesting that the requirement to make customer service data available on suppliers' websites should be extended to other key channels such as paper-based communications (eg consumer bills), to provide optimal exposure on supplier performance to a broad segment of consumers. There were a few suggestions for Ofgem to introduce a supplier performance league table and introduce financial sanctions for poor performance.

Conclusions/revised proposals

- 5.13 In light of the feedback received from stakeholders, we have updated our minded-to position on reputational incentives proposals as follows:
- We will require suppliers to publish information on their customer service performance as measured by the Citizens Advice star rating at a prominent location, in a format that is readily accessible and that meets the needs of Domestic Customers including those Domestic Customers in Vulnerable Situations.
 - We expect this to be an interim measure that will remain in place until a longer-term reputational incentive is implemented.
 - As part of our consumer standards framework, over the longer-term we intend to implement a measure of customer experience. Over the next year, we will

begin this process by kicking-off engagement with Citizens Advice, suppliers and other interested parties to explore options to develop this. We would like suppliers to positively engage in the process to ensure that this measure of customer experience that is developed is consistent, robust and representative.

- 5.14 It is clear from the consultation feedback that respondents recognise the potential benefits of reputational incentives to encourage continuous improvements in quality of service standards. Further, our assessment supports our conclusions that the benefits we would expect to see from introducing these reputational proposals outweighs any potential adverse impacts. We are firmly of the view that strong reputational incentives can play a significant role in incentivising good performance and deterring poor supplier performance.
- 5.15 As recognised by many respondents, the Citizens Advice customer service star rating is a well-established, industry recognised measure of supplier performance. We expect that any revisions to the Citizens Advice methodology resulting from its current consultation will consider all stakeholder views.
- 5.16 We consider that requiring suppliers to publish information on their customer service performance, as measured by Citizens Advice star rating, in time for winter 2023, would encourage positive shifts in supplier culture towards an increased focus on delivering improvements on customer service standards. We also consider that it will help provide greater transparency of relevant customer service performance to inform consumer choice.
- 5.17 We have also listened to the feedback on the need for an appropriate, consistent approach to developing a measure of customer experience and how we could improve our own monitoring of industry performance and customer experience. We therefore intend to build on these interim measures as part of our consumer standards framework by exploring options to develop a robust, representative measure of customer experience over the longer term. Over the next year, we would like to work with suppliers, Citizens Advice and wider stakeholders to do this. Specifically, we will work with Citizens Advice to minimise the risk of multiple measures of customer experience confusing consumers.
- 5.18 We are proposing to introduce a new licence requirement to require licensees to publish information on their customer service performance, as measured by the Citizens Advice star rating. Attached to this statutory consultation is a Notice to all licensees outlining our proposed changes to the licence. Our proposed SLC changes are also outlined in Appendix 2 of this statutory consultation.

5.19 We welcome views from stakeholders on our proposed SLC drafting on these reputational based incentive requirements for implementation this winter.

5.20 We provide more information on our assessment of these proposals below.

Assessment of new reputational incentives requirements

Approach for assessing new requirements

5.21 We have carried out an assessment for the reputational incentives policy proposals. This can be found below.⁹⁷

Benefits

5.22 We consider that our proposals will facilitate greater transparency on supplier performance, allowing customers to make better choices when choosing a supplier. This may help support competition.⁹⁸

5.23 Our proposals may also help build consumer trust and support more consumer engagement. Some participants in the qualitative consumer research considered that seeing a high customer service score may help them feel more confident about contacting their supplier, as they may feel reassured their supplier can help with/offer a solution. Some raised concerns over the data source, that it needs to be from a trusted source. Most felt reputational incentives are less directly helpful in improving the support received from suppliers when struggling to pay energy bills. A few participants felt that incentives should not be necessary for suppliers to provide good customer service.⁹⁹

5.24 Our proposals may also help build consumer trust and support more consumer engagement. Some participants in the qualitative consumer research considered that seeing a high customer service score may help them feel more confident about contacting their supplier, as they may feel reassured their supplier can help with/offer a solution. Some raised concerns over the data source, that it needs to be from a trusted source. Most felt reputational incentives are less directly helpful in improving the support received from suppliers when struggling to pay energy bills. A few participants felt that incentives should not be necessary for suppliers to provide good customer service.¹⁰⁰

⁹⁷ Note, the reputational incentives assessment is largely a qualitative assessment.

⁹⁸ See Chapter 6 for more detail on competition impacts.

⁹⁹ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023.

¹⁰⁰ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

- 5.25 Overall, customer service data from an established third-party source, such as Citizens Advice which collects consistent data from suppliers, would be an additional useful way to minimise any potential risk of unintended consequences from our winter 2023 proposals on contact ease (eg suppliers focusing on responding quicker, but not resolving customer queries).
- 5.26 In the long term, we expect that these proposals will contribute towards improving customer satisfaction levels and reduce the number of customers turning to consumer bodies, organisations and charities to help provide support.¹⁰¹

Costs

- 5.27 Based on the evidence we hold, we do not consider that our proposals would create significant costs for suppliers. Based on limited supplier costs data provided to us, we estimate that they would amount to around £0.13 per customer per year.
- 5.28 We acknowledge stakeholder feedback that, depending on what we require suppliers to publish, this could create a risk of unintended supplier behaviour that focuses on delivering narrow outputs (eg call waiting times) rather than broad consumer outcomes (eg customer satisfaction). In the interim, we are confident that the Citizens Advice customer service star rating will encourage suppliers to focus on delivering better customer experience. We will also ensure that our longer term measure of customer experience will encourage suppliers to focus on overall customer satisfaction.
- 5.29 Some of the responses to our consultation indicated that there may also be adverse, unintended, impacts on customers. For example, the use of different data sources may be confusing to customers (eg where some suppliers already publish other customer service metrics on their websites). We will work with Citizens Advice to minimise the risk of this.
- 5.30 As switching has historically been based on price, there is a risk that only a minority of consumers switch on the basis of service as a result of this policy.¹⁰²

Conclusion

- 5.31 Overall, we consider there are benefits we expect to see from our proposals to introduce stronger reputational incentives, and we view the costs to suppliers of

¹⁰¹ From stakeholder feedback.

¹⁰² See competition impacts section below for more detail.

implementing this policy as proportionate. In particular, we note a potential positive impact on competition, and benefits to customers from being provided additional information when choosing a supplier.

Chapter 6 – Other key areas to support our assessment

Section summary

This section covers additional key assessment items for the policy options. This includes our notice under Section 5A of the Utilities Act 2000 for why we are not carrying out an impact assessment for these policies, competition impacts of the priority policy options, our statement under the Public Sector Equality Duty (PSED) and our call for further evidence on costs of the proposals and evidence on implementation timelines.

Question 5: Could you provide any further, detailed evidence on the potential costs and benefits of our revised proposals?

Question 6: Could you provide detailed evidence or information on the proposed timescales for implementation of our revised proposals?

