



Building Trust and Creating Transparency

In January 2012 ScottishPower embarked upon a 'trust and transparency agenda', underpinned by our World of Difference commitments, in which we have focussed on providing customers with **Choice, Clarity and Control** over their energy purchases. We have also sought to help improve wholesale electricity market liquidity and market access for small suppliers.

We have introduced **10 key initiatives** over the last 15 months to meet these aims. Some of these are fully embedded, some are still in development.

Initiatives already in place

- **Product Information.** We have continued to review and improve our product information, including building customer feedback into our communications. In July 2012 we introduced a simple table (a 'tariff information label') to help customers compare tariff features. This product information will be further refined in light of customer research and Ofgem's RMR information remedies. We are also in conversation with switching sites about clarifying their presentation of our existing products, with the intention of making it easier for ScottishPower customers to find their current tariff on these sites.
- **Customer Engagement.** We have started working with some of our more vulnerable and disengaged customers through our new 'Fixer Panels' to understand their specific concerns and how we can tackle issues affecting customers more generally. During 2012 we also increased our engagement with consumer organisations, at a range of levels, to help us better understand and address concerns that may prevent customers from engaging in the market.
- **Service Quality Information.** In July 2012 we started publishing customer service data on our website and will continue to update and enhance this, including introducing new complaints metrics to inform consumers of our service performance.
- **Customer Commitments.** We have consolidated our commitments to customers into an accessible format and have been promoting our 'Winter Commitments' to customers since the start of October.

- **Digital Media.** We have taken steps to communicate better with customers through digital media. Since February 2012 we have provided service and tariff support through Twitter and we have launched a project reviewing our website content to make it easier to navigate for customers.
- **Midata.** In May 2012 we were the first supplier to launch a midata solution to provide personalised tariff information to any customer who wishes it in electronic form, and we are working on plans to increase consumer engagement with this solution.
- **Liquidity.** In February 2012 we signed a gross bidding agreement with the N2EX exchange to trade a minimum of 30% of our GB power generation volume through its day-ahead auction, and are now trading more than 800MW per day. We have also committed to join N2EX's UK Power futures platform with a view to increasing our trading in future base load products.
- **Market access for small suppliers.** In February 2012 we wrote to 56 small suppliers reminding them of the voluntary commitments we made in December 2010 to trade and inviting them to establish a bilateral trading relationship with us. We now have trading relationships with 5 small suppliers and are in negotiations with a further 15. We have offered any size, shape or duration of trading as required, and to date our smallest clip size traded has been 0.25 MW.

Initiatives in active development

- **Tariffs.** We have reduced the number of core products available to customers, from 12 at the start of the year to 7 at the start of September (including standard prices). We have also sought to simplify our tariffs. As part of our next pricing review, we intend to move towards a uniform national standing charge (or 2 tier equivalent) for our Standard prices and most products¹, varying only by payment method, and a more straightforward discount structure.
- **Customer Education.** We are refining our bill breakdown advice to provide more detail on the cost components making up a domestic bill and the amount that relates to profit. A number of other enhancements are also planned for Q4 2012 to increase the level of information on our website in relation to the bill breakdown and detailed analysis of the component parts.

ScottishPower
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¹ Some product offers, such as bundled products, have characteristics which would require a different level of Standing Charge or 2 tier equivalent.