



Energy  
Ombudsman

# An introduction to the Service

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Ombudsman

# General Characteristics of Ombudsman Schemes

- Complaints must first be made to the company/public authority concerned
- Reasons for decisions will be given
- Redress can be recommended or required
- Independence
- There is no appeal, but:-
  - Complainants retain the right to take their complaint to the courts, if they decline the Final Decision.

# An Ombudsman is not...

- A regulator
- A consumer advocate
- A consumer advisor
- An emergency helpline

## **But is...**

- Independent of all parties

# The Energy Ombudsman Service (EO)

- In 2005, Ofgem determined (following energywatch's billing Supercomplaint) that energy suppliers should establish a scheme to resolve outstanding billing disputes in a fair and independent way.
- The energy suppliers who were members of the Energy Retail Association (ERA) committed to establishing an ADR scheme within 12 months.
- In 2006 the ERA asked tOSI (the company which runs Otelo) to establish this scheme
- Operational as a voluntary scheme since 1 July 2006 (as the Energy Supply Ombudsman)

# Features

- Independent
- Free to consumers
- Accessible
- Easy to use
  
- The customer can come to us either after “deadlock” or 8 weeks (formerly 12 weeks) following a complaint to the company
  
- A Provisional Conclusion will be issued in about 6 weeks after acceptance of the complaint
  
- We take an approach to dispute resolution which seeks resolution by asking questions (inquisitorial)
  
- No public funds are involved
  
- Modelled on Otelo – Office of the Telecommunications Ombudsman

# Current Members

## **Supply member companies:**

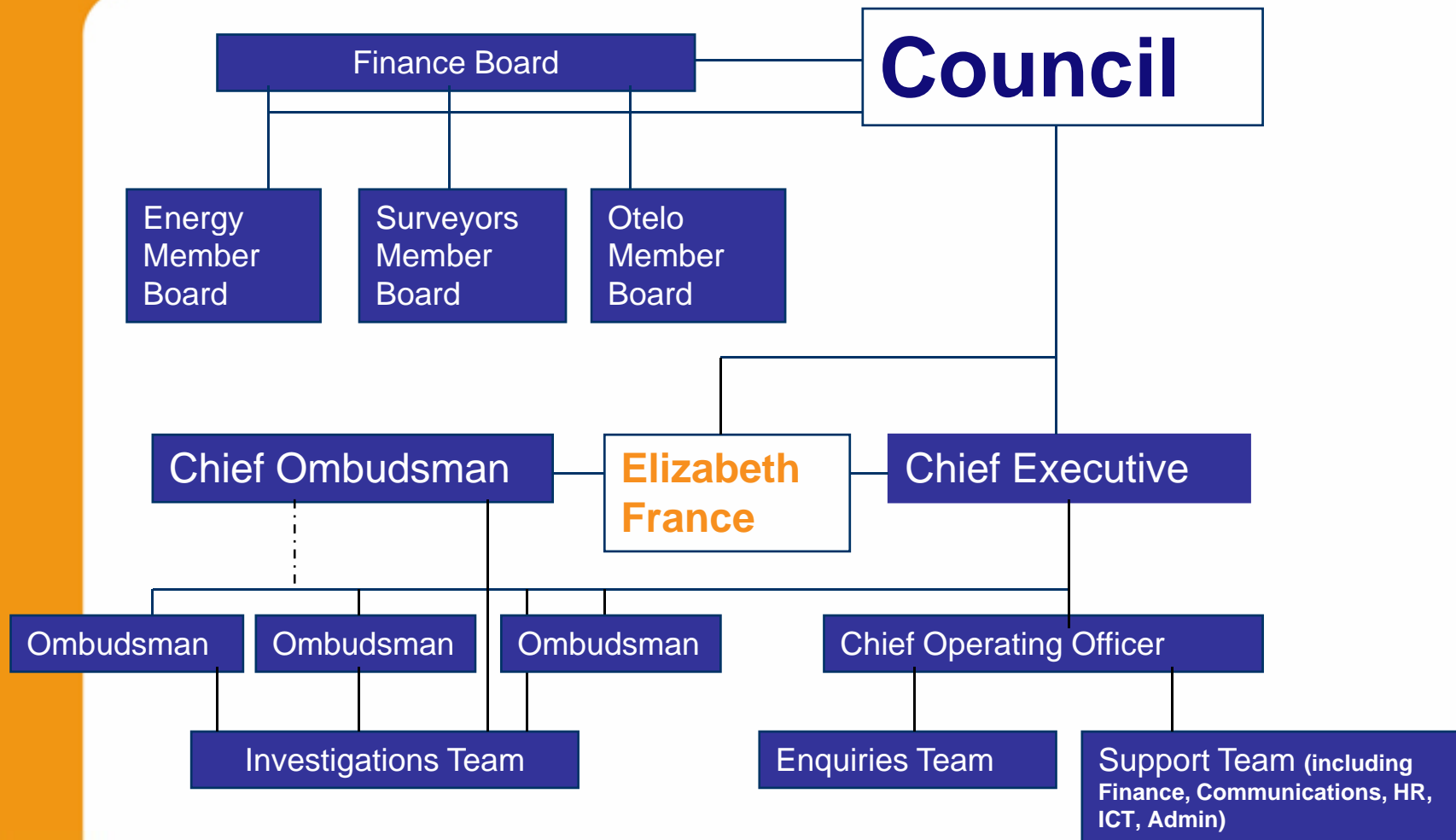
- British Gas, Nwy Prydain, Scottish Gas
- EDF Energy
- Npower
- E.ON, Powergen
- SSE, Southern Electric, Scottish Hydro Electric, SWALEC, Atlantic Electric and Gas
- ScottishPower
- Utility Warehouse, Telecom Plus

