

Minutes of vulnerability workshop, 15th April 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 of previous meetings
 - a. Matters arising
- (2) Initial update on email empowerment pilot
- (3) Consumer voice steering group update, including communications strategy
- (4) Project timetable update
- (5) Coding Paper
- (6) Complaint handling standard update

1. Minutes of previous meetings/matters arising

1.1. The definition of business customers will need to be revisited.

1.2. Maxine Frerk stressed that input from suppliers on the overall project timetable will be helpful to its overall development. It was noted that so far there has not been much input from individual suppliers.

1.3. Paul Bland (BERR) said that he had met with the ERA and discussed the project timetable which was very useful. It was important for BERR to understand the timetable for system changes and that presently he was working on the assumption that three months notice would be sufficient. He recognised that giving good notice of changes will be important, particularly if suppliers have existing plans to change their processes. Accordingly he said that input would be very important and that he was happy to meet informally with suppliers to discuss any issues.

1.4. Maxine Frerk provided an update on the communications strategy. She said that it would be important to look at the energywatch closure plan. It was agreed that this should be looked at in future meetings.

1.5. Audrey Gallacher said that there had been an extensive program of work on information transfer between energywatch and the NCC as part of the NCC startup plan. The key decisions in this area are not likely to be taken until May so this area is best looked after they have been taken.

1.6. Maxine Frerk said that she would check the status of the licence amendments covering the information that needs to be provided on the back of bills.

1.7. Neil Avery said that Robert Hammond had updated the mini working group on operational vulnerability guidelines. This has been circulated and Neil said that he was happy to take any initial reactions. Neil noted that at the last meeting the paper produced

on the broad approach had been considered fit for purpose. It was recognized that in future the guidelines may need to account for microbusinesses.

1.8. Steven Martin agreed to circulate Robert Hammond's email address so that comments on the paper can be sent to him.

1.9. Neil Avery suggested that the next step on this strand of work would be for Consumer Direct to incorporate Robert's paper into training guidelines for their agents. It was also suggested that suppliers should look at how their procedures fit with these guidelines to minimise NCC referrals. The NCC needs to agree how it will work with suppliers, this is something which is being looked at by all sides.

1.10. Consumer Direct asked who would need to sign off the guidelines. Neil Avery said that the NCC had signed off a high level definition and that he did not envisage the NCC board being involved in the detail. **It was agreed that it would be appropriate for the workshop to have the final sign-off for the mini-working group paper.**

1.11. Maxine Frerk said that it would be useful if Consumer Direct could show the group any training materials produced.

1.12. Grant Tierney said that it would be useful if that training material could be shared with the suppliers. He also raised the question of when the new guidelines and approach would come into force. Consumer Direct said that they would legally take over from energywatch on 1st October.

1.13. Neil Avery reminded the group that there is currently a transfer program in place and that vulnerability issues are already being tracked with energywatch Glasgow acting as a shadow vulnerability team. energywatch are putting calls through to them on vulnerable cases. Paul Bland noted that all the systems will be tested in advance. The current aim is to minimise the workload handed over from energywatch to the NCC.

1.14. Grant Tierney pointed out that the supply companies view the changeover as an opportunity to alter their existing organizational/customer service arrangements, specifically the retraining of staff for the "new world".

1.15. It was agreed that transfer arrangements should be returned to when the group looks at the energywatch closure plan in another meeting.

1.16. Audrey Gallacher raised the performance of the ombudsman scheme as a possible risk to the changeover process. Specifically she was concerned about the impact of a greater number of referrals to the organisation, given that they already dealing with a backlog of enquiries. She also raised the question of whether or not the ombudsman should be included in these meetings given that it was likely to become a statutory scheme in May.

1.17. On the point of the ombudsman's inclusion at meetings Maxine Frerk said their presence could be helpful where topics relevant to them were being discussed and once a decision had been taken on formal approval of the scheme.

1.18. Grant Tierney said that he felt that the ombudsman should be involved in the workshops.

1.19. Alison Sleightholm said that it should be recognised that Ofgem had not yet approved the ombudsman scheme and that approval would likely be given in May and said that she felt that when they are approved they should be admitted to the group.

1.20. Steven Martin agreed to circulate a link to the Ofgem website where all the minutes of the meetings so far are available. There will also be a link to the relevant section of BERR's website.

2. Email empowerment trial feedback

2.1. Tom Ballard provided a preliminary report back on the email empowerment trial. Preliminary feedback was also given by the suppliers and energywatch.

