



COMPLAINTS TO OMBUDSMAN SERVICES: ENERGY

Report for Ofgem exploring why few consumers refer their complaint to Ombudsman Services: Energy

Contacts

GfK: Polly Hollings, Natalie Cass, David Rodgers, GfK NOP
polly.hollings@gfk.com; natalie.cass@gfk.com; david.rodgers@gfk.com

Ofgem: If you would like to enquire about using any element of this report, or you would like further information about the research then please contact Ofgem's Consumer Insight Team:
Scott.Hamilton@ofgem.gov.uk

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1 Executive Summary

1.1 Background and objective

Ombudsman Services: Energy (OS:E) provides independent dispute resolution for customers with outstanding complaints with an energy company. Energy companies are required to inform customers of their right to refer their complaint to OS:E if the complaint has not been resolved to the satisfaction of the customer after 8-weeks or if the energy company becomes aware that they are unable to resolve the complaint to the customer's satisfaction (known as Deadlock). The primary aim of this research study was to provide insight into why so few customers who receive an 8-week or Deadlock letter from their energy supplier escalate their complaint to OS:E.

1.2 Method and sample

A multi-method approach was used to meet the research objectives, including:

- Supplier interviews: scoping interviews with individuals responsible for, or with good understanding of, 8-week and Deadlock letters at each of the six largest energy supply companies.
- Plain English Campaign review: expert opinion provided by the Plain English Campaign (PEC) who reviewed example 8-week and Deadlock letters from each of the six largest energy supply companies.
- Qualitative interviews: 31 qualitative depth interviews carried out with domestic and micro-business customers who had lodged a complaint with their energy supplier, covering a mix of those who had and had not escalated their complaint to OS:E.
- Quantitative survey: 1,154 interviews with domestic and micro-business customers carried out by telephone with a representative sample of those who had received an 8-week or Deadlock letter in November and December 2012 (supplemented with those who had received such a letter in the two weeks prior to and after this period, and who had escalated their complaint to OS:E).

The qualitative fieldwork was conducted between 26th March and 18th April 2013, and the quantitative interviews were conducted between 12th and 30th March 2013.

1.3 Complaint background

Most respondents thought their complaint was serious in nature, common across both domestic and micro-business customer groups, regardless of whether or not they had gone to the Ombudsman. Just one in two non-escalated complaints had been resolved by the supplier at the time fieldwork took place, although a minority were still being investigated by the supplier. The process of going through OS:E had enabled some successful resolution of complaints, although only in a minority of cases (one in three).

A majority of consumers were dissatisfied with the way their energy supplier had handled the complaint, and most complainants had already switched or planned to switch supplier as a result of their complaint experience. Customers who had not had their complaint resolved were more likely to be planning to switch than those whose complaints had been resolved.

1.4 Escalating complaints

5% of those eligible had escalated their complaint to OS:E¹, and this figure was the same among domestic and micro-business customers. This provides evidence as to how few customers who receive 8-week or Deadlock letters escalate their complaint, and illustrates that it is a problem not specific to either domestic or non-domestic customers.

The quantitative evidence shows there are few differences in the profile of those who do and do not escalate to OS:E. Nevertheless, the following groups of domestic customers are marginally less likely to have escalated their complaints: social grade DE, those with an annual household income of under £20,000, those retired on a state pension, those living in rented property and those with a disability.

¹ Data taken from the survey conducted as part of this research.

Larger size organisations (£500k annual turnover or more) were more heavily represented amongst non-domestic customers who had escalated their complaint (although caution should be attached to this due to small sample size).

Qualitative participants reported mixed experiences of escalating complaints to OS:E. Positive experiences were often linked to a satisfactory resolution to their complaint, whilst negative experiences were typically associated with an unsatisfactory resolution to the complaint or a perceived lack of support from OS:E at first point of contact.

