Overview of SSE's activities to rebuild trust in the energy market and transform liquidity

- In October 2011 SSE announced its first package of ten measures to try and rebuild trust in the energy retail market. In April 2012, SSE revealed that it had completed the first ten measures, and announced a further ten which we are getting on with delivering.

- SSE's aim for its retail business is **simplicity**, **transparency**, to continually improve **customer service** and ensure **fairness** for all customers.

- SSE was the first supplier to make commitments in this area and no other supplier is making and delivering commitments to this extent.

- Although we have done a lot to build customer trust, there is still more to do.

- SSE has transformed day ahead liquidity and is successfully delivering its small supplier trading commitment with great success.

- SSE also helps small businesses and is the only supplier to provide its 200,000 micro-business customers with the peace of mind that they will not be backbilled for more than 12 months where we are at fault.

Simplicity

- **SSE has drastically reduced and simplified its range of tariffs** - We now have three basic tariff types (variable, fixed discount and capped), down from over sixty. *This makes choosing energy products simple.*

- **SSE has simplified its tariff structure** - Complex percentage discounts have been replaced with simpler, fairer, fixed-value discounts. *This means all customers get the same benefits for making the same choices.*

- Products no longer have a "no standing charge" option – with all customers on a standing charge and single unit price for all energy consumed. *This makes tariffs simple and fair.*

- Over 90% of our customers will be on the simplified tariff structure by mid October.

- **SSE offers a clear and simple price comparison tool**. *This allows customers to easily identify the savings available whether online or on the telephone.*

- **SSE is trialling simpler bills with customers** and is working to remove many of the compulsory regulatory requirements which get in the way of customers' needs for straightforward and practical information. *This will help create better informed customers.*

- SSE will be launching a new service dedicated to reducing the need for estimated bills. *This will improve accuracy "pre-smart".*

Transparency

- **Our bills now include a clear breakdown of costs, including the profit SSE makes**. *This "plays it straight" with consumers.*

- **SSE publishes an online cost tracker** – showing the wholesale and retail costs of energy. Our Energy Market Outlook provides additional analysis of market conditions and the potential impact that this and other costs may have on retail prices. See www.sse.com/marketoutlook *This assists the interested customer.*

- **SSE is the only supplier to give true visibility of customer complaints** and has been publishing quarterly complaints data since October 2011. SSE has been urging other suppliers to do the same to improve transparency across the energy sector. *This lets customers see true performance data.*

Customer Service

- **SSE was the first energy supplier to cease commission-based doorstep selling**. *Customers did not trust this sales channel.*

- **SSE is the only supplier to voluntarily introduce a Sales Guarantee so that we stand behind any promises we make to new customers**. *This gives customers assurance that they will receive accurate information.*

- If a customer believes that they have not received the quality of service expected then we will investigate fully and offer redress. *This reassures customers.*

- **SSE has introduced an innovative Annual Energy Review programme,** available to every customer. Following a successful pilot in 2011, the Annual Energy Review is being rolled out to all customers, with priority given to those most in need of advice. The Annual Energy Review is to help customers discuss their energy account – from checking they are on the best tariff to increasing awareness of energy efficiency measures. *This creates genuine customer engagement.*

- **SSE has established four independently-chaired Customer Forums**, meeting quarterly. *This direct engagement with customers increases our awareness of the issues that are of concern to our customers - to improve SSE's service.*

- **SSE is introducing an "open book" approach to customer service data**. This will be an externally-assured, online display which will include the facility for customers to post online reviews. *This allows customers to better judge SSE's performance.*

Fairness

- **All customers have the opportunity to access all tariffs**. *This means existing customers are treated as fairly as new customers.*

- **Our cheapest tariff will be made available to prepayment customers.** *This makes SSE the first supplier to offer these customers the benefit of its cheapest tariff.*

- SSE will make all customer services phone numbers 0800 numbers by the end of 2012. *This encourages customers to engage with SSE.*

Wholesale liquidity

- **SSE has transformed wholesale market liquidity**, by radically injecting liquidity on the day ahead market. We have now reached our target of trading 100% of our daily generation and demand in this way.

- **Other large suppliers have followed our lead** - the N2Ex auction now routinely clears around 300GWh every day (compared to only 40GWh in September 2011). This has helped establish the N2Ex auction as the most reliable wholesale reference price for GB power.

- **We are now working to achieve a similar transformation in the futures market.**

- **Our open door approach to trading and our small supplier trading commitment** has improved access to the wholesale market.

- **We have written to all small suppliers offering the opportunity to obtain bespoke volumes of electricity over appropriate time periods, at fair prices and on advantageous credit terms**. To date the commitment has been successfully taken up by three suppliers to the value of around £10m.

- Our approach has helped resolve one of the perceived barriers to entry into the electricity market and ensures that small suppliers can plan their longer term hedging strategies.