

Attendees:

Alison Sleightholm	-	Western Power Distribution
Mary Preece	-	EDF Energy plc
Lorraine Reddington	-	Central Networks
David Gill	-	CE Electric
John Barnett	-	CE Electric
Jeremy Blackford	-	SP Power Systems
Joe Ashe	-	Electricity North West
Gillian Hutton	-	Scottish and Southern Energy (by tele-conferencing)
Hannah Mummary	-	Consumer Focus
Laura Nell	-	Ofgem
James Hope	-	Ofgem
Dorothy Eke	-	Ofgem (minutes)

Introduction

The meeting started with a round table introduction of the group followed by a quick run through of the meeting agenda by Ofgem drawing attention to additional points for discussion under the telephony. There was also a quick recap of actions from the last meeting to ensure they were met. The following actions were confirmed:

- Ofgem sent out draft reporting template for complaints to the group first week in August (before the meeting).
- An Ofgem representative confirmed that Consumer Focus was informed of the information request on complaints before the August meeting.
- WPD drafted and circulated possible criteria for stakeholder engagement to the group, previous to the meeting, therefore the actions were completed.

1. Telephony presentation

An Ofgem representative presented a few slides on the proposed changes to the telephony incentive scheme, drawing attention of the group to a slight change in the assessed attributes (“usefulness” instead of “accuracy”) and the reason behind the change. She also explained the change in the formula used to derive the new upper and lower bound thresholds for telephony in DPCR5, which uses the upper quartile of DNO unsuccessful calls instead of the overall average percentage unsuccessful calls. The group raised no issues with this approach.

A CE representative said his understanding is that the performance for regulatory year 2010/11 will be measured against the upper and lower bands and that no previous regulatory year performance will be factored into the 2010/11 performance. He asked whether this will also be true for the rest of DPCR5.

An Ofgem representative explained that 2010/11 performance will be measured using 3 assessed attributes plus 75% weighting on unsuccessful calls in that regulatory year. The upper and lower bands will be fixed for the duration of the telephony scheme as set out in the final proposals.

Key Measures (KM5)

An Ofgem representative raised a question put forward by some DNOs regarding how a particular DNO has managed to achieve zero unsuccessful calls. A number of the DNOs were particularly concerned about ENW's 0 numbers of unsuccessful calls and requested clarification on how ENW record unsuccessful calls and what service provider they use.

An ENW representative explained that ENW's telephone system does not allow calls to fail due to the size of the system's capacity. He said that calls to their telephone system are either presented to the agent or automatically sent to messaging and that customers transferred to messaging are called back by ENW within 30 seconds of their call.

A WPD representative explained that each month, WPD's service provider provides WPD the number of customers who were unable to reach their specified lines during that month and was curious to know whether ENW receive this information from their service provider and how they interpret the KM5 (total number of unsuccessful calls) reporting requirements. ENW representative did not comment on whether ENW receive the same information from its service provider and could not give details of ENW's service provider.

A CN representative added that she would expect to see some unsuccessful calls where people had hung up because they had been restored whilst in the queue.

A WPD representative commented that there is definitely a discrepancy between how DNOs record unsuccessful calls and suggested that this issue should be addressed to ensure consistency in recording unsuccessful calls across all DNOs.

Another Ofgem representative commented that he was concerned by the apparent discrepancies between the DNOs' interpretations of the KM5 reporting requirements. He suggested that the RIGs for DPCR5 will need to be updated and requested that DNOs provide details of their service provider and the arrangements they have in place for their service provider to communicate the unsuccessful calls caused by the service provider. He also put an action on DNOs to provide diagrams and/or associated text to explain the various scenarios within which a customer can enter or drop out of the DNOs telephony system and how they would be recorded.

Action

- DNOs to put forward to Ofgem scenarios within which their customers can enter specified lines or abandon calls, and how they record these calls by 16th September 2009. DNOs should also distinguish between abandoned and postponed calls and where they might record them.
- Ofgem will continue to use numbers provided by DNOs during DPCR4 for the DPCR5 thresholds

Another CE representative asked whether customers that unintentionally listen to a message should be surveyed.