Impact assessment: Notice under s5A Utilities Act 2000

- 6.1 Section 5A of the Utilities Act 2000 (“the Act”) requires that before implementing a proposal that is important, we need to either carry out and publish an assessment of the likely impact of implementing the proposal (“a section 5A IA”) or publish a statement explaining why we consider such an assessment is not necessary.
- 6.2 Our guidance on impact assessments sets out the reasons why a proposal may be considered to be important for the purpose of section 5A. In line with that guidance, in order for a proposal to be considered important it needs to have a significant impact on suppliers. We consider that the consumer standards framework proposals and policy options to address priority customer service issues do not meet the definition of ‘important’ as set out in section 5A or our guidance. As such, we consider it is not necessary to carry out a section 5A IA for the following reasons:
- a) The policy options we propose in this statutory consultation build upon existing licence condition obligations already in place for suppliers, and do not represent significant changes to the substance of these obligations. For example, energy suppliers are already required to provide support to customers in payment difficulty and are already required to ensure it is easy to contact them.
 - b) The costs information provided to us by suppliers for these policy options indicate that the costs per customer per annum to suppliers would not amount to significant costs for the market. These costs implications diminish further and are even less significant as some suppliers already meet these

obligations. For example, a number of energy suppliers currently already offer extended hours enquiry services. Furthermore, in comparison to our May 2023 Policy Consultation, we are proposing to adopt a more principle-based approach (eg enquiry services for all to be open at times that meet customers' needs) and targeted approach to address some issues (e.g. requiring licensees to provide targeted free access to certain consumers in vulnerable situations). This may allow for suppliers to find further efficiencies in their business models over the previous, more prescriptive rules.

- 6.3 Additionally, even though we do not deem these proposals as important proposals for the purpose of section 5A of the Act, nevertheless, we have carried out assessments for key areas of the policy options to ensure relevant evidence is provided and the benefits and estimated costs of the policies are outlined. These assessments can be found in the above policy sections in this document.

Competition impacts

- 6.4 We have outlined a combined view of the competition impacts of the combined contact ease, identification and support for customers struggling with their bills, and reputational incentive policies we are consulting on in this document.

Positive impacts

- 6.5 In combination, these three measures should help to improve consumers' experience of the market. We think that this will in turn improve the reputation of the market, and thereby encourage consumers to engage with it more, which would benefit competition. However, the extent of this is likely to be modest, and any improvement would need to be seen in the context of a significant fall in service standards over previous years.
- 6.6 We consider that the obligation to publish details of customer service ratings will make it easier for consumers to access this data, which will enable consumers to make better informed decisions. This should in turn incentivise suppliers to improve their service levels. We note, however, that only a minority of consumers switch on the basis of service, and so we expect only a minor level of impact.

Negative impacts

- 6.7 We expect these proposals to improve the basic level of service offered by all suppliers. It is therefore possible that this will result in less differentiation between suppliers in terms of customer service, which could lead to less switching on the basis of service. This is more likely to be true if service-driven switches are driven more by customers experiencing poor service from their

existing supplier than being offered better service by another one. As noted above, however, only a small minority of switches are driven by service and so any impact on competition would be minor.

- 6.8 Supplier responses have indicated policies may have some negative impact on innovation. They also mention that increased investment in customer service, and the regulatory burden of complying with these policies may divert some funds away from innovation and may have a negative impact on sector investment. However, we have not seen any evidence to suggest that suppliers who invest the most in innovation restrict their spending on customer service as a result (or vice versa), so it is not clear to us that such a trade-off exists.
- 6.9 Suppliers have also mentioned the policy options on tailored debt may impact some suppliers in different ways, depending on the number of customers each supplier has that are struggling with bills, which may cause resilience issues. For example, costs accrued by suppliers with large numbers of these customers may impact innovation investment. Again, we do not see evidence to suggest this would be the case.
- 6.10 There may be a minor negative impact on market entry or resilience of new suppliers due to the theoretical higher barriers to entry these policies may entail, who may have issues accessing capital markets to invest. Some suppliers also expressed concerns that the relative cost of complying with our proposals may disproportionately impact small suppliers.
- 6.11 Regulatory intervention in the market always carries a risk of negatively influencing suppliers' perceptions of the market, both in terms of the impact of the measures being introduced and in terms of the likelihood of future interventions. In this case, however, we think these effects will be minimal, as the new measures reinforce and build on existing licence obligations.

Ofgem views

- 6.12 On balance, it is our view that through improving customer service by raising standards across the market, this package of measures would have a positive impact on competition.
- 6.13 Above, we outline that there may be a small initial negative effect on competition, primarily from the policy options raising standards of customer service across the market, where some suppliers may have previously benefitted from competitive advantages through better service provision. However, we consider this only to be a short-term impact before suppliers are able to invest and differentiate their customer service offer above this higher cross-industry standard.

- 6.14 We consider that the greater information that is provided to customers on the performance of different suppliers, would better enable suppliers who perform well on customer service to signpost this to their customers, further offsetting the above minor negative impact on competition and may result in a modest positive impact.
- 6.15 Additionally, the diversity of the market may not be affected as new, smaller suppliers may have more flexible processes and systems allowing faster and simpler changes to their customer facing systems than larger suppliers, even outside of being able to access traditional capital markets. Furthermore, we do not expect an impact on innovation investment in absence of any evidence showing these policies would have a material impact on such investment. Finally, as only a minority of customers switch based on service levels, a reduced level of customer service differentiation amongst suppliers is likely to have very little impact on competition.

Public sector equality duty

- 6.16 Ofgem has a legal duty under section 149 of the Equality Act 2010 to consider the impact of our policies on protected groups under the Public Sector Equality Duty (PSED). The main objective of the PSED is to:
- eliminate discrimination, harassment, victimisation and any other and any other conduct that is prohibited by or under this Act.
 - advance equality of opportunity between persons who share who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.17 Our assessment is that the main objective of these policies overlaps with the PSED for the following portrayed characteristics: age, disability and pregnancy and maternity.
- 6.18 Our assessment for each of the policy areas we are consulting on identifies the impacts of our policies for these groups and thus, it covers a requirement to do an Equalities Impact Assessment. As we explain in our assessment for the policies in each of the relevant sections above, there are benefits that may accrue to those in these protected groups from our policies on contact ease, and identification and support for customers struggling with their bills. For example, a range of contact methods would benefit those in the age and disability protected characteristics groups, as the policies ensure that suppliers are providing for

equality of opportunity between customers in these groups and those who are not in these groups.

- 6.19 For other protected characteristics such as gender reassignment, race, religion or belief, sex, sexual orientation and marriage and civil partnerships, we have not identified any potential for discrimination or adverse impacts from these policies. Furthermore, due to the transient nature of vulnerability, some of these groups may also benefit from these policies at different stages. For example, if required at any stage, the tailored debt support at the earliest opportunity policy would provide benefits to all those in each of the groups with protected characteristics as the policy outlines this debt support should be based on individual circumstances.
- 6.20 See the relevant sections for our policy options and our assessments of the benefits to the protected groups we have identified above.

Call for further evidence on costs and implementation

- 6.21 As part of our May 2023 policy consultation process, we received limited costs information from suppliers for the policy options outlined in that consultation. Following a review of the evidence, we have now revised these policy options. Therefore, as part of their responses to statutory consultation, we encourage suppliers to provide us all relevant costs data broken down by sub-policy line and items and any related material costs where possible. Dependent on the quality of data we receive, we will take the view of publishing this information alongside our decision in early October 2023. Note this information may also be useful when engaging with the price cap operating cost allowances review.
- 6.22 We also received responses and feedback from suppliers stating that proposed implementation timescales, may be challenging to meet. From engagement with suppliers, we understand that some suppliers are concerned about the time required to implement some of our proposals. In particular, we note that suppliers are concerned about the time required to implement any necessary contractual, commercial or system changes. We acknowledge the concerns raised and as part of these revised proposals, we strongly encourage suppliers to provide us with evidence or feedback on any specific proposals that will be challenging to implement by this winter.