2.2. Tom reminded the group that the purpose of the trial was to gauge customer reaction to an email empowerment approach, with a five working day response time. Most cases were resolved within three days. Of the 101 respondents who agreed to the trial only seven said that they were unhappy with it. In general this was where they wanted to speak to a supplier on the same day or where immediate action was needed. Tom Ballard said that the customer satisfaction survey was being undertaken and the results should be available within a week.

2.3. Maxine Frerk asked the suppliers if they had any further comment to make about the trial.

2.4. Tina Pearce speaking for E.ON said that they had seen success with the mid call transfer and wanted to fit their service to the customer. She said that they would prefer to carry on with the mid call transfer approach. She also highlighted referrals to E.ON only represented only 14 of the 101 referrals.

2.5. Scottish Power and SSE said that in general they were pleased with the trial, noting that it was crucial that as much information as possible was taken from callers. SSE said that staff preferred to research the problem and then call customers back. They also noted that customers also seemed happy to deal with them on an email basis.

2.6. They did however note that some lacked confidence that they would actually get a call back. There was also one case in the trial where the wrong information was taken and there were problems getting back in touch with the customer. This issue was still resolved satisfactorily.

2.7. Where customers were resisting email empowerment or were upset it was felt that a mid call transfer should be available.

2.8. Audrey Gallacher speaking for energywatch said that she was concerned how email empowerment would work if rolled out across the rest of the industry. In particular she pointed out that it was arguably the best performing companies were involved in the trial. She suggested therefore that a larger trial could be beneficial.

2.9. Tom Ballard said that a larger trial is something that will be looked. The existing trial uses the energywatch framework for determining whether or not a contact should be empowered.

2.10. Peter Hives also noted that mid call transfer is more costly and arguably less efficient than email resolution.

2.11. Grant Tierney agreed saying that one call back, post email empowerment could quickly resolve a customer's problem. He said that a mid call transfer means that often a customer will have to recount their problem twice and further nine times out of ten the issue cannot be immediately resolved anyway. He also said that it is much easier to resource emails than calls.

2.12. Tina Pearce said that two customers did not understand the process and actually just wanted to speak to someone. They had ended up calling other parts of E.ON in order to try to get through which was not helpful.

2.13. Paul Bland suggested that it might be possible for Consumer Direct to give out a direct line to suppliers where they insisted that they wanted to speak to the supplier if they did not feel able to provide mid call transfer.

2.14. SSE said that call volumes would also have an impact on this process.

2.15. Tina Pearce said the impact on supplier performance should be considered, ringing back without complete information is not an ideal scenario.

2.16. Maxine Frerk asked the group how this work might go forward.

2.17. Consumer Direct said that they would have a full report on the initial trial for the meeting on the 6th May.

2.18. On the second trial it was suggested that all suppliers should be involved and that it should be conducted through contact centres rather than the Cardiff and Glasgow energywatch offices. This was because the offices operate quite differently to the call centres. **The end of May was suggested as a possible time for a second trial.**

2.19. Alison Sleightholm asked whether the trial would be restricted to domestic customers and how the networks and business customers would be factored in.

2.20. **Maxine Frerk suggested that these questions be looked at in detail at the next meeting.** From this initial discussion it seemed that there would be value in a larger scale pilot. However give the need to progress with the development of systems etc this second pilot should be aimed at refining the approach with the basic principle of using a mix of email and mid-call transfer - to be decided at the next meeting.

3. Consumer Voice Steering Group Update

3.1. Maxine Frerk reported back to the group on the Consumer Voice steering group meeting on the 1st April. The steering group covers energy and post.

3.2. Previously Ofgem suggested that industry be invited to the steering group sessions, this suggestion was taken up at the last meeting. This move was welcomed and the model will be continued, with representatives from the ERA, ENA and Bizzenergy (representing small suppliers) to be invited to all future steering group meetings.

3.3. On the remit of the steering group, Maxine said that the key work happens in the workshops, with the steering group ensuring involvement and presenting an opportunity for concerns to be raised at a higher level.

3.4. Paul Bland agreed to circulate the minutes of the steering group and that he was happy to take comments on them.

3.5. The communications plan was raised at the steering group, though the discussion was at a very high level, in contrast to the more practical approach taken in the workshop forum.

3.6. Paul Bland said that the steering groups approach was very much "all things to all people", which whilst useful might be combined with the more detailed approach taken in previous workshops to find a middle ground and that this might be worth further consideration.

3.7. Maxine Frerk suggested that the communications plan be picked up on the 21st and discussed further then.

3.8. The NCC budget and strategy will be published in May. At present a benchmarking exercise is also being undertaken to determine what success will look like for the NCC.