## **Seven distribution companies have signed up to the scheme:**

- Northern Gas Networks
- Western Power Distribution
- CE-Electric UK
- Central Networks
- Scottish Power
- Electricity North West Ltd
- EDF Energy Networks

The remaining major distributors are expected to sign before 1 June

# Governance

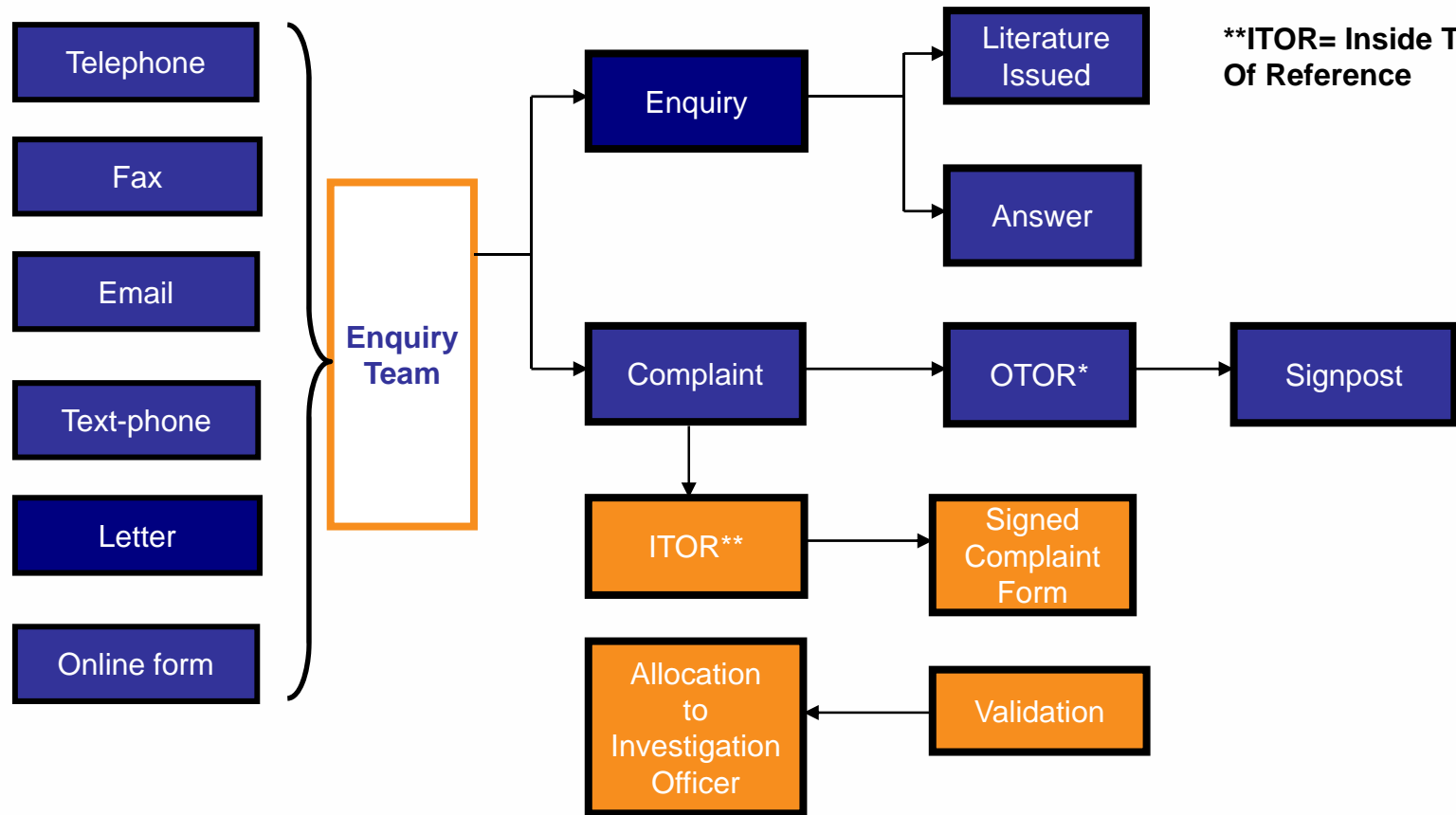


# Currently Proposed structure of the Energy Member Board

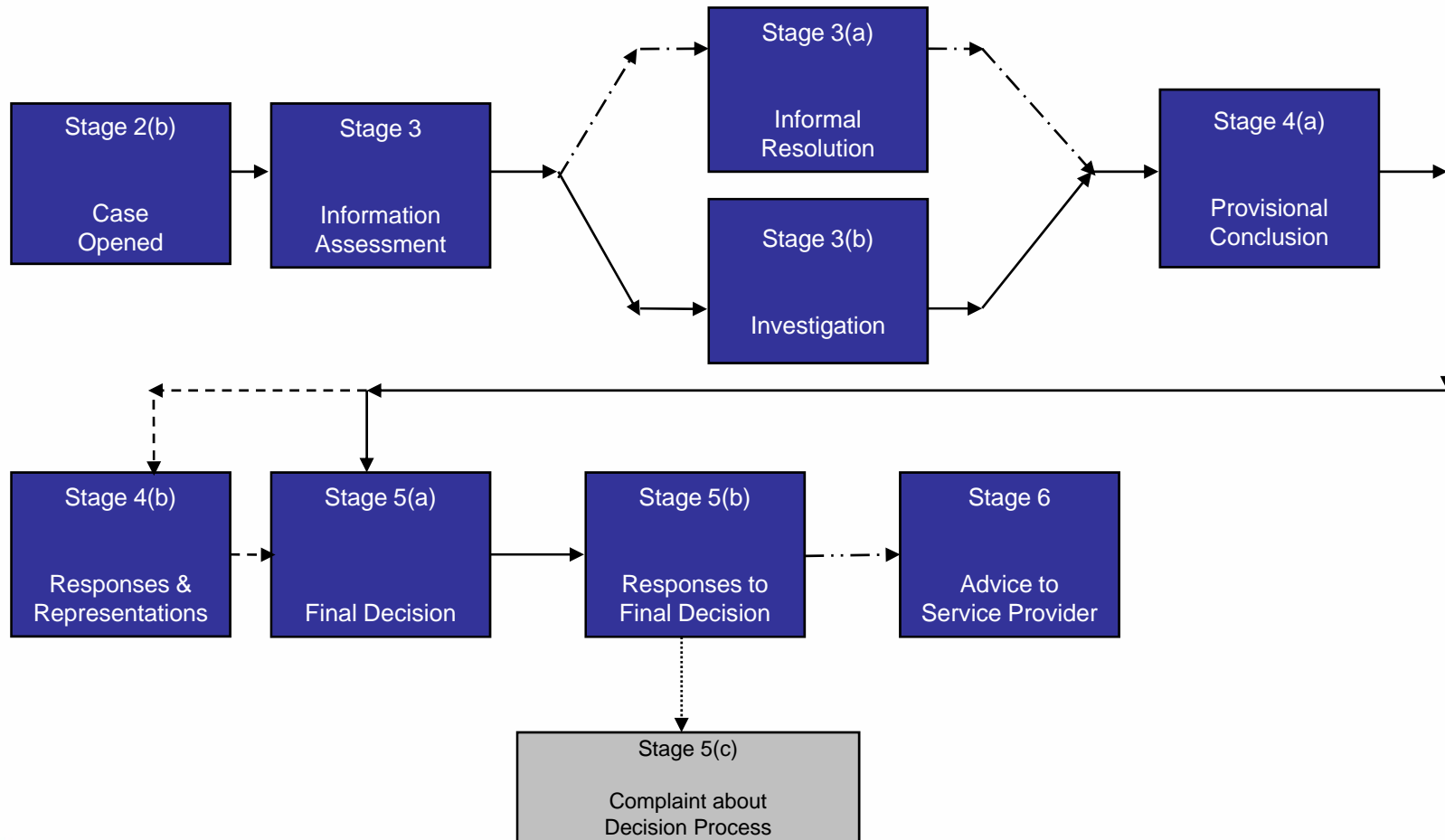
## **Seven Members**

- 3 representatives from the major suppliers
- 1 representative from the smaller suppliers
- 1 representative from the network providers
- 1 representative from the Energy Retail Association
- 1 independent representative from the tOSI Council

# The Enquiry Process (Process Stage 1)



# The Investigation Process



# Remedies

## The Ombudsman can require

- A service or some practical action to be provided
- An apology or explanation
- A financial award
  
- The Ombudsman can award as much as £5,000 (including VAT)
  
- So that the same problem is less likely to happen again, the Ombudsman may also recommend changes in policies and procedures
  
- In relevant circumstances, the EO will be able to decide which supplier is at fault and, therefore, which is responsible for the case fee

# What next...

## We need to:

- Obtain approval from Ofgem
- Move toward the new legislative environment – 1 October 2008 (CEAR Act, 2007)
  - Ensure clear signposting for complainants;
  - Communicate what Ombudsman Services do (and don't do);
  - Develop good working relationships with all members.



# Energy Ombudsman

[www.energy-ombudsman.org.uk](http://www.energy-ombudsman.org.uk)