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## NEW COMPLAINT HANDLING STANDARDS GO LIVE TODAY

- **New complaint handling standards come into force today beefing up protection for energy customers**
- **New standards are backed up by powers to impose penalties if companies fail to meet them**
- **Ofgem announces recruitment of 100 households across England, Scotland and Wales to form new Consumer First panel**

Tough new standards set by regulator Ofgem for energy companies dealing with customer complaints come into force today (Wednesday).

The standards are part of new consumer redress and representation arrangements in energy. These also see the creation of Consumer Focus (a new consumer advocacy body) and a new role for Consumer Direct to handle enquiries at the first port of call. As well as the new complaints standards, customers can seek redress (including compensation) from an independent ombudsman if they don't get satisfaction from their energy company.

Ofgem has also announced today the recruitment of 100 people to a new panel of energy consumers drawn from households across England, Wales and Scotland. The panel will help improve Ofgem's focus on the issues that matter most to energy customers.

Ofgem Chief Executive, Alistair Buchanan, said: "Customer contacts to energywatch, including complaints, have been falling but there is no room for complacency. Ofgem's new standards will help raise the bar on customer service and give more confidence to consumers to engage in the energy market

"Ofgem will audit and report on compliance with the new complaints standards and any energy company that falls short risks enforcement action which could result in fines.

"Ofgem has taken independent action to form our own Consumer First panel to give a stronger voice to energy consumers priorities and concerns. The panel's views will help inform our decisions on consumers' behalf."

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### Notes to editors

1. The number of domestic customers contacting energywatch fell significantly from 720,000 in 2006/2007 to 598,681 in 2007/8.

2. New arrangements have been put in place by Government to replace energywatch. From 1 October (today) Consumer Direct will take on responsibility for providing initial advice to energy consumers, as it does already in other sectors. Consumer Focus will bring together the current National Consumer Council (NCC) with some of the functions of energywatch and postwatch to create a more powerful and streamlined consumer body. As a key part of the new arrangements Ofgem has set complaints handling standards for energy companies which

will build on other important customer protection measures such as the Energy Ombudsman, an independent body which can investigate complaints that suppliers and network operators are unable to resolve. Ofgem originally ordered the setting up of the Ombudsman and it has existed since 2006 on a voluntary basis. However, membership of the Ombudsman scheme is now compulsory for all energy suppliers and network operators.

3. Ofgem's consumer panel will play a key role in informing the regulator's policy making on key issues such as environmental improvements and the provision of information and advice to consumers . It will also help ensure that Ofgem keeps in touch with the issues that really matter to consumers. The panel is made up of a broad range of people from Glasgow, Yorkshire, Caenarfon, Leicester and London and will meet up to four times a year.

4. The setting up of the consumer panel is part of Ofgem's Consumer First Programme, introduced to improve the way it takes consumers' interests into account in its decision making. The initiative was sparked by growing public awareness of issues such as smart metering, microgeneration and the rising cost of environmental programmes, all of which make the question of what matters to consumers more complex. The Consumer First programme assesses how well Ofgem understands what matters to consumers and aims to increase the scope for getting direct consumer contributions to Ofgem's deliberations over policy on customer issues. Ofgem runs a programme of social and market research to help inform the Consumer First initiative.

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000. In this information note, the functions of the Authority under the relevant Acts are, for simplicity, described as the functions of Ofgem.

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