

Consumer Bills and Communications Roundtable

First meeting of the Consumer Bills and Communications Roundtable Group	Date and time of Meeting Location	20 th June 2012 09:00 – 12:00 Ofgem, 9 Millbank
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The meeting note below lays out the main discussion points, agreements and action points for the first meeting of the Consumer Bills and Communications Roundtable Group (CBCRG).

Annex 1 lays out the key high-level points made during discussions in the form of a working paper. Annex 2 summarises the key points from the plenary sessions which identified the wide array of communications currently provided to consumers and, for those sent to consumers on a regular basis, the attempts to identify the purpose associated with the communication.

Attendees

Gillian Cooper	- Consumer Focus
Anne Pardoe	- Citizens Advice
Alun Rees	- Energy UK
James Tallack	- Which?
Rachel Fletcher	- Ofgem (Chair)
Katie Brennan	- Ofgem
Barry Coughlan	- Ofgem
Philip Cullum	- Ofgem
Stew Horne	- Ofgem
Paul Huffer	- Ofgem
Ljuban Milicevic	- Ofgem
Stephanie Tobyn	- Ofgem

Key discussion and action points

- There was a discussion about the aims and objectives of the group. There was agreement that the group offers a forum for discussion of the types of information that should be included on consumer bills and communications, and how best to communicate this information.

Meeting Notes

- It was agreed that the group may provide recommendations to government about how to achieve more effective bills and communications for consumers.
- It was agreed that the group offers a platform for sharing any research and evidence that is available relating to consumer bills and communications.
- Regarding the composition of the group, it was decided that membership should be extended to DECC.
- It was also agreed that both Energy UK affiliates and non-affiliates should be allowed to participate, assuming the participants bring the relevant expertise to be able to effectively inform discussions, and are willing to be involved as representatives of the industry.
- It was agreed that smaller suppliers would be invited to participate.

ACTION – OFGEM to invite participation from DECC and smaller suppliers, Energy UK to discuss with their members.

- With the expansion of the group to a larger number of participants, it was agreed this places a larger emphasis on having clear and concise terms of reference, and effective Chairing of the meetings to ensure productive discussion.

ACTION – OFGEM to update TOR and distribute for comment ahead of the next meeting.

- It was agreed that OFGEM will look to host information about the group, including Terms of Reference, group composition, work plan and minutes of meetings.

ACTION – OFGEM to set up space on its internet site.

- A workshop discussion was held to identify the various communications sent to consumers, including those on bills, and explore their purpose. The key points from this discussion are recorded in the draft working paper.
- It was agreed that further meetings would be held in July, August and September.

ACTION – OFGEM to arrange dates for the next meeting and prospective dates for further meetings.

Annex 1: Information Simplification Working Paper

Objectives of the paper

- *To identify ways to help consumers to navigate through communication materials [including identify ways to make bills clearer and simpler, noting that considerations around bills need to take account of the significant landscape issue of how many existing communications there already are]*
- *To make the purpose of each communication clear*
- *To ensure that the bundling of communications is appropriate and effective for consumers*

Purpose of the working paper

This document is intended in part to maintain a track of the discussions and any actions the group feels should be taken in order to simplify the information presented in bills and consumer communications. As such, this working paper is intended to be a “living document”, which will be extended and refined as discussions go into greater detail, and which will act as a record for the group’s progress towards its goals as they are laid out in the terms of reference.

Below we have laid out the key high-level points that were taken away from the first meeting of the Consumer Bills and Communications Roundtable Group (CBCRG). Annex 2 lists the communications (both current and proposed) identified by the group and, in the case of those regularly provided to consumers, the purposes associated with each during the plenary sessions.

Information provisions

During discussions at the first meeting of the CBCRG, the group identified the large number communications that are sent to consumers, 9 of these regularly and a further 12 irregularly.

This presents a large number of challenges to industry, regulators and consumer groups with regard to the information currently provided to domestic consumers:

- Many of the communications have a clear primary purpose, but this may be diluted or lost because of the placement of the key bits of information, or simply by virtue of the amount of other information contained within the same communication, or overlaps between communications. As a result, the presentation, layout, formatting, etc. (to include external packaging) of consumer communications is of huge importance.
- Some communications do not have a clear purpose. In particular Annual Statements and the Fuel Label are considered to be unclear. Also, the name of certain documents may not always be helpful.
- Similarly, the packaging together of pieces of communication (and marketing materials) may detract from the clarity of the message each individual element is

intended to convey. It is felt that this is particularly relevant with regard to certain communications, one example of which is the Consumer Checklist.

