

Minutes of Consumer Voice workshop, 6th May 2008

Background

Ofgem is hosting a series of workshops as part of the transition process from energywatch to the new NCC and Consumer Direct. The workshops are designed to bring together representatives from the new NCC, energywatch, consumer agencies, Consumer Direct, the energy retailers and network companies and agencies, facilitating dialogue and allowing input from all stakeholders on the key issues.

Agenda

- (1) Minutes
- (2) Project Timetable - BERR
- (3) Business customer definition
- (4) Consumer Direct report on email empowerment trial
 - Second trial
 - Business customer inclusion
- (5) Complaint Handling Standards implementation
- (6) Billing Licence Changes
- (7) Feedback from coding workgroup
- (8) AOB

1. Minutes

1.1. There were no comments on previous minutes.

2. Project timetable

2.1. Paul Bland provided an update on the project plan and said that BERR were currently running a "health check" of all the systems and processes that it comprised.

2.2. He said that it was vitally important that there was clarity around all the major milestones for the coming 3 months. Specifically around five issues; the Consumer Direct interface, the complaint handling standards, the redress scheme, a decision of micro-business definition and on vulnerable customer definition.

2.3. Paul Bland told the group that Consumer Direct had been recommended to ministers as providing the option for the new arrangements.

2.4. Maxine Frerk said that there was also a need for dialogue between the new NCC, Consumer Direct, suppliers and agencies.

2.5. Paul Bland said that the best way to establish requirements from all sides for the plan would through correspondence. **He therefore asked the group to email him with their requirements in terms of milestones and key issues. He then offered to collate an issues log to ensure that key points are being resolved.** BERR would then review this log on a weekly basis going forward.

2.6. The group agreed to do this.

2.7. Maxine Frerk stressed that major progress would have to be made in the next seven weeks and that June will be a key month. Paul Bland said that he was confident that the project was coming together.

3. Business customer definition

3.1. Paul Bland thanked the group for their response to his informal request for information on this issue. Paul said that he had looked at the figures and was concerned that the £5000 threshold does not get to the policy intent. He said that the key issue was competence rather than usage when assessing a small businesses ability to deal with energy supply issues. Pubs being a typical example of small businesses that might have problems.

3.2. He said that he was increasingly of the view that there is no perfect solution to the thresholds question in this area. He gave an overview of the statistics all of which had differing impacts, none of which perfectly captured the issue. His question to the group was therefore, does it matter?

3.3. Ann Neat from EDF said that it would make sense to align the threshold with that used in the redress scheme and by the ombudsman.

3.4. Audrey Gallacher speaking for energywatch said that it was possible to come up with a complicated process that would still risk leaving some groups out and that usage was not what the group should be looking for.

3.5. It was suggested that another approach therefore might be to take an Otelo type approach which uses a definition but allows companies to self-certify.

3.6. The suppliers pointed out that from their perspective it is easier to work on a consumption basis, also suggesting that it makes it easier for business customers to work out whether or not they are entitled to redress.

3.7. Paul Bland said that it would be helpful for the suppliers to participate in communicating the right messages about redress eligibility. He also pointed out that larger customers would be unlikely to use such a mechanism since they tend to pursue grievances through the courts.

3.8. Paul Bland then suggest that a "third way" which would include a threshold and self-certification criteria that could be widened at the ombudsman's discretion.

3.9. Rob Eynon said that a problems could arise using the consumption threshold as a criterion for the scheme if a level of consumption is the issue that is being contested.

3.10. Peter Hives asked how flexible a definition could be. Paul Bland said that it is easy to change, all that was required was a consultation before putting it in front of the House as a 21 day measure. With this in mind he suggested that reviewing the threshold/criteria set after 12 months would be sensible.

3.11. Maxine Frerk said that any definition would be need to be very carefully drafted to avoid misunderstandings. Paul Bland said that he would complete the paper by the end of the week.