1.5 Motivations and barriers to escalating a complaint to OS:E

Six factors influence the 'customer journey' in terms of whether or not consumers escalate their complaint to OS:E:

- 1. Awareness of OS:E and understanding of its role:** One in three domestic and one in four micro-business customers who had not escalated their complaint were unaware of OS:E. About two in three of those who were unaware of OS:E said they would have been "very likely" to have made contact had they known about its role. Qualitative participants said they were unclear about the types of complaints that OS:E dealt with and some questioned whether their complaint would be 'too trivial'.
- 2. Expectations as to whether the supplier will resolve complaint:** A key reason for not escalating the complaint, for those who were aware of OS:E but had not escalated the complaint, was because they ultimately thought the supplier would resolve the complaint. This was often the case even where there was dissatisfaction with the way the complaint had been handled by the supplier. Many of those who had made a complaint would have been motivated to escalate to OS:E if their complaint had not been resolved by their energy supplier.
- 3. Confidence in OS:E to offer a fair, effective and hassle-free service:** Across the research there were mixed views of OS:E and some lacked confidence in its ability to help them. Some qualitative participants expressed cynicism regarding the information about OS:E coming directly from the energy supplier, leading them to query the independence of OS:E. Others were

concerned that using OS:E would be an additional hassle, and sought reassurance that escalation would be an easy and straightforward process.

4. **Complainant mind-set and capacity to act:** Across the qualitative research five typologies of complainants emerged, with different attitudes and mind-sets towards complaint escalation. These mind-sets influenced a customer's propensity to escalate and confidence in escalating. Those with high levels of capability in dealing with official processes and awareness of OS:E were most likely to escalate whilst those lacking confidence in their capability to escalate and with low awareness of OS:E least likely.
5. **Reaction to the 8-week/Deadlock letter:** Across the research only a minority had read through the 8-week or Deadlock letter in detail. One in three of those who had read the letter but had not escalated their complaint could not spontaneously recall any of the detail. Qualitative participants noted that information regarding OS:E needed to stand out more and be made clearer in communications. In addition, for some participants the 8-week/Deadlock letters became 'lost' within the context of large volumes of communications between the complainant and the supplier. The Plain English Campaign's review of the suppliers' 8-week and Deadlock letters identified key themes for improvement in the format and style, clarity of content and use of simple words and phrases.
6. **Complaint experience:** From the quantitative survey a high degree of dissatisfaction in the way the energy supplier had handled the complaint was evident. Across the qualitative research participants noted that their complaint had involved a mix of written and telephone communications with their supplier. The frequency and quality of the differing types of communications, as well as the tone of communications, was often a key determinant of the quality of the complaint experience. Depending on a customer's mind-set and capacity to act over the complaint, an unsatisfactory complaint experience drove some to escalate their complaint to OS:E, whilst others became unwilling to take the complaint further because they were worried this would simply drag-out a negative and often stressful experience.

1.6 Recommendations for making it easier for consumers to escalate their complaint to OS:E

Increase awareness and profile of OS:E:

- Ensure that information from suppliers about OS:E is clearly defined, written in plain English and provides enough information about the role, purpose and independence of OS:E.
- OS:E to raise its profile amongst consumers, e.g. by increasing its media coverage through positive news stories.

Improve the 8-week and Deadlock letters:

- Greater personalisation of the 8-week letters to avoid them being perceived as generic or standardised (which causes them to lack impact).
- Highlight that OS:E is independent, detail types of complaints that can be escalated and include four ways to contact OS:E - telephone, email, post and website.
- Improve the format of the letters in terms of tone, layout and language.

Better clarify what the customer has to do if they want to escalate their complaint to OS:E, and what the process involves:

- Provide reassurance that the escalation process is simple, and provide details as to how long the escalation process will take.

Consider provision of information about OS:E in other ways

- Consider (subject to Data Protection laws) OS:E providing information directly to customers.
- Consider enclosing the OS:E factsheet with the supplier 8-week and Deadlock letters and consider whether it should be mandatory for suppliers to include the information from the OS:E factsheet in their letters.
- Information on OS:E from suppliers should be available in email format where this is the customer's preference.

2 Introduction

The Gas and Electricity Markets Authority (GEMA) is the regulator of Britain's gas and electricity markets, and its principal objective is to protect the interests of current and future consumers. The Office of Gas and Electricity Markets (Ofgem) carries out the day to day functions of GEMA.