Chapter 7 – Monitoring and evaluation

Section summary

Stakeholders agreed that efficient monitoring is required to gather an overview of customer service levels in the domestic retail market.

However, suppliers were concerned about adding any additional items to current reporting requirements without a full review of the existing data items requested.

We received feedback on our suggested new data items from several stakeholders and will take this into consideration. Other data items were also suggested by several stakeholders.

Looking ahead, we will start to assess data returns from our recently introduced Customer Contact RFI and we plan to review our retail monitoring more broadly.

Monitoring Framework

- 7.1 As part of our overarching approach to consumer standards, in our policy consultation we propose to enhance our existing monitoring activities to enable earlier identification of issues and a more proactive approach to resolving these.
- 7.2 It is important to monitor progress in the priority areas and ultimately evaluate our approach to addressing these issues.
- 7.3 As part of our policy consultation, we therefore proposed collecting a list of new data items that would allow us to better monitor performance. See Chapter 4 of our May 2023 policy consultation. We invited views on this from stakeholders.

Summary of Stakeholder feedback

- 7.4 Stakeholders broadly agreed that effective monitoring is important and useful to ensure policies are successful. Stakeholders recognised the need for a holistic view of customer service in the domestic retail market and supported this being integrated into existing monitoring requirements. Most suppliers, consumer groups and charities, and other stakeholders stated they are willing to provide more data if it contributes to a more focused, holistic, and collaborative monitoring approach.
- 7.5 We received many responses with specific feedback on the suggested prospective items which is covered in more detailed below. This also included additional items that could be considered for future data gathering, for example call volumes on supplier customer service telephone lines.

- 7.6 Many suppliers warned of an increased burden with any additional Requests for Information (RFIs). They advised that any new Ofgem data requests should be considered carefully and that a lead time would be required to ensure that the data can be captured by the current supplier's systems. Some suppliers indicated that current RFIs may be out of date and no longer fit for purpose. Suppliers and Energy UK recommended that an audit of the current RFIs and data collection should be carried out before adding additional requirements to look at customer service and that a more connected approach to monitoring would be preferred.
- 7.7 Suppliers and DNOs recommended that current and future data requests should have clear reporting instructions and guidelines to ensure consistency across different suppliers. Improved real-time data collection with further use of IT solutions was also requested by a few suppliers.
- 7.8 Consumer groups and charities advised that greater granularity should be requested to provide more detailed information on different consumer types, for example those with disabilities. Several consumer groups and charities also advised that current data may be too England-focused and therefore may not reflect consumers in Wales and Scotland.

Stakeholder feedback on prospective data items

7.9 Contact ease:

Table 5: Stakeholder responses to data items

Data Items	Stakeholder response
Average call wait time for longest 10% of waits	Consumer groups and charities agreed with this data item to monitor the worst affected. Suppliers advised that this data item will require changes to internal systems in order to be captured. It was also recommended that this is tracked alongside call volumes and the median call wait time and not on its own.
Call data for out-of-hours contact	Most stakeholders agreed that this data item would be useful but advised that this should be extended for different contact types, such as webchat. Some suppliers advised that this data item would be critical in monitoring the need for extended hours contact.
Customer satisfaction with priority number call handling	Consumer groups were supportive of this data item but raised that it must include customers who face accessibility barriers. Some suppliers advised that this should be an overall satisfaction rating for vulnerable customers in order to factor in all contact methods.

Data Items	Stakeholder response
Freephone contact numbers	Some suppliers showed concern that due to the licence changes proposed this would be measured as a compliance activity check rather than for market monitoring. Most consumer groups welcomed this data item but advised that it is not enough to have a freephone number, but that it should also be clearly visible in different forms, such as a website and bills.

7.10 Tailored advice/support for customers struggling with their bills:

Table 6: Stakeholder responses to data items

Data items	Stakeholder response
Number of rejected payment arrangement proposals before agreement	Consumer groups and charities were supportive of this data item to monitor the debt journey for customers. However, suppliers advised that this would need clear guidelines when collecting to ensure consistency. They also advised that this data may be hard to collect as many repayment plan proposals could be made during one call and not individually offered.
Data on training of staff on debt management/ vulnerable customers	Consumer groups and charities strongly welcomed monitoring of the training that is being carried out and advised that the level of this training should also be monitored. However, suppliers advised that this could create an indirect licence condition and would not necessarily inform Ofgem of how well training is being put into practice. One supplier suggested that a 'mystery shopper' would be a more useful way of measuring the quality of training that customer service staff have received.
Customer satisfaction of customers in vulnerable situations receiving support from suppliers	Consumer groups were particularly supportive of monitoring this area and recognised the need for a closer view on those in vulnerable circumstances. Suppliers agreed with the intent behind the data item but were concerned about the subjective nature of the customer satisfaction. It was advised that those in vulnerable situations may have a more negative reaction due to the difficulties of the situation rather than the service from the supplier.
Number of customers who have used supplier's grant funds	Most stakeholders felt that this data item was not broad enough to capture the different support options that suppliers have available. Some stakeholders also felt that this may not give a good understanding of whether this support was helpful to the customer.

7.11 Other data items suggested by stakeholders:

- Number of customers utilising emergency credit on PPMs.
- Number of customers who were actively signposted to sources of free debt advice.
- Number of customers who have been taken to court by their supplier and now have a county court judgement (CCJ) for energy debt.

- Number of repeated phone calls needed where issues are not resolved first time.
- Number of missed/cancelled engineer appointments required to support vulnerable customers with metering issues.

7.12 Ofgem welcomes a collaborative approach towards new data requests and the willingness to engage with creating an efficient monitoring framework. We appreciate the suggestions of new data sources and comments on existing data requirements from all stakeholders. We recognise that there is a need for ongoing holistic and efficient monitoring of the domestic retail market, including a focus on customer service. Ofgem also understands the difficulties with new data items and the greater need for improved IT solutions for reporting data.

Next Steps

- 7.13 Taking on board the need for a more efficient and coordinated approach to monitoring, we do not plan to develop a bespoke monitoring framework for the policy areas outlined in this consultation. Instead, we will use the feedback on additional data items to collect and our wider approach to data collection and monitoring of the retail market to inform our wider work on retail market performance monitoring. We have already taken steps to improve our monitoring in this area, including the customer contact RFI which was introduced recently.
- 7.14 Going forward in the medium term, we will be reviewing our current and planned retail monitoring to ensure that we are able to recognise compliance with consumer standards with as little additional requirements as feasible. Over the next year, we will kick-off engagement with industry to explore the development of a measure of customer experience. For more information, please see Chapter 5 on Reputational Incentives.

Chapter 8 – Consumer Standards framework

Section summary

We will progress our proposals to establish a forward-looking, overarching framework for consumer standards that considers the entire customer base holistically.

We consider that the combination of components in this framework, which encompass a hybrid approach to using principles and prescriptive based standards design, a dedicated standards monitoring framework, the testing and trialling of incentives, alongside our compliance and enforcement strategy, will ensure that standards set for the sector continue to meet the challenges of a rapidly changing market.

We have updated our minded-to position on reputational incentives for implementation this winter and over the longer-term. Further details on stakeholder feedback and our updated reputational based incentive proposals are set out in Chapter 5.

This chapter summarises feedback received from stakeholders on the consumer standards framework and outlines our next steps.