3.9. Paul Bland also said that given the project's scale it was likely to be a candidate for scrutiny by the NAO.

4. Timetable

4.1. Paul Bland for BERR was asked to provide an update on the overall project timetable. He did not have charts for the group but gave an overview of current developments.

4.2. In particular he said that he'd had a very useful conversation with the ERA on the timescales facing suppliers. On system changes he said that he had formed the understanding that it would take around three months for suppliers to make any system changes.

4.3. Similarly he said that he understood that suppliers would need three months notice to update the information given on the back of bills.

4.4. Tina Pearce pointed out that without knowing where microbusinesses would fall in the new arrangements it would be very difficult to establish what changes would be necessary. She also said that it would be very important that the wording requirements for the bills were clear. She also said that the suppliers need to ensure that their staff are ready for system changes as well as stressing that without key decisions in place the suppliers would be reluctant to commit resources to changes.

4.5. Maxine Frerk noted that there was some emphasis on BERR needing to make these key decisions. Paul Bland recognised this and said that pressure from suppliers on the major issues (and the timescales in which they needed resolution) would provide him with a mandate to escalate issues internally at BERR.

4.6. Tina Peace asked when a decision would be made on microbusiness. Paul Bland said that this was likely to be in early May. Maxine Frerk suggested that this be picked up at the next meeting on May 6th. If there were still concerns she suggested taking the matter to the steering group.

4.7. Looking at wider developments, Paul Bland said that he had formulated the instructions for BERR's lawyers to draft the Secretary of State's order requiring suppliers to be part of a redress scheme. Microbusiness had been left out of these instructions but would be incorporated later.

4.8. On the detail of the business customer point, Paul Bland said that legally it is not permitted to use measures such as profile class that can be changed by parties other than Parliament.

4.9. Consumer Direct and the NCC's timescales also need attention.

4.10. Paul Bland said that he would welcome input and feedback from the suppliers on the timetable. In particular he wanted to know how long individual companies need to make the changes to their systems, particularly if they already had alterations in the pipeline.

4.11. Ann Neate said that August was a bad month to be planning training because many staff were likely to be on holiday.

4.12. Maxine Frerk said that these issues would need to be pushed forward and that the group should look to have a substantial discussion on these matters at the next meeting.

5. Complaint handling standards update

5.1. Tina Pearce asked about the implementation of the complaint handling standards. She noted that the consultation says the regulations come into force on the 1st July 2008 but with a phased implementation.

5.2. Maxine Frerk recognised that there would need to be a phased implementation and pointed out that the 1st July was a marker to drive change. She also suggested that at the next session the group should go through the complaint handling standards in detail, looking at which elements can or should be phased in and which should be there from the beginning. It was expected that the suppliers (and others) would put their views on this issue in their own response to the consultations.

5.3. Until the order is made by the Secretary of State microbusinesses are not covered under the scheme but domestic customers are covered once the regulation comes into force.

5.4. Grant Tierney asked when the suppliers would get sight of the metrics associated with the standards. Specifically what any end report on supplier performance might look like.

5.5. On the question of which metrics the NCC would use/publish Neil Avery said that he would extract the two most relevant sections of the NCC's corporate plan regarding complaint handling, particularly policy and company performance to improve visibility of the timetable.

5.6. Grant Tierney said that the key issue here was the "what" rather than the "when" of the reporting arrangements. This was important for system development.

5.7. Neil Avery replied by saying that this was being worked on and that NCC board approval would be required. There should be a May sign-off on this and therefore he felt that he would have something concrete to share by the end of May.

5.8. Maxine Frerk said that there was already a clear outline and that some metrics were clear. She pointed out that if the key elements of a complaint were recorded, for example the date it was registered and the point it was resolved by, then the IT system should be flexible enough to run different queries around these fundamental data points. It was recognised that knowing what is useful beyond very basic data is more complex and in particular coding complaints could be problematic.

5.9. Neil Avery suggested that it might be helpful if Consumer Direct's coding scheme were to be rolled out across the industry and that this could be the basis of any categorisation.

5.10. Maxine Frerk said that she recognised the clarity point but equally said that she would be concerned if suppliers claimed that no system development work could take place without 100% complete information.

5.11. Peter Hives said he was concerned that the timeframes for the project were becoming extremely tight, particularly if NCC board sign off was required for the coding structure.

5.12. Neil Avery said that they would not need to approve the structure but rather in principle he thought it might be useful if the codes matched across organisations.