As part of its remit, Ofgem sets the Complaints Handling Standard Regulations² (CHSR) to which energy suppliers and network operators must adhere. The CHSR applies to complaints for domestic customers and micro businesses³, and places detailed requirements on energy companies. In particular, a complaint cannot be closed unless there remains no outstanding action to be taken and it has been resolved to the satisfaction of the customer. If the energy company cannot do this they must inform the customer that they can ask the statutory redress scheme approved by Ofgem – Ombudsman Services: Energy (OS:E) - to investigate.

2.1 OS:E

Ombudsman Services was founded in 2002 to resolve complaints for communications, energy, property and copyright licensing sectors. Ombudsman Services: Energy provides independent dispute resolution for customers with outstanding complaints with an energy company⁴.

² <http://www.legislation.gov.uk/uksi/2008/1898/contents/made>

³ A micro-business is defined as a business customer with either: an annual consumption of electricity of not more than 55,000kWh or gas of not more than 200,000kWh or; fewer than ten employees (or their full time equivalent) and an annual turnover or annual balance sheet total not exceeding €2million.

⁴ <http://www.ombudsman-services.org/about-ombudsman-services-os.html>

About us

- Our role is to give an impartial and independent review of complaints.
- We operate under appropriate legislation and regulatory authority.
- We work with providers to improve the service they give to consumers
- Our governance ensures that we are independent.



Figure 1: Information about Ombudsman Services: Energy. Information taken from OS:E website:

<http://www.ombudsman-services.org/about-ombudsman-services-os.html>

OS:E provides an important service for customers, enabling them to obtain redress where they are dissatisfied with the way their complaint has been dealt with, or where they are not satisfied with the supplier's proposed resolution.

2.2 Informing customers about OS:E

Energy companies have up to eight weeks to resolve a complaint to the satisfaction of the customer. At this point if the complaint has not been resolved to the customer's satisfaction the company must send the customer a letter informing them of their right to refer the complaint to OS:E. This letter is called an '8-week letter'.

Energy companies can also inform customers of their right to refer the complaint to OS:E before the eight week period has expired if they become aware sooner that they are unable to resolve the complaint to the customer's satisfaction. This process is known as 'deadlock'. If deadlock is reached the company must send the customer a letter informing them of their right to refer the complaint to OS:E. This letter is called a 'Deadlock letter'.

The CHSR requires that certain information about OS:E must be included in the Deadlock or 8-week letter. Specifically:

- that the customer has the right to refer the complaint to OS:E;
- that it is independent of the energy company;
- that it is free of charge;
- the types of redress available (an apology; an explanation of what went wrong; a practical action to be taken to correct the problem; and, a financial award); and
- that its decision is binding on the company but not the customer.

However, energy companies have a relatively free hand in how they present this information, and may also include any further information they consider to be relevant in the letter.

2.3 Customers' use of OS:E

Use of OS:E has been very low. Ofgem's review of 8-week and Deadlock letters sent by the six largest energy suppliers⁵ between October 2011 and September 2012 shows that few consumers are exercising the option to use OS:E. Specifically:

- of circa 88,000 8-week/Deadlock letters sent to domestic customers, around 7% referred their complaint to OS:E during this 12 month period; and
- of circa 34,000 8-week/Deadlock letters sent to micro-business customers, around 4% referred their complaint to OS:E during this 12 month period.

This survey found that 5% of those eligible had escalated their complaint to OS:E, and this was consistent across both domestic and micro-business customers. Therefore these figures from the Ofgem review broadly align with the results found in this survey.

Research and analysis carried out by Which? has suggested that by not using OS:E, consumers were missing out on millions of pounds in compensation⁶. This

⁵ British Gas, EDF Energy, EON, npower, Scottish Power and SSE

⁶ <http://www.which.co.uk/news/2012/01/energy-firms-could-owe-millions-in-compensation-276174/>

evidence suggests that there may be barriers which deter consumers from escalating complaints to OS:E, and that it would be in the consumer interest to remove or help minimise these barriers as much as possible. There is limited existing evidence known about how these barriers may be affecting different groups of consumers, and therefore which solutions are likely to be most effective in remedying the problem.