Our May 2023 consumer standard framework proposals

- 8.1 Consumer standards are an important tool in Ofgem’s regulatory framework. In our May 2023 policy consultation, we proposed to create an overarching framework for the development and implementation of standards that will ensure effective consumer protections that are future proof.
- 8.2 This will bring together various regulatory activities to provide a more cohesive and holistic approach. To ensure our future framework of regulation considers the entire customer base holistically, we proposed that the framework would encompass both the domestic and the non-domestic markets.
- 8.3 We proposed that our consumer standards would help ensure standards are designed to deliver positive outcomes for consumers by:
 - Using a balance of rules-based and principle-based standards;
 - Ensuring that standards are designed to deliver positive outcomes for consumers;
 - Introducing a more tailored approach to our robust monitoring and evaluation framework;
 - Implementing our compliance and enforcement strategy;
 - Incentivising suppliers to deliver continuous improvements

8.4 More information can be found in Annex 3 of the May 2023 policy consultation.

Stakeholder responses

8.5 Respondents were broadly supportive of our consumer standards framework. Some stakeholders highlighted the importance of different aspects of our proposed consumer standards framework (eg some highlighted the importance of a proactive compliance and enforcement, whilst others highlighted the importance of robust market monitoring).

8.6 There were differing views on our more proactive approach to compliance and enforcement (eg MCRs). Some parties welcomed our revised approach, whilst others were critical of the process that we had adopted (eg some suppliers considered that our MCRs were too prescriptive).

8.7 Some stakeholders questioned the extent to which our consumer standards framework was different to our current approach to regulation. Some stakeholders were also unclear how it would apply to non-domestic consumers.

Principles and prescriptive based standards

8.8 While most respondents agreed on a hybrid design approach using a mix of both principles based and more prescriptive based standards, suppliers and consumer groups had different ideas about what the right balance should be.

8.9 Most non-supplier respondents preferred a more prescriptive based approach to setting standards. Some stakeholders suggested this approach would offer better protections for vulnerable consumers, particularly the financially vulnerable. These respondents considered that principles-based standards have not produced the desired outcomes for consumers (eg suppliers exploiting regulatory loopholes or being de-incentivised from progressing beyond minimum standards), whereas a more prescriptive based approach can provide clarity on what is expected of suppliers and allows for better monitoring of performance levels.

8.10 Most suppliers preferred principle-based approach to standards. They considered that this allowed suppliers to develop their own innovative, cost-efficient and flexible solutions to achieving consumer outcomes.

8.11 Stakeholders expressed views on salient factors to consider when determining the appropriate design approach. Some stakeholders suggested that the potential risk of consumer detriment could push us to be more prescriptive in some areas. A supplier considered that prescriptive standards should only apply where there is a consensus and evidence to support what "good" looks like.

8.12 Several suppliers were concerned about the impact that very prescriptive standards could have on cost, competition, innovation and investment.

Testing and trialling options for longer-term regulatory and financial incentives

8.13 Several suppliers were concerned that regulatory and financial incentives may limit innovation, competition and investment. Some stakeholders expressed concern that new incentives may create new regulatory burdens. Some suppliers considered that new incentives are unnecessary given we already have powers to issue fines and increase regulatory reporting. While a small number of suppliers were in favour of regulatory incentives, others highlighted the risk of financial incentives pushing up costs for all consumers. There were also questions on how any new regulatory and financial incentives would be funded and governed.

Ofgem views and next steps

8.14 We continue to consider that our broad consumer standards framework can provide a holistic approach to regulation, to drive positive outcomes. We consider that the combination of components in this framework, which encompass a hybrid approach to using principles and prescriptive based standards design, a dedicated standards monitoring framework, the testing and trialling of incentives, alongside our compliance and enforcement strategy, will ensure that standards set for the sector continue to meet the challenges of a rapidly changing market.

8.15 Our proposed framework aims to build on our existing work to drive up consumer standards and explain how different workstreams fit together. We also consider that the components of our framework could be equally relevant to domestic and non-domestic consumers (eg monitoring, compliance and enforcement activities). We will continue to develop our thinking on our broader consumer standards framework and will provide more information in due course.

8.16 We acknowledge that there are advantages and disadvantages to both principle-based and prescriptive-based standards. We think that the optimum approach for consumers, is to get the right balance between both approaches. We recognise that certain market conditions may necessitate more specific, detailed rules.

8.17 Further information on our approach to testing and trialling incentives to drive good performance can be found in Chapter 5 on reputational incentives. We note that if we do not see improvements in industry performance, then we will seek to develop new reputational and regulatory incentives.

Appendices

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Appendix 1 - Summary of policy positions

Contact Ease

We are proposing to add new licence requirements for enquiry services to:

- Offer a range of contact methods that reflect customer needs.
- Be available to receive enquiries and offer assistance, guidance, or advice at times that meet customer's needs.
- Be available 24 hours every day to receive enquiries from, and offer assistance, guidance, or advice to, customers who are experiencing an interruption in supply where it is the licensee's responsibility to resolve it.
- Be free to access for customers in vulnerable situations who, due to their circumstances or characteristics, may experience detriment if there is a cost to the enquiry service.
- Prioritise customers in vulnerable circumstances, who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice; and representatives acting on behalf and in the interests of such customers.

Identification and support/advice for those struggling with their bills

We are proposing to introduce new licence requirements for suppliers to:

- Engage, understand ability to pay and offer suitable debt repayment plans at the earliest opportunity (i.e., no later than after two missed monthly payments or one missed quarterly payment, or a customer has informed the supplier that they are unable to make the next scheduled payment)
- Consider pausing repayments for a period of time as part of a customer's repayment plan, with regular reviews of ability to pay before re-instating repayments.

In the coming months we will continue to work with consumer groups, charities, and industry to find ways of raising standards and ensuring consistency across the debt pathway.

Appendix 2 - Proposed SLC modifications

We have included SLC 27.5 to SLC 27.8A and relevant parts of SLC 31G below and the changes we propose to make. Deletions are shown in ~~striketrough~~ and new text is double underlined.

Support for consumers struggling with their bills

Customers in payment difficulty

27.5 Subject to 27.5A, the licensee must offer each of the services set out in paragraph 27.6 when it becomes aware or has reason to believe that a Domestic Customer is having or will have difficulty paying all or part of the Charges.

27.5A Without prejudice to any other right or obligation under this licence, the licensee must not charge the Domestic Customer for providing the facilities or information set out in paragraph 27.6.

27.5B In complying with 27.5 the licensee must make proactive contact with Domestic Customers at the earliest opportunity to identify whether a customer is in payment difficulty, by contacting the Domestic Customer no later than after:

- (a) two missed monthly scheduled payments; or
- (b) one missed quarterly scheduled payment; or
- (c) a customer has informed the licensee that they are unable to make the next scheduled payment.

27.6 The services referred to in paragraph 27.5 are:

- (a) the facility for a Domestic Customer to pay Charges:
 - (i) by using, where available, a means by which payments may be deducted at source from a social security benefit received by that customer;
 - (ii) by regular instalments calculated in accordance with paragraph 27.8 and paid through a means other than a Prepayment Meter; and

(iii) by using a Prepayment Meter, where it is safe and reasonably practicable in all the circumstances of the case for the Domestic Customer to do so and where any instalments to be paid are calculated in accordance with paragraph 27.8; and

(b) the provision of information about how the Domestic Customer could reduce the Charges for the Supply of Electricity that he must pay by using the electricity supplied to his premises more efficiently.