An Ofgem representative was concerned about reports that some systems overwrite numbers not recognised in the system. He explained that the numbers should only be excluded if the customers block their numbers. He insisted that DNOs should provide all required details and Ofgem will decide whether there is a need to do something different going forward. Another Ofgem representative added that details of customers who unintentionally listen to a message can be filtered out by the survey.

An SSE representative asked whether unsuccessful calls would be included in the broader measure and how.

An Ofgem representative explained that this is something to explore and that Ofgem cannot rule out the need for the option to capture unsuccessful calls within the broader measure. He suggested that a bit more work needs to be done in order to get to the different types of customers.

2. Broader Measure

An Ofgem representative presented some slides on the broader measure for DPCR5 which covered Ofgem's initial proposals and set out the key issues for progressing the policy up until final proposals. She explained that the complaints template had been sent to the DNOs a week in advance and hoped that the DNOs had time to go through.

Some DNOs mentioned that there was need to clarify the percentage of revenue exposed to the broader measure and the relationship with basis points of RORE.

Another Ofgem representative confirmed the revenue exposed to broader measure as 1% and explained that this amount indicates the importance being placed on customer service. He mentioned that he is working on the premise that 1% will be included in the final proposals.

An ENW representative asked what will happen if the DNOs want a proper review of the amount of revenue exposed post final proposals.

An Ofgem representative explained that it would be too late to make any changes and suggested there is need to work together within the allocated time frame to discuss this issue.

A CE representative reiterated his views on the split for revenue exposure as 60% advocacy; 30% complaints and 10% stakeholder engagement. He suggested that Ofgem consider putting more on paper on how this might work.

An Ofgem representative mentioned that Ofgem is open to comments on the design of the incentive, the amount of revenue to be exposed and how it should be split across the three areas. He also mentioned that it will be useful to have the views of all stakeholders.

Complaints

An Ofgem representative mentioned that it is difficult to take a decision on the design of the incentive without the performance data and hopes that the information to be provided by DNOs on complaints can help come up with options on how the mechanism should be designed.

There was a question around how strong the relationship between the elements is, whether they are independent or linked. An Ofgem representative explained there is need to consider whether the three areas are independent or whether there should be a relationship between customer service and stakeholder engagement. For example, should it be a case that if a DNO scores poorly under customer satisfaction and complaint metric, that automatically suggests the stakeholder engagement might not have been successful?

A CE representative mentioned that it is easier to score higher on complaints because it has an objective measure. There was concern that views on what is classified as a complaint and a resolved complaint could differ across the DNOs so there is need to be clear on the definition of complaints and to determine what the right outcome is.

A WPD representative mentioned that complaints should not be seen as negative but can serve as a great form of feedback for DNOs. She mentioned that not resolving the complaints quickly is what is bad and suggested that rather than trying to minimise the number of complaints, DNOs should look at ways to resolve them within specified timeframes.

An Ofgem representative mentioned that DNOs should have internal guidance on how they currently record complaints and suggested that looking at this should be a starting point to setting the definition of complaints.

Another CE representative asked if Ofgem has any plans to audit DNOs on complaints.

An Ofgem representative responded that it is likely but there is a need to have discussions around that. She also suggested that complaints could be audited as an add-on to the existing IIS audits much like Ofgem currently audits telephony. She added that Ofgem would welcome any specific feedback to the consultation on this issue. Another Ofgem representative suggested that DNOs scrutinising each other's categorisation of complaints would be a good way of checking consistency in recording complaints across DNOs. He also mentioned that DNOs' data on complaints should show how complaints is classified across all DNOs and will be a determining factor for setting a definition. An Ofgem representative noted there could be a need to normalise the data for customers/connection and that it may be a factor in weighting the number of complaints.

A WPD representative suggested that DNOs sit together to work out the definition by drawing out the differences in the way they currently record complaints information and also suggested this could be done at the next consumer redress meeting. An SP representative mentioned that some complaints by their nature could take months to resolve and this should be taken into consideration in trying to define complaints.

Ofgem invited comments on the format of the complaints template. Some DNOs commented that the description of "all other" complaints could be misinterpreted and suggested leaving the description as "all other" complaints. There was also a discussion around whether we should record and/or incentivise determination and Ombudsman referrals or determination and Ombudsman decisions. There were mixed views in the group as some thought that determination referrals could be managed and minimised while others considered that they were beyond the DNOs control.