2.4 Research objectives

OS:E is a fundamental part of the consumer protection framework in energy and exists to enable customers to pursue redress against their energy company. The overarching aim of this research study was to provide insight into why so few consumers escalate their complaint to OS:E. The research focussed on the six largest energy supply companies (as they receive the overwhelming majority of complaints), and was required to:

- Establish whether there are perceived or actual barriers to accessing OS:E.
- Profile complainants who do and do not go on to use OS:E.
- Understand what would motivate customers to use OS:E.
- Review how suppliers currently communicate information to customers on their right to approach OS:E.
- Explore the current and potential role of the 8-week and Deadlock letters in the process of escalating complaints to OS:E.

2.5 Methodology and sample

A multi-method approach was used to fully examine the research objectives.



Supplier interviews

As part of the scoping phase of the research we carried out interviews with relevant individuals at each of the six largest energy companies (British Gas, EDF Energy, E.ON, npower, Scottish Power and SSE).

At each energy company we interviewed the person with responsibility for, or a good understanding of, the process for sending 8-week and Deadlock letters to customers. In some instances this was two people, which was often the case where responsibilities for domestic and micro-business customers were divided.

Each interview lasted around 45 minutes and allowed suppliers to explain how they saw the processes for 8-week and Deadlock letters and ascertain their views regarding the provision of information to customers about OS:E.

The purpose of the supplier interviews was to provide a holistic approach to the research, whereby the views of the six largest energy suppliers were included alongside the views of the domestic and micro-business customers.

Plain English Campaign review

In addition to understanding supplier views regarding the 8-week and Deadlock letters, the research sought expert opinion from the Plain English Campaign (PEC). PEC reviewed example 8-week and Deadlock letters from each of the six largest energy companies as well as suggested templates for the letters provided for energy companies by OS:E.

The aim of the PEC review was to explore the following aspects of the letters:

- Layout
- Language
- Tone
- Clarity of information provided about OS:E.

The review resulted in guidance from PEC as to how the letters can be improved. This feedback was also used to design the research materials for the qualitative interviews by specifically highlighting aspects of the letters for further exploration with domestic and micro-business customers.

Qualitative interviews

A total of 31 qualitative interviews were carried out with domestic and micro-business customers to establish a detailed understanding of the complainant journey, how 8-week and Deadlock letters fit into that journey, and the barriers and motivations to escalating complaints to OS:E. The qualitative fieldwork was conducted between 26th March and 18th April 2013.

Depth interviews – each lasting 1 hour – were carried out face-to-face to enable participants to review 8-week and Deadlock letters and talk through the letters that they themselves had received. The open and enabling environment that qualitative research provides encouraged participants to be candid about their thoughts and feelings. This generated valuable insight into consumer views towards the complaints process, OS:E and escalation.

It is important to stress that qualitative research is investigatory in approach and whilst this study has generated detailed feedback, understanding and suggestions for encouraging escalation, the qualitative findings cannot be considered statistically robust. The findings should therefore be assessed in tandem with the results of the quantitative survey.

31 face to face depth interviews were conducted in total, split by:

- 19 x domestic customers
- 12 x micro-business customers.

The domestic and micro-business samples were structured carefully to ensure the views from different customer types were included. The sampling criterion used for both customer types is detailed below. The fieldwork for both the domestic and micro-business customers was carried out in London, Birmingham, Manchester, Glasgow and Cardiff, covering both urban and rural locations.

Across the domestic customers there was a spread according to the following key sampling criteria:

- Supplier

- Receipt of 8-week or Deadlock letter
- Complaint outcome / status at time of interview
- Fuel type
- Payment type
- Age
- Socio Economic Grade
- Ethnicity
- English as a first language / secondary language.

Across the micro-business customers there was a spread according to the following key sampling criteria:

- Supplier
- Receipt of 8-week or Deadlock letter
- Complaint outcome / status at time of interview
- Fuel type
- Payment type.

Quantitative survey

Quantitative interviews were carried out with domestic and micro-business customers to:

- Examine the profile of those who had escalated and not escalated their complaint
- Understand the reasons why escalation had taken place or not
- Assess customer reaction to the 8-week or Deadlock letter
- Identify what contact, if any, customers had with their energy supplier after receiving either an 8-week or Deadlock letter.