27.7 If a Domestic Customer, having agreed to make payments for Charges using the service referred to in sub-paragraph 27.6(a)(i), is no longer in receipt of social security benefits from which payments can be deducted at source, the licensee must offer the services referred to in sub-paragraph 27.6(a)(ii) and 27.6(a)(iii).

27.8 The licensee must take all reasonable steps to ascertain the Domestic Customer's ability to pay and must take this into account when calculating instalments, giving due consideration to:

- (a) relevant information provided by third parties, where it is available to the licensee; and
- (b) where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter.

27.8A For the purposes of ascertaining a Domestic Customer's ability to pay as set out in paragraph 27.8, the licensee must give due consideration to:

- (a) Having appropriate credit management policies and guidelines, which includes:
 - (i) Allowing for customers to be dealt with on a case-by-case basis; and
 - (ii) Linking staff incentives to successful customer outcomes not the value of repayment rates.
- (b) Making proactive contact with customers, which includes:
 - (i) Making early contact to identify whether a customer is in payment difficulty as set out in 27.5B;
 - (ii) Regularly reviewing methods of proactive contact to ensure they meet the needs of customers, in particular in circumstances where the licensee has not made successful contact with the customer;
 - (iii) Using every contact as an opportunity to gain more information about the customer's ability to pay when the licensee becomes aware or has reason to believe the customer is having or will have payment difficulty; and
 - (iv) Making customers aware of debt advice services when they raise concerns about their ongoing ability to pay, in accordance with Supply Licence Condition 31G.

- (c) Understanding individual customers' ability to pay, which includes:
- (i) Providing clear guidance and training for staff on how to elicit information on ability to pay and monitoring the effectiveness of this;
 - (ii) Providing appropriate channels for customers to quickly and easily raise concerns and facilitating conversations around customers' ability to pay when requested.
 - (iii) Making full use of all available information; and
 - (iv) Proactively exploring payment amounts and payment methods which are appropriate to the individual circumstances of each customer; this includes debt repayment schemes such as those by which payments may be deducted at source from a social security benefit received by that customer.
- (d) Setting repayment rates based on ability to pay which includes:
- (i) Ensuring all available information is obtained and taken into account, including the customer's circumstances identified on a warrant or site visit or when installing a prepayment meter on a warrant;
 - (ii) Only setting default amounts when there is insufficient information to ascertain the customer's ability to pay and where default amounts are set, it should be made clear that the repayment rate may change based on information about the customer's ability to pay. In any event the levels of any default repayment rate should be reasonable; ~~and~~
 - (iii) Not insisting on substantial upfront payments before reconnection; and
 - (iv) Pausing scheduled repayments for an appropriate period of time as part of the customer's repayment plan and reviewing a customer's ability to pay at regular intervals before re-instating scheduled repayments as part of the customer's repayment plan.
- (e) Ensuring the customer understands the arrangement, which includes:
- (i) Clear communication with the customer which allows them to understand how much they are regularly repaying; how the repayment will be deducted; when the debt will be repaid; and what to do if they experience difficulties during the arrangement; and
 - (ii) For prepayment meter customers repaying debt by a weekly amount explaining that debt will be recovered regardless of usage.
- (f) Monitoring of arrangements after they have been set up, which includes:
- (i) Individual arrangements must be monitored:
 - for credit meter customers to check for the occurrence of failed repayment arrangements;

- and for prepayment meter customers to check whether the meter is being used initially and on an ongoing basis;
 - (ii) Monitoring of the approach taken by staff when agreeing repayment rates, using call listening and other techniques, to encourage a consistent and appropriate approach;
 - (iii) Monitoring of failed repayment arrangements to understand whether inappropriate rates are being set;
 - (iv) Monitoring of overall repayment rates and recovery periods to understand trends.
- (g) Re-engaging with the customer after an initial occurrence of a failed repayment arrangement, which includes: engaging with the customer in a timely manner to discuss the repayment plan, including whether a different repayment plan or repayment method would be more suitable.

Condition 31G. Assistance and advice information

31G.1 The licensee must ensure that each Domestic Customer is provided with information in a Form and at a frequency that is sufficient to enable that Domestic Customer to quickly and easily understand how to:

- (a) identify and contact each Relevant Party about a problem, question or any other request for assistance. This includes queries, complaints, disputes or emergencies; and
- (b) seek impartial advice from Citizens Advice consumer service.

31G.2 The licensee must ensure that each Domestic Customer is provided, as appropriate in the circumstances, with information in a Form and at a frequency that is sufficient to enable that Domestic Customer to quickly and easily understand:

- (a) what their rights are as regards to the means of dispute settlement available in the event of a dispute, including how to identify and contact the Relevant Ombudsman for the circumstances; and
- (b) how to access appropriate assistance and advice. This includes information about:
 - (i) debt prevention and management;
 - (ii) improving energy efficiency, including management of electricity consumption and associated costs; and

(iii) social, financial and energy efficiency programmes.

31G.3 In complying with paragraphs 31G.1 and 31G.2 the licensee must take into account:

- (a) that Domestic Customer's characteristics and current Tariff's features; and
- (b) where appropriate, that Domestic Customer's preferences.

31G.3A The licensee must provide, or procure the provision of, an enquiry service that enables Domestic Customers to contact the licensee. As a minimum the enquiry service must:

- (a) Offer a range of contact methods that meet the needs of the licensee's Domestic Customers, including those of its Domestic Customers in Vulnerable Situations;
- (b) Be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations; and
- (c) Be available 24 hours every day to receive enquiries from, and offer assistance, guidance, or advice to, Domestic Customers who are experiencing an interruption in supply of electricity in circumstances where the interruption in supply is such that it is the licensee's responsibility to resolve it.

31G.3B When providing the enquiry service, the licensee must implement appropriate processes to identify and prioritise enquiries from:

- (a) Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice;
- (b) Any representative acting on behalf and in the interest of a Domestic Customer in a Vulnerable Situation who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice.

31G.3C When providing the enquiry service the licensee must implement appropriate processes to identify and provide the enquiry service free of charge to Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment, if there is a cost to the enquiry service.

31G.3D The licensee must publish information about the licensee's customer service performance as measured by the Citizens Advice star rating, at a prominent location, in a format that is readily accessible and that meets the needs of Domestic Customers including those of Domestic Customers in Vulnerable Situations.

SLC 31G.3E The licensee must have regard to any guidance on standard condition 31G.3A to 31G.3D which the Authority may issue from time to time following consultation.

[...]

Definitions

31G.10 For the purposes of this condition:

"Concise Guidance" means the concise guidance published by Citizens Advice or Citizens Advice Scotland under section 19A of the Consumers, Estate Agents and Redress Act 2007.

"Energy Consumer Guidance" means the energy consumer guidance published by Citizens Advice or Citizens Advice Scotland under section 19A of the Consumers, Estate Agents and Redress Act 2007.

"Relevant Party" means the licensee, their Representatives and the Licensed Distributor (via the Licensed Distributor's Enquiry Service).

"Vulnerable Situation" has the same meaning as in SLC 0.

Appendix 3 - Draft Contact Ease Guidance Document

Alongside new requirements, we are consulting on our draft guidance on our expectations for suppliers in relation to their new, and existing, licence requirements on contact ease. We are seeking views on the content of our Guidance Document. This Guidance Document starts on the following page for ease of access.