An Ofgem representative mentioned that Ofgem would record determination and Ombudsman decisions as well as referrals and ultimately take a view as to which aspects should be incentivised.

Action

- WPD representative to let Ofgem know what management information is provided by the Ombudsman in respect of network companies
- Ofgem to revise the complaints template and issue to the group with the minutes for completion by Friday 16th October 2009

- Consumer redress working group to discuss, agree and feedback to Ofgem, common industry interpretation of:
 - Complaints
 - Resolved complaints
 - Repeated complaints
- DNOs to provide existing company complaints guidance (eg, staff briefings or company policies etc) to Ofgem by end of the week

Customer Survey

An Ofgem representative pointed out the need to capture the pre-contract stage for DG information provision. This was as a result of a work-stream on DG information provision within the remit of the environmental working group. She also highlighted the need to get a sense of the most appropriate area to include quotas on for the survey to get broad coverage. She suggested that quotas could be put on reason for contact, forms of contact and type of customer. She mentioned further that Ofgem would need to get a sense of what information on customer contact the DNOs record and will be able to provide to the research consultant for the survey. Although the research consultant would be able to ask some probing questions to get the information about the respondents that is needed to fill the quotas, the more information DNOs are able to provide about the contacts, the cheaper the survey should be.

There were some discussions around how the survey should be funded and how costs could be shared across the industry. A WPD representative asked whether the survey cost would be a pass-through or an allowance if it was to be funded by industry.

An Ofgem representative commented that Ofgem would need to give this some further thought but noted that there may be some precedent with the gas survey.

Action

- Ofgem to send round a table for DNOs to tick and indicate which aspects of the customer contact they currently capture by the end of the week. (Post-meeting note: this action was subsequently withdrawn and Ofgem will give some considerations to this in drafting a detailed strawman on the customer survey component).
- Ofgem to draft a detailed strawman for customer survey component of the broader measure in advance for the 30th September 2009 meeting.

Stakeholder Engagement

An Ofgem representative mentioned that stakeholder engagement is the least developed area and that Ofgem hopes to get some input from consumer challenge group on what can be measured under the stakeholder engagement. The group agreed the information provided by WPD was a good starting point for developing criteria.

Action

- Ofgem to draft a detailed strawman for stakeholder engagement component of the broader measure in advance for the 30th September 2009 meeting

3. Consumer research findings

An Ofgem representative gave an overview of research conducted to get indication of where priorities have changed or made an impact. She also said the objective of the survey was to assess impact of recession on customers' willingness to pay. She mentioned there are 14 groups across the country (4 non-domestic and 10 domestic), who wanted to understand the key priorities and areas they value and their attitude towards 2008 willingness to pay.

The key findings included the fact that none of the priorities came highly rated because of lack of experience of contact with DNOs. Customers are concerned about having issues resolved than contacting DNOs. An Ofgem representative said that Ofgem will welcome questions or clarifications. Accent's report on the customer survey can be found on:

[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Initial%20Proposals 2 Incentives%20and%20Obligations.pdf&refer=Networks/ElecDist/PriceCtrls/DPCR5](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Initial%20Proposals%20Incentives%20and%20Obligations.pdf&refer=Networks/ElecDist/PriceCtrls/DPCR5)

4. Feedback on 2008/09 CSR scheme

An Ofgem representative gave an overview of the outcome of the 2008/09 customer service reward scheme panel meeting. She explained the panel's decisions and the reasons behind their decisions and reminded DNOs that the decision report published on Ofgem website provides a bit more information on DNO performance and panel decisions. She mentioned that Ofgem is open to give DNOs feedback on an individual basis if they would like and finished with a brief mention of the scope of the scheme for 2009/10.

The panel decision of the 2008/09 customer service reward scheme can be found on: (<http://www.ofgem.gov.uk/Networks/ElecDist/QualofServ/CustServRewSch/Documents1/Decision%20Report%20for%20200809%20Electricity%20Distribution%20Customer%20Service%20Reward%20Scheme.pdf>)

Date of next meeting - 30th September 2009 (Ofgem)