1,154 interviews were carried out by telephone, with interviewing conducted between 12th and 30th March 2013. The telephone interviews were 13 minutes in length on average.

The six largest energy suppliers were asked by Ofgem to provide the contact details of every domestic and micro-business customer who had received a Deadlock or 8-week letter in the period 1st November – 31st December 2012. This formed the population of interest. The contacts provided by the energy suppliers excluded details of customers who had opted out of being contacted (e.g. for research or marketing) and those who did not wish for their details to be shared with third parties. The contact details provided accounted for 34% of the domestic and 37% of the micro-business complainants in receipt of 8-week/Deadlock letters for that period (calculated as the number of sample contacts received as a proportion of the total number of letters sent out by suppliers over the period).

In addition, the energy suppliers were asked to provide contact details for those customers who had escalated their complaint to OS:E in the periods 15th – 31st October 2012 and 1st – 15th January 2013 (again excluding the opt outs as noted above). The purpose of this additional request was to generate more contacts to ensure a sufficient number of interviews could be achieved with customers who had escalated their complaint, given they were relatively small in number.

The customer sample was provided to GfK NOP independently by each of the six largest energy suppliers.

Noting the volume of contacts available, the target number of interviews for the quantitative survey was as follows:

- 300 interviews with domestic and 50 interviews with micro-business customers who had escalated their complaint to OS:E.
- 600 interviews with domestic and 300 interviews with micro-business customers who had not escalated their complaint to OS:E, split to ensure there were 100 interviews per energy supplier among domestic customers, and 50 interviews among micro-business customers.

The rationale for the design was to obtain robust evidence from those who had escalated their complaint to OS:E to compare against the findings from those who had not escalated, and to have a sufficient number of interviews per supplier within

the non-escalated sample to assess any significant differences in response by energy supplier.

In the event, the number of contacts provided by each supplier (excluding opt-outs) was insufficient to meet all the targets. 1,154 interviews were conducted in total (against an overall target of 1,250), the main shortfall in the number of interviews being among domestic customers who had escalated their complaint to OS:E (198 interviews against a target of 300) due to a lack of sample contacts.

The quantitative data has been weighted back to the profile of those supplied contacts who had received a Deadlock or 8-week letter in the two month period (November/December 2012). Where very few interviews were conducted within particular cells, the weighting has been undertaken at a more aggregated level to avoid weighting bias. With the data weighted in this way, the quantitative findings in this report can be described as representative of all complainants (excluding opt outs) during this two month period. The table below shows the number of interviews achieved, and the weighted base of interviews.

Table 1: Number of interviews achieved

Suppliers	Customers								
	Escalated*				Non-escalated*				
	Domestic		Micro Business		Domestic		Micro Business		
	Achieved	Weighted target	Achieved	Weighted target	Achieved	Weighted target	Achieved	Weighted target	
British Gas	30	3	29	5	177	284	159	128	
EDF	24	7	3		4	50	55	12	11
Eon	48	4	13		126	195	56	46	
Npower	43	10	20		100	91	50	42	
SP	20	3	0		46	50	5		
SSE	33	5	1		100	210	9		
Total	198	32	66	9	599	885	291	227	

*As identified in the sample

At the analysis stage it was found that responses from domestic customers were similar to those from micro-business customers. The data has been reported therefore at a total sample level, putting domestic and micro-business interviews

together, and reference only made to differences between the two where significant and relevant. Furthermore, no significant differences in response were found by energy supplier within the sample of those who had not escalated their complaint, therefore results at the individual supplier level have not been reported.

A few customers who had been flagged on the sample as non-escalated claimed to have escalated their complaint to OS:E in the survey. Overall, the survey revealed that 5% of both domestic and micro-business customers had escalated their complaint to OS:E.

3 Profile of complainants and their complaints

Ofgem was interested in examining the profile of customers who do and do not escalate their complaint with OS:E. The purpose of this was to establish if any barriers identified through this study appear to affect certain groups of customers more than others, with a particular focus on vulnerable customers⁷. The evidence indicates there are few differences in the profile of those who escalate and those who do not go on to escalate their complaint to OS:E, however some trends can be observed.

In order to contextualise the findings, it was also important to understand the perceived severity of respondents' complaints, the status of their complaint at the time of the