3.12. It was agreed that a decision on this would be needed by the end of June and that the business customer definition would be taken forward at one of the forthcoming meetings with this firm deadline in mind.

4. Consumer Direct Email empowerment trial

4.1. Maxine Frerk stressed to the group that the choice of email or MCT empowerment (or a combination of the two) was a critical path decision. She suggested that further testing/trialling would be required to fine tune any arrangements. Ultimately suppliers would need to find a consistent position on this.

4.2. Peter Hives (Consumer Direct) reminded the group that the primary purpose of the trial was to see whether or not customers were satisfied by an email empowerment process where they took it up. He said that he recognised the need for MCT at times but that he believed that email empowerment would work in the majority of cases. He raised the possibility of a larger pilot in future to solidify the benefits. Only a relatively small number of consumers who agreed to participate in the trial were dissatisfied.

4.3. Maxine Frerk asked whether or not there was any follow up with the 6% of people who would not agree to participate in the trial. Peter Hives said that there had not been, because the trial was designed to establish the level of customer satisfaction amongst those empowered by email.

4.4. Maxine Frerk said that it was key to identify the proportion of callers that might need MCT.

4.5. Peter Hives said that Consumer Direct were keen not to close down other possibilities.

4.6. Audrey Gallacher said that she was concerned that energy was getting a similar treatment to other areas. This was on the basis that it is an essential service.

4.7. Peter Hives said that Consumer Direct was impartial, and is not a body designed to intervene in cases, rather it exists to give advice.

4.8. Ann Neat (EDF) said that the aim was to have a model that was consistent across the piece.

4.9. Paul Bland said that it was not right to say that Consumer Direct would not empower consumers, pointing out that only a tiny proportion of all calls would warrant further action. He went on to say that the point of the changes is that we are now working in a different world and part of Consumer Direct's role would be to provide extra assurance where necessary.

4.10. Ann Neate added that it would be unhelpful to assume that it would fail in achieving this simply because a different approach is being taken.

4.11. Audrey Gallacher asked how the balance between empowerment/advice or redress would be struck.

4.12. Grant Tierney for Scottish Power said that the key cut would be between advice or empowerment and that the decision at stake in the present discussion was how that information would be communicated to the supplier. He asked whether or not it was the customer that decides.

4.13. energywatch said that it was key that Consumer Direct knows what it should offer and when.

4.14. Maxine Frerk said that clarity was needed from Consumer Direct on what they would be offering, in respect of the first cut between advice or empowerment. **Paul Bland agreed to add this to the issues log.**

4.15. Returning to the trial outcomes, it was noted by the group that the quality of the explanation put into the customer's email was key. It was also noted that customers were largely happy with the process and protocol. The response times were also felt to be good.

4.16. Tina Pearce (E.ON) said that she was concerned that where multiple customer contacts were required to resolve an issue it was harder to draw conclusions. She therefore felt that MCT was preferable in all cases.

4.17. SSE said that one of the benefits of MCT was that it made it possible to build a relationship quickly and directly with the customer.

4.18. Paul Bland asked about the number of call backs from suppliers needed in the process and why they were calling back. In particular he asked whether or not it was because they weren't getting adequate information.

4.19. Grant Tierney (Scottish Power) said that it was sometimes for clarification, others it was because the customer wasn't available at the time of the first call.

4.20. Consumer Direct stressed that it was vital that suppliers received the right information.

4.21. Robery Eynon said that in one sense the number of outbound calls to consumers wasn't important and that it was more serious if it was the other way around.

4.22. Audrey Gallacher noted that the trial was run using the most experienced energywatch staff and that the real test would be when the volumes were increased using less experienced call centre staff.

4.23. Peter Hives pointed out that call Consumer Direct agents get three weeks of training and are examined before they are allowed to take calls.

4.24. Paul Bland said that it was also important to recognise that this will be a learning process.

4.25. Grant Tierney reiterated this point but said that staffing and skilling should of course be a priority.

4.26. Audrey Gallacher said that she was concerned that because the trial looked at only 68 cases that it may not be representative and that she felt this was a risk.

4.27. Tina Pearce said that E.ON was resourced for MCT. British Gas also said that they felt MCT would be preferable.

4.28. Grant Tierney speaking for Scottish power said that as very few cases were resolved with the first call there was no harm in beginning with email empowerment.

4.29. Maxine Frerk said that it email only could not be an option and that MCT should be available as an option. Grant Tierney suggested that where there a contact with Consumer Direct that was a second contact then MCT should be used.

4.30. Grant Tierney suggested that the use of email would mean that more empowered calls would get through first time.

4.31. It was noted that energywatch has valuable experience in this area and it was agreed that this could be followed up.

4.32. Paul Bland asked about the cost implication of MCT. Peter Hives said that this depended on call volumes as well as hold times and time needed to "wrap up" calls.

4.33. Audrey Gallacher pointed out that energywatch felt that they had achieved a good solution at energywatch in a resource constrained environment with MCT. She pointed out that it could take three minutes to write an email.

4.34. British Gas asked whether or not it was a backwards step to use email and noted that this would make it more difficult to manage expectations.

4.35. Maxine Frerk said that perfection was an unlikely immediate result of this stream of work but that a decision was key.

4.36. The suppliers agreed that meeting the customer's expectations was the key issue.

4.37. Summarising the conversation Maxine Frerk said that Consumer Direct was clear on its position and that the pitch of the debate would have to be raised to put significant pressure on BERR to alter the model currently proposed to one that was MCT only. She noted that the steering group would be meeting in 10 days time and that this would be the appropriate venue to raise this issue if there were hard high-level objections to an email/MCT split model.

4.38. It was also agreed by the group that it would be valuable to have further clarity on the transition plan for energywatch and the NCC as well as more information on what the new NCC's remit and planned functions would include.

4.39. It was also agreed that the email/MCT issue would have to be definitively resolved at the next meeting.

5. Complaint Handling Standards

5.1. Maxine Frerk introduced the complaint handling standards issue noting that there had been a number of questions about when different elements would come into force as well opportunities to comment.

5.2. July 1st will be the major cut-over point. Currently the standards are out to consultation, if there are major concerns then they will be incorporated and there will be a further consultation round.

5.3. Microbusiness will not be included until BERR make the order. Paul Bland said that this should be completed by 1st July.

5.4. The suppliers noted that there were potentially significant IT changes that needed to be made as a result of the standards. Maxine Frerk said that a big argument would be needed to move away from the 1st July start date.

5.5. Marcus Clements who is leading on the standards for Ofgem took questions.

5.6. The scheme will have to be signposted when it becomes mandatory.

5.7. Questions were also raised about how compliance with the standards might be published. Grant Tierney asked how the complaints would be reported, specifically asking whether it would be on a snapshot basis. Maxine Frerk said that it would be on the basis of the sum of fresh complaints each day, on this basis complaints would be counted just once.

6. Billing Licence Changes

6.1. Marcus Clements said that this change is being targeted by 27th June and will only put obligations on domestic suppliers.

7. Coding Workgroup

7.1. The first work by the coding subgroup was presented. Key priorities were consolidating the categories used and the level of detail recorded. The priority for Consumer Direct was meeting their own operational needs and those of the NCC.

7.2. There was some feeling in the group that there could be benefit in harmonising the categories used by Consumer Direct and the suppliers.

7.3. One area of concern raised by the suppliers was what the new NCC would do with the information collected by Consumer Direct. Russell Hamblin-Boone of ERA was particularly keen on clarity on this point.

7.4. It was pointed out that ultimately this was a decision for the new NCC who had to ensure they met with their statutory remit.

7.5. It was agreed that there would be further work on the coding issue and that the group would seek to get a presentation from Neil Avery on the detail of the NCC's plans for its policy and consumer advocacy role.