Draft Guidance on Expectations of Supplier Contact Ease

Domestic Customers¹⁰³ want and need to contact their energy supplier for various reasons. They may want to report a fault with their meter, query or seek support on their bill, or arrange an appointment for a meter read. In some cases, they may also be off-supply and in need of urgent support.

It is critical that customers are able to contact their supplier easily. Being easy to contact is a critical part of suppliers delivering good service to customers.

This document sets out our expectations in relation to supplier contact ease.

The Status of this document

- 1.1 This guidance focuses on the Contact Ease priority area and outlines our expectations in relation to the supplier regulatory obligations in each of the key components of making it easy for customers to contact their supplier. Some of these regulatory obligations have been in force for some time already, whereas others are being newly introduced with this guidance.
- 1.2 This guidance document sets out how we expect suppliers to meet their regulatory obligations under SLC 0 and SLC 31G.3A – SLC 31G.3C in relation to contact ease. Under SLC 0.8 and SLC 31G.3E, a supplier must have regard to any guidance we issue on how to comply with the obligations set out in those SLCs.
- 1.3 In SLC 0, suppliers have licence obligations to be easy to contact, have adequate customer service arrangements and to seek to identify and treat appropriately any Domestic Customer in a Vulnerable Situation.
- 1.4 In addition to these licence obligations, paragraph SLC 31G.3A – SLC 31G.3C of condition 31G 'Assistance and Advice information' requires suppliers to provide an enquiry service which satisfies the criteria set out and prescribe how the enquiry service should operate. Limbs in SLC31G.3A are cumulative as they represent the minimum that the suppliers' enquiry service must offer.
- 1.5 This guidance document aims to provide suppliers, customers and other interested parties:

¹⁰³ All 'customer' and related references in this document are to Domestic Customers

- Information on our current expectations for the operation of a supplier's enquiry service and ease of supplier contact.
 - Different approaches that suppliers could take to deliver their licence obligations.
 - Examples of best practice across the industry as well as other comparable regulated sectors.
 - Examples of levels of performance that may prompt us to ask further questions about supplier performance.
- 1.6 We note that our expectations on Domestic Customers' needs, our expectations for ease of contact and our expectations for the operation of a supplier's enquiry service may change. The contents of this guidance document may therefore change over time, subject to consultation that will allow stakeholders time to provide views.
- 1.7 The guidance isn't intended to be exhaustive, and it is ultimately for suppliers to determine the steps they need to take to meet their supply licence conditions. Suppliers may comply with the relevant licence obligations in ways which are not included in this guidance. In assessing compliance with licence obligations, we may consider aspects of compliance not captured by this guidance note. Where a supplier considers that contents of this guidance are not consistent or in conflict with their obligations in the supply licence, or other relevant statutory requirements, then nothing in this guidance document overrides those obligations.
- 1.8 Our Enforcement Guidelines provide information on the enforcement framework that we use when deploying our powers to investigate and, where appropriate, to take enforcement action in respect of unacceptable behaviours or conduct.
- 1.9 Our proposed examples of good practice are drawn from Ofgem and independent research, Ofgem publications, engagement with consumer groups and charities, and publications by Citizens Advice, Energy UK and other consumer groups.
- 1.10 Whilst this guidance document is specifically focused on contact ease (as a key driver of customer satisfaction), we ultimately want suppliers to provide good service to their customers across the board. We do not want suppliers to improve contact ease, at the expense of overall customer satisfaction (eg responding quickly, but not resolving queries).
- 1.11 We expect the supplier's boards to take full accountability for the service provided to their customers.

The structure of this guidance document

1.12 We consider that there are three components to making it easy for customers to contact their supplier. This guidance outlines our expectations in relation to each of these components.

- 1. Finding methods of contacting suppliers:** Customers are able to easily and clearly identify methods of contacting their supplier.
- 2. Method of contact meeting different customer needs:** Customers, in particular customers in vulnerable situations, are able to identify a method of contacting their energy supplier that meets their needs.
- 3. Contacting suppliers and getting timely and appropriate responses:** All customers, in particular customers in vulnerable situations, are able to contact their supplier in a timely manner via their chosen contact method and get prompt query resolution.

1. Finding methods of contacting suppliers

Customers want and need to contact their energy supplier for various reasons. They may want to report a fault with their meter, query or seek support on their bill, arrange an appointment for a meter read, or crucially, they may be off supply and require urgent assistance.

It is critical that consumers are able to contact their supplier easily.

This chapter sets out our expectations in relation to this.

Obligation:

- 1.13 SLC 0.3 c) *in relation to customer service arrangements: i. make it easy for a Domestic Customer to contact the licensee; iii. otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;*

Our expectations

- 1.14 We expect customers to be able to identify methods of contacting their suppliers easily and clearly. We expect customers to be able to easily find information on all of a supplier's contact methods, so that customers can choose the method that meets their needs.
- 1.15 We expect suppliers to ensure that enquiry service information is easy to find and prominently displayed on suppliers' websites (i.e., on, or one click away from, the homepage of their website), apps, and any written communication (eg on bills or annual statements) to the customers.
- 1.16 We expect suppliers to regularly seek feedback from their customers about how to make it easy to find methods of contacting them, and to act on the feedback received.

2. Methods of contact meeting different customers' needs

We want customers, in particular Customers in Vulnerable Situations, to be able to identify a method of contacting their energy supplier that meets their needs.

This chapter sets out our expectations in relation to this.

Different methods of contact

Obligation

1.17 SLC 31G.3A The licensees' enquiry service must (a) Offer a range of contact methods that meet the needs of the licensee's Domestic Customers, including those of its Domestic Customers in Vulnerable Situations

Our expectations

1.18 We want customers, in particular Customers in Vulnerable Situations, to be able to identify a method of contacting their energy supplier that meets their needs. To reflect the diversity of different customers' communication needs, we expect suppliers to provide a range of methods for contacting them. For example, we would expect suppliers to provide:

- At least one non-digital method of contact (eg phonenumber) to reflect the needs of customers that are digitally excluded.
- At least one digital method of contact, to reflect the needs of customers that find it easier to communicate digitally.
- Methods of contact that are appropriate for customers with special communication needs (eg customers with a visual or hearing impairment).

1.19 This list is non-exhaustive. As outlined above, suppliers can deviate from this offering where they can demonstrate how they can meet the relevant license obligations without providing all of the above.

1.20 We would expect suppliers to continuously review the effectiveness of their contact methods, as appropriate, to ensure that the contact methods they have on offer continue to best meet their customers' needs.

Opening hours that meet customers' needs

Obligation

1.21 SLC 31G.3A b) The licensees' enquiry service must be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations.

Our expectations

- 1.22 To comply with the obligation, suppliers should take actions to determine customers' needs and the reasons why a customer wants to contact them. We expect suppliers to take these into account in setting the opening hours of their enquiry service.
- 1.23 Many customers work between 09:00-17:00 during Monday to Friday.¹⁰⁴ We expect that to meet customers' needs, suppliers' enquiry services will need to be open for periods of time outside of this period, via a range of contact methods that meet customers' needs.
- 1.24 We note that some suppliers are already open extended hours via different contact methods.¹⁰⁵ Based on our analysis, the licensees with the broadest opening hours, via any contact method, are open:
- For at least 8 hours a day outside 09:00-17:00 Monday-Friday.
 - For at least 28 hours in total over the weekend (i.e., 14 hours per day on Saturday and Sunday).¹⁰⁶
- 1.25 We recognise that opening hours may differ across the different contact methods as these are tailored to specific customer's needs.
- 1.26 However, we would expect a supplier to be able to justify and explain how their enquiry service opening hours meet customers' needs if a licensee is:
- Open, via a range of contact methods that meet customers' needs, less than:
 - 2 hours a day outside 09:00-17:00 Monday - Friday.

¹⁰⁴ Please see opening hours that meet customer needs assessment section in the accompanying July 2023 statutory consultation document for evidence.

¹⁰⁵ *ibid*

¹⁰⁶ Covered in extended hours analysis referred to in opening hours' that meet customer needs assessment section as part of accompanying July 2023 statutory consultation.

- 7 hours in total over the weekend¹⁰⁷; or
- Open, via a range of contact methods that meet customers' needs, significantly less than the enquiry services of other licensees.

1.27 To reflect the needs of Prepayment Meter (PPM) customers, we would expect a supplier's opening hours to be coordinated with when a customer is eligible for friendly credit, so that a PPM customer that runs out of credit is able to either contact their supplier or is eligible for friendly credit.

1.28 As customers' needs change, our expectations are also likely to evolve.

Open 24/7 for customers that are experiencing an interruption in supply

Obligation

1.29 SLC 31g.3A c) Be available 24 hours every day to receive enquiries from, and offer assistance, guidance, or advice to, Domestic Customers who are experiencing an interruption in supply of electricity in circumstances where the interruption in supply is such that it is the licensee's responsibility to resolve it.

Our expectations

- 1.30 Network distribution companies have existing licence obligations to provide 24/7 services for consumers without power and consumers with gas leaks. We consider that this is critical in keeping consumers safe.
- 1.31 We consider that suppliers should also offer a 24/7 enquiry service to receive reports and offer immediate information, guidance or advice about issues where a customer is off-supply, and it is the suppliers' role to help restore supply.
- 1.32 We consider that these issues are typically likely to be meter issues, such as faulty meters, including smart meters.
- 1.33 In addition to receiving reports and offering assistance, we note that through the Retail Energy Code modification 'REC0053 - '24/7 Emergency Metering Service'', the industry is considering what changes may be required to provide emergency out-of-hours metering services to support consumers that are off-supply due to supply meter issues. We are supportive of the industry considering ideas to

¹⁰⁷ These thresholds are derived from the same extended hours analysis referenced above. These thresholds are based on the bottom 20th percentile values of hours offered by the suppliers included in the analysis, beyond the eight hours of 09:00-17:00 during the week and any hours on the weekend, through any contact method.

improve consumer outcomes and encourage industry to progress this code modification at speed.

- 1.34 We do not expect suppliers to provide a 24/7 enquiry service for all customers (eg customers wanting to submit a meter reading).
- 1.35 We consider that our proposed licence drafting does not preclude suppliers from making commercial decisions on how to implement the provision of this service.
- 1.36 We intend to work with network companies and suppliers to help facilitate the delivery of good consumer outcomes.
- 1.37 We do not expect consumers to be able to determine whether their loss of supply is due to network issues or supplier issues. We therefore will work with network companies and suppliers to ensure that it is clear who customers should contact in emergency situations.

Free to access for vulnerable consumers at risk of detriment

Obligation

- 1.38 SLC 31G.3C When providing the enquiry service, the licensee must implement appropriate processes to identify and provide the enquiry service free of charge to Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment if there is a cost to the enquiry service.

Our expectations

- 1.39 It is important that for Domestic Customers in Vulnerable Situations (eg customers that are financially vulnerable) the cost of contacting their supplier does not become a barrier to engagement or cause the customer to incur additional detriment (eg worsen the situation of a customer in a financially vulnerable situation).
- 1.40 We therefore are requiring that suppliers must have appropriate processes to identify and provide the enquiry service free of charge by the supplier to Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment, if there is a cost to the enquiry service.
- 1.41 Specifically, we are concerned about customers that are financially vulnerable.

1.42 There are different approaches that a supplier could take to comply with this obligation. For example:

- Dedicated freephone numbers for Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment if there is a cost to the service.
- Provide a freephone number for all Domestic Customers or all Customers in Vulnerable Situations. This would include Customers in Vulnerable Situations who, due to their circumstances or characteristics, may experience detriment if there is a cost to the service. However, it would not require the supplier to identify these specific customers.
- A combination of these options.

1.43 We note that suppliers signed up to the Energy UK Vulnerability Commitment¹⁰⁸ already offer a freephone to their customers in financial hardship. This is currently 14 suppliers, covering over 90% of the domestic retail market.¹⁰⁹

1.44 In accordance with our licence conditions, suppliers must have contact methods that meet the needs of their customers. As a result, to meet the needs of customers that are financially vulnerable or digitally excluded, we would currently expect suppliers to provide a free telephone line.

1.45 We currently consider best practice is for suppliers to offer a free phone to all Domestic Customers, including those that are digitally excluded.

1.46 The term “Vulnerable Situations” is defined in SLC 0 of the supply licence.¹¹⁰ Under SLC0, suppliers are already required to seek to identify each Domestic Customer in a Vulnerable Situation, in a manner which is effective and appropriate, having regard to the interests of the Domestic Customer. We recognise that individual characteristics or circumstances can change over time. We would expect suppliers to take this into account as part of the design of any solution. We know that many customers in Vulnerable Situations do not self-identify as being ‘vulnerable’. We would therefore expect suppliers to design any

¹⁰⁸ <https://www.energy-uk.org.uk/our-work/vulnerability-commitment/>

¹⁰⁹ For further information, see assessment section in Chapter 3 on contact ease in our July 2023 statutory consultation document.

¹¹⁰ Means the personal circumstances and characteristics of each Domestic Customer create a situation where he or she is:

(a) significantly less able than a typical Domestic Customer to protect or represent his or her interests; and/or
(b) significantly more likely than a typical Domestic Customer to suffer detriment or that detriment is likely to be more substantial.

services targeted specifically at these customers to focus more on a customer's characteristics or circumstances.

- 1.47 We note that the definition of "Domestic Customers in Vulnerable Situations" is purposefully broader than the "Domestic Customers which have been added to the Priority Services Register"¹¹¹, to reflect that not all those in Vulnerable Situations may be on the Priority Service Register.
- 1.48 We note that some of these approaches require suppliers to have processes to identify Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment if there is a cost to the service, whereas other options do not require suppliers to identify these customers.
- 1.49 We expect suppliers not to charge Customers in Vulnerable Situations to obtain information on free methods of contact. For example, this may occur if requiring Customers in Vulnerable Situations to call a non-freephone number to obtain information on a freephone number for future use.

¹¹¹ The register of certain of its Domestic Customers established and maintained by the supplier in accordance with standard condition 26 (Services for specific Domestic Customer groups)

3. Contacting suppliers and getting timely and appropriate response

All customers, in particular Customers in Vulnerable Situations, should be able to contact their supplier in a timely manner via a contact method that meets their needs, and receive prompt query resolution. This chapter sets out our expectations in relation to this.

Call waiting times

Obligation:

- 1.50 SLC 0.3 c) *in relation to customer service arrangements: i. make it easy for a Domestic Customer to contact the licensee; iii. otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;*

Our expectations

- 1.51 Being able to contact suppliers and getting a timely and appropriate response, is a critical part of a supplier being easy to contact and delivering good customer service.
- 1.52 Where an enquiry service is provided by phone, we want suppliers to answer the phone as quickly as possible.
- 1.53 Based on previous industry performance, even during COVID and the energy crisis periods, we currently consider that best practice is to answer the phone on average in 3 minutes or less. This approximately aligns with the 10th percentile values¹¹² from Citizens Advice energy supplier call wait time data across Q3 2020 – Q1 2023.¹¹³ This would align supplier call waiting times with other similar sectors. For example, between 2018-2022 mobile phone and broadband and landline providers consistently answer phones on average in less than 3 minutes (Ofcom data).¹¹⁴
- 1.54 Aligning with the most basic current threshold set by Citizens Advice as part of their Star rating for average call centre wait times¹¹⁵, we would expect a supplier

¹¹² Which we consider as the threshold for best practice.

¹¹³ See additional stakeholder suggestions for new requirements in contact ease section in Ofgem's July 2023 statutory consultation.

¹¹⁴ Ibid.

¹¹⁵ [How the scores are worked out - Citizens Advice](#)

to be able to justify and explain its level of performance if it took, significantly or consistently, longer than 5 minutes on average to answer phone calls.

- 1.55 We recognise that call waiting times are driven by a range of factors (eg time of day, reason for call). Some customers may therefore wait longer/shorter than average.
- 1.56 We recognise average call waiting times do not reflect the service received by “worst served customers”, and we will monitor supplier performance and engage where we consider that some of a supplier’s customers are not being responded to in a timely manner. We may look to provide further guidance on our expectations in relation to this.
- 1.57 We want suppliers to minimise the number of abandoned calls. We may look to provide further guidance on our expectations in relation to this.
- 1.58 We acknowledge that many enquiries are received via other contact methods. We would expect suppliers to be able to justify and explain if it fell, significantly or consistently, below the basic thresholds set by Citizens Advice as part of their star rating, for responding to alternative methods of contact methods (eg responding to less than 40% of emails within 2 working days).
- 1.59 As consumers’ expectations change, our expectations may change as well. As we gather more data on customer experience, we may also look to provide guidance on our expectations.

Prioritising vulnerable consumers and representatives acting in the interest of and on behalf of a Domestic Customer in a Vulnerable Situation

Obligation:

- 1.60 SLC 31G.3B When providing the enquiry service the licensee must implement appropriate processes to identify and prioritise enquiries from:
- Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice; and
 - Representatives acting on behalf and in the interest of a Domestic Customer in a Vulnerable Situation who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice.

Our expectations

- 1.61 Suppliers already have existing licence obligations to identify (eg Standard Licence Condition 0.3 d) and serve the needs of Customers in Vulnerable Situations (eg Standard Licence Condition 26).
- 1.62 We also note that the industry has shown engagement to identify customers in Vulnerable Situations in their portfolio. 14 suppliers in total, covering over 90% of the domestic retail market are currently signed up to the Energy UK Vulnerability Commitment.¹¹⁶ Signatories are committed to conducting consumer research to understand the needs and expectations of their vulnerable customers.
- 1.63 With SLC 31G.3B our expectation is for a supplier's enquiry service to be able to identify and prioritise domestic customers in vulnerable situations who may require immediate assistance, based on their characteristics or circumstances or representatives acting on their behalf and in their interest.
- 1.64 An example of the characteristics and circumstances that could prompt a supplier to provide immediate assistance, guidance or support could be if the customer is off-supply, or may soon become off-supply, due to the customer running out of credit on their pre-payment meter. We would expect a supplier to take into account a customer's circumstances and characteristics when determining who to prioritise. Ofgem's Consumer Vulnerability Strategy 2025¹¹⁷ also contains some guidance for suppliers on customer characteristics and circumstances.
- 1.65 We recognise that vulnerability is transient and that an individual's characteristics or circumstances can change over time. We consider that suppliers should take this into account when seeking to identify these customers (eg suppliers should not just assume that a customer is not in a Vulnerable Situation based on previous engagement).
- 1.66 There are different approaches that suppliers could use to help implement this requirement. For example:
- Suppliers could ask customers to provide information on their characteristics or circumstances, and then prioritise their enquiries accordingly. For example, suppliers could triage calls to their phonenumber based on information provided by the customer (eg "press 1 if you are seeking help because you are struggling to pay your bills").

¹¹⁶ [Vulnerability Commitment - Energy UK \(energy-uk.org.uk\)](https://energy-uk.org.uk/vulnerability-commitment)

¹¹⁷ [Consumer Vulnerability Strategy 2025 | Ofgem](https://www.ofgem.gov.uk/consumer-vulnerability-strategy-2025)

- Alternatively, suppliers could seek to use data and analytics to identify and prioritise enquiries from Domestic Customers in Vulnerable Situations that may require immediate assistance, guidance or advice. For example, this could be done by prioritising enquiries from telephone numbers/emails linked to accounts that are on their PSR register or filtering emails to identify those that contain key words that may signal that a Domestic Customer is in a Vulnerable Situation and requires immediate assistance, guidance or advice (eg "emergency").
- Suppliers should train agents to identify signs of vulnerability. For example, this could be through prioritising enquiries/emails where the supplier identifies relevant risk factors that may indicate that a Domestic Customer is in a Vulnerable Situation and require immediate assistance, guidance or advice. Suppliers should be mindful that their customers will not always proactively indicate that they are vulnerable or self-identify as such.
- Suppliers could use a combination of different approaches.

1.67 We are aware that many suppliers already take steps to prioritise these customers. This proposed licence conditions would ensure that all customers receive this level of service.

1.68 We know that many Customers in Vulnerable Situations do not self-identify as being 'vulnerable'. We would therefore expect suppliers to design any services targeted specifically at Domestic Customers in Vulnerable Situations to focus more on a customer's characteristics or circumstances.

1.69 We would expect suppliers to have processes in place to easily facilitate a person or organisation contacting a supplier in the interest of and on behalf of a Domestic Customer in a Vulnerable Situation. This includes supportive organisations such as Citizens Advice, Advice Direct Scotland and other customer support and debt advice organisation. Suppliers should have processes to identify and prioritise enquiries from representatives contacting them on behalf of Domestic Customers in Vulnerable Situations that require immediate assistance.

1.70 When it comes to supporting and identifying customers struggling to pay their bills, suppliers could also refer to Ofgem's good practice document on customers in payment difficulty to determine if they can go further in supporting these customers.¹¹⁸

¹¹⁸ [Good practice for supporting customers in payment difficulty | Ofgem](#)

Appendix 4 - Questions

1. **Question 1:** Do you have any comments or questions on our proposed licence changes to improve supplier contact ease?
2. **Question 2:** Do you have any comments or views on our proposed contact ease guidance document? We would welcome evidence of ways in which suppliers are already delivering best practice.
3. **Question 3:** Do you have any comment or questions on our proposed licence changes to better support customers struggling with their bills?
4. **Question 4:** Do you have any comments or questions on our proposed licence changes to require suppliers to publish information on their customer service performance, as measured by Citizens Advice?
5. **Question 5:** Could you provide any further, detailed evidence on the potential costs and benefits of our revised proposals?
6. **Question 6:** Could you provide detailed evidence or information on the proposed timescales for implementation of our revised proposals?

Appendix 5 - Privacy notices on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e., a consultation.

4. With whom we will be sharing your personal data

None

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for 1 year after the project is closed.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data

- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.