

# British Gas Consumer Initiatives post-May 2011

Since the launch of the Retail Market Review (RMR) in November 2010, British Gas has supported the principles and objectives underpinning the Review. Ofgem highlighted that energy suppliers could do more to increase tariff simplicity and transparency across the energy market – and also highlighted the importance of full compliance with both the letter and spirit of the 2008 Probe remedies. Over the course of the Review, energy suppliers have taken on this challenge and – as recently recognised by Ofgem – *“stepped up to the plate”* by improving customer engagement and product offerings across the board. **British Gas has been at the forefront of these improvements and innovations, the most important of which are set out below.**

## **1. We instituted a Customer Board (ongoing).\***

The British Gas Customer Board is made of a group of ten customers, all passionate about the rights of fellow consumers. Chaired by Ann Robinson, Head of Consumer Policies at Uswitch.com, they give a real voice to the direction of British Gas. Through regular meetings with sponsor Ian Peters, Managing Director Residential Energy, they provide the business with real insight into the customers' thoughts and will continue to hold British Gas accountable to the five recommendations made by the Customer Panel in 2010; to revolutionise customer service, simplify the bill, make pricing easier to follow, be open and proud – let customers see the real British Gas, and lead Britain to a low carbon future.

## **2. We maximised our support for customers under Warm Homes Discount (May 2011).**

Recognising the role energy suppliers have in providing support for those in most need, we launched the most inclusive Warm Homes Discount scheme in the market. Our eligibility criteria are defined very broadly, with anyone in receipt of means tested benefits or a low income qualifying for help.\*\* Furthermore, we are the only supplier not to cap the number of customers who qualify for the payment.

## **3. We ended cold call doorstep selling (October 2011).**

We recognised customers no longer found field sales to be a preferred or trusted way for us to advise them of our products, and took the decision to end doorstep selling in August 2011 (a decision made permanent in October). In doing so, we acknowledged that decisions about energy tariffs and associated services are not best made on the doorstep. We have now focussed on using other channels to improve the quality of information given to customers so they can make informed decisions about which tariff to choose.

## **4. We launched The Honest Conversation (November 2011).**

We publicly acknowledged that we had not always made it easy to understand our tariffs or how to find a better deal, and then wrote to all our customers giving a commitment to address this. Many of the other initiatives detailed in this brief are as a direct result of The Honest Conversation, and we have plans to do even more. Our letter was followed up with a nationwide advertising campaign where we sought to directly answer some of the big questions posed of the industry at the time, for example “how much profit do you make on my bill”.

## **5. We started “Better Deal for You” (November 2011).**

Customers told us that they did not know how to find the best tariff for them, and that they expected energy suppliers to do more to proactively help them do this. We therefore wrote to all our customers setting out precisely how they could find out, for free, whether there was a better deal for them available. We have now instituted this as a regular exercise for all British Gas customers, and we have committed to contact all of our customers at least annually to check whether we are able to offer them a better deal.

## **6. We made a pledge not to offer deeply discounted deals (November 2011).**

We publicly recognised that deeply discounted deals were not always as transparent as they could be. We also acknowledged that we had not always got our discounted deals right and subsequently reviewed all our tariffs to ensure, for example, that the differentials between on and offline could always be justified.

## **7. We introduced new and innovative ways for customers to contact us (January 2012).**

Following the recommendation of our Customer Panel, we have trialled the use of videochat in our call centres. Customers are now able to request a live videochat with a customer service representative instead of a telephone call, enabling us to speak face to face to a customer far more often than previously. Although only a trial the feedback has been positive, with the more personal nature of the interaction helping us to better understand and meet individual customers' needs. To date, take-up rates have been moderate.

## **8. We launched a tariff comparison metric (March 2012).**

We recognised that our tariff structure was confusing and did not always help customers understand whether they were on the best deal or not. The launch of our tariff comparison metric on our annual statements, online and twice a year on our new bills enabled customers to see how much energy they had used in the last twelve months in pounds and pence, a forecast of what they would spend in the next twelve months, how much they could save on other British Gas tariffs and clear information about any contract end dates or termination fees. 80% of our customers asked found this to be a clear and simple way to compare their energy usage and the savings they could make.

## **9. We initiated an online customer panel (April 2012).**

We gather further customer input and feedback from an online consumer panel of 50,000 consumers (customers of all energy suppliers), as well as from a further 3,000 British Gas customers. This panel has been instrumental in providing feedback on issues such as bill simplification (e.g. being provided with example bills ahead of launch).

## **10. We simplified our tariff structure (June 2012).**

Customers told us that our pricing and discount structure was too complicated, so we simplified things with the launch of Clear & Simple. The launch of a new standing charge and single unit rate tariff structure was part of our commitment to phase out two-tier tariffs, and has also been accompanied with changes to make our dual fuel and direct debit discounts easier to understand. We intend to migrate our existing customer base across to Clear & Simple next year once the final RMR proposals are fully understood.

## **11. We redesigned our bill (August 2012).**

We recognise how important providing clear, simple and accurate information is for rebuilding trust with customers. With the input of our customers and our Customer Board, we have completely redesigned our bill so that they can better access the information they need to both manage their energy use and find out if there is a better deal out there for them. Our bills now also include a full breakdown of how our costs are made up, an explanation of Kilowatt Hours and ideas on how to reduce bills.

\* More detail about the Customer Panel's work can be found here: <http://www.britishgas.co.uk/about-us/about-British-Gas/we-are-listening.html>

\*\* Full details of our criteria can be found here: <http://www.britishgas.co.uk/products-and-services/gas-and-electricity/the-warm-home-discount.html>