- As a result, there are concerns that the usefulness of certain pieces of communication is being lost on consumers. The P60 is an example of a communication that people receive on an annual basis and are encouraged to keep as an important document, recognising that this is something they may need to consult at a later point. No clear equivalent exists as yet in the energy industry, though the annual statement may be a possible candidate.
- There is a significant difference between consumers identifying a document as something that they need to keep for future reference, and that document acting as a more immediate prompt to engage further and take action. Therefore, the suggestion is that perhaps consumers need better signposting about the purpose of the information that is contained therein and how this may prove useful to them.
- The group identified a significant number of communications (set out in Annex 2) that are sent to consumers on a regular basis. There are concerns that gaps still exist in the information that is provided to consumers. Further discussion on this area of concern is needed in order to identify any information that is currently not provided.

Prompting engagement

Concerns were also raised with the way we, as well-informed individuals and organisations with regard to the energy industry, perceive the challenges facing consumers. There may be a disconnect between how we feel about certain communications and the messages they are intended to convey and the way in which consumers at large view them.

In particular, a concern is that we may be over-simplifying matters in that by providing consumers with certain pieces of information we are hoping that this inspires a specific response. However, there are many different types of consumer who have differing information needs and preferences and this needs to be taken into consideration. Similarly, engagement can come in various forms, ranging from a basic understanding of the subject material to a more active participation in the market and the seeking out of additional information.

Purpose vs requirement

One difficulty that was acknowledged during discussions was the challenge in separating the key purpose of each piece of communication from the current requirements of the communication. Given that the issues for discussion are intended to be about how consumer bills and communications should be, as well as how they are, this is something that we, as a group, may need to be cognisant of going forward.



Meeting Notes

A subsequent point, which remains an open question to the group, is whether each piece of communication actually has a distinct goal. This is a question that will be returned to in future discussions.

Annex 2: Identity of separate communications and their associated purpose

Below is a list of the various pieces of consumer communications identified (both current and proposed) and, in the case of those communications regularly sent to consumers, the purposes identified during the plenary sessions:

Regular communications sent to consumers:

1. **Bills** (discussion on this can be taken to include statement of account also)
 - To communicate how much a customer owes and the status of their account.
 - To act as a prompt to engagement.
 - To inform customers of how to address problems and issues they may have.
 - To provide consumption information, bill calculation figures, basic tariff information, supplier name and contact details, account number.
 - To signpost sources of further information to consumers.

2. **Annual statement**
 - To act as a prompt to engagement.
 - To provide consumers with an annual summary of their usage and payments.
 - To be distinct and different from a customer's bill and other documents.

3. **Price change notification**
 - To inform customers of what has changed (ie price/unilateral variation)
 - To act as a prompt to engagement.

4. **Notice of rights/standards of service**
 - To provide consumers with information regarding the obligations on suppliers and supplier performance in this regard.
 - i. **Note:** The issue of whether the notice of rights should cover all consumer rights was raised at this juncture.

5. **Priority Service Register (PSR)**
 - To inform customers of the existence of PSR and how to get on it.
 - To assist vulnerable customers.
 - To communicate to consumers their entitlements and to flag the availability of these to a wider audience (eg family members).
 - To act as a prompt to engagement.

6. **Gas safety information**
 - To prompt consumers to review their safety.
 - To inform consumers about the dangers of gas leaks and what action they can take in the event that they suspect one has occurred.

7. **Fuel label**
 - To provide consumers with details of the fuels used to produce their electricity.

- To prompt a reaction (ie are consumers happy with their generation source and if not prompt a switch).
- To provide transparency.
- Can be seen as misleading.

8. Best deal

- To signpost better energy options to consumers.
- To act as a means of informing consumer engagement.
- To act as a prompt to change behaviour.

9. Consumer checklist

- To provide consumers with important information about industry from an unbiased and independent source.

Irregular communications sent to consumers

The following were communications that were identified, though not discussed at length:

10. Green deal
11. Notice of changes to terms and conditions
12. Internal complaints procedures
13. Advantages/disadvantages of PPMs
14. Notice of transfer to deemed contract
15. Objections letters
16. Debt assignment
17. Welcome pack
18. Reviews of direct debit amounts
19. Notice for customers on deemed contracts
20. Disconnection notice
21. Meter changes