5.13. Maxine Frerk said that the decision document focused on complaints into companies and how these were recorded. There were no requirements from Ofgem on Consumer

Direct. The focus there was on operational relationships between Consumer Direct and suppliers, where the pilot was important in helping confirm requirements.

5.14. Grant Tierney said that mid-call transfer was harder to make work with a coding system and that it might work better with e-mail.

6. Consumer Direct Coding Paper

6.1. Tom Ballard provided an overview of his paper on coding. He said that it was envisaged that the data collected by Consumer Direct would be used by the NCC. A similar relationship already exists between Trading Standards organisations and Consumer Direct.

6.2. The existing energywatch codes were taken as a starting point but the overall structure still needs to be looked at. Further the question of whether or not the existing energywatch codes were fit for purpose needed to be looked at in more detail.

6.3. Tom Ballard suggested that given the fine-grained nature of these issues a sub-group might be the best way to explore the detail.

6.4. Maxine Frerk asked the group if there were any comments or questions.

6.5. Audrey Gallacher said it would be good to take another look at the codes, recognising that they are not perfect. She also said that a dialogue with industry on this would be very welcome.

6.6. Peter Hives said that a good starting point for the debate and the working group would be for suppliers to map their codes onto the framework presented by Tom Ballard.

6.7. Maxine Frerk said that it would be useful to have the ERA input into the working group. She noted that the "disputed account" label accounted for 50% of all logged cases. It was agreed that it would be useful to re-evaluate this category.

6.8. It was suggested that the Billing Code/other industry codes might be a good starting point. Maxine Frerk said that the most important point was to capture the issues that people rang up to complain about rather than looking at it from the supplier end.

6.9. Maxine Frerk said the goal should be to shake up the energywatch list and "cut up the big boxes". As a wider point she recognised that figures reported by Consumer Direct represented only one side of the story. Paul Bland said that it could be useful to have the data nonetheless.

6.10. Grant Tierney raised questions about the categorisation of complaints under the new framework, particularly the difference between enquiries and complaints as well as the difference between "founded" and "unfounded" complaints.

6.11. Tom Ballard said that enquiries, under the existing framework were deemed to be general requests for information not about a specific trader. Complaints were questions about a specific trader. On the founded-unfounded point he explained that where a client was being treated appropriately, within a roughly legal definition and simply wanted to express a general dissatisfaction or to "moan" then this would be deemed an unfounded complaint. Similarly if the issue could be resolved by providing customer advice then it might fall into this category.

6.12. It was noted that no other sectors get this level of monitoring. Other companies are not given access to the data collected by Consumer Direct and no company specific data is published.

6.13. Grant Tierney said he still found it concerning that 500 complaints might be logged about Scottish Power, whilst they would only get the opportunity to see detail on 300 of them. He also felt that the missing unfounded 200 would represent a lost learning opportunity.

6.14. Tom Ballard said that Consumer Direct's primary goal was to provide consumer advice, not to provide companies with information. Consumer Direct do not publish the data for other sectors and have no plans to do so for energy. They would however pass the information to the NCC and how they use it would be at their discretion.

6.15. Maxine Frerk suggested that this could be cut both ways, most attractive being publishing (or providing to NCC) only the number of complaints that were passed back to suppliers. There did seem to be a valid concern from suppliers if statistics were published including "unfounded" complaints which they had no visibility of.

6.16. It was asked whether or not the NCC would like to see the totality of contacts and what would happen were a contact coded as a complaint. Maxine Frerk suggested that the group reflect on these issues and the NCC work on their line in this area.

6.17. It was agreed that a sub-group would be formed to look at this issue in more depth.

7. AOB

7.1. Tina Pearce asked whether or not there had been any developments on work around the Data Protection Act. **Steven Martin agreed to follow this up with Jude Cummins at Ofgem and report back to the group.**

7.2. Audrey Gallacher said that energy watch had written to Ofgem about the UCPD and was seeking wider input.

8. Attendees

EDF	Ann	Neate
BizzEnergy	Alison	Hughes
British Gas	Nigel	Howard
Consumer Direct	Tom	Ballard
Consumer Direct	Peter	Hives
Cornwall	Ed	Reed
E.On	Tina	Pearce
E4B	Rob	Enyon
EDF	Ann	Rowe
energywatch	Audrey	Gallacher
ERA	Frances	Williamson
NCC	Neil	Avery
Npower	Alan	Hannaway
Scottish Power	Stephanie	Tobyn
Scottish Power	Grant	Tierney
WPD	Alison	Sleightholm