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28 August 2003

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Dear Richard

Proposed amendments to the RIGs for the speed of telephone response

We welcome Ofgem's consultation on amending the RIGs for the speed of telephone response. We recognise that while a significant amount of work has been undertaken to date on telephone monitoring under the Information & Incentives Project (I&IP), there still remains a number of issues to be considered.

Measures and incentivisation

The objective of I&IP is to strengthen the financial incentives on companies to deliver the appropriate quality of supply. In terms of telephone answering, we agree that the areas to measure are:

- the speed of response;
- staff politeness and willingness to help; and
- the accuracy and usefulness information.

However, care needs to be exercised to avoid perverse outcomes where these activities are separately incentivised, particularly where equal weighting is allocated to each. Under these circumstances the parameters of the incentive scheme will strongly influence the outcome, rather than customers' wishes.

For example, we must avoid the situation where a company is providing good customer service in comparison to others, as evidenced by customer interviews, yet that company is being penalised for their speed of response. This clearly is an undesirable outcome since the company would then be inclined to improve their speed of response in the knowledge that customers might not receive any extra benefit as a result. This would demonstrate that either:

- an excessive weighting was being allocated to the speed of response incentive since a poorer performer in the speed measure was still performing well in the other customer satisfaction measures; or
- relative performance is inappropriate as even a relatively poor performer in terms of speed of response is providing an adequate response time.

To determine if the speed of telephone response is genuinely a concern of customers, the speed of response could be added into the research measure by specifically asking customers about their experiences, including those who terminated the call before speaking to an agent. We believe that one overall score for telephone answering will allow companies to determine which aspects of their service needs to be addressed.

In our own research customers have never indicated that speed of response is an issue. They are much more focused on the information provided, particularly restoration times.

Detailed comments

On the specific areas Ofgem have asked for comment:

During “normal” conditions, both SP Distribution (SPD) & SP Manweb (SPM), generally follow the system as described in figure 3.2 (page 11).

However, during major incidents we have a “mass calling platform” (MCP) facility whereby we can handle up to 240,000 calls at any one time. The investment in this technology was based on feedback from customers who said they would rather have a message during severe weather incidents as opposed to getting the ‘engaged’ tone. When we switch to this mode, our system follows neither of the two systems given in the consultation document. Measurement of the speed of response under these circumstances could only be applied to those customers who are randomly routed through to an agent.

In deciding what was best for us, we believed that a telephony system as described in figure 3.3 (page 12), would not provide good customer service. Firstly, many customers will not bother phoning a second number provided, either because they have not been able to remember it or write it down in time, or because they envisage themselves sitting in yet another queue waiting to be answered. Secondly, if the customer decided not to call back we would be denied potentially critical information that may either have helped get a fault rectified quickly or it could mean a delay in the customer trying to report a life or death situation.

We believe therefore that our method of handling the different situations is what our customers want and that whilst we would be in a position to measure speed of response for most of the year, there would clearly be periods where performance statistics would not be available.

We are pleased that Ofgem does not intend to introduce financial incentives on this output measure during the current price control period. It is important that any changes to reporting systems are allowed time to be implemented and that results between now and March 2005 are evaluated as part of the price control review.

As regards monitoring from October 2003 on a pilot basis, we have still to fully evaluate the new reporting requirements and consider what changes are needed to allow our system to produce the proposed reports, but at this stage we do not anticipate any difficulties.

Yours sincerely

Jim Sutherland
Asset Director
SP Transmission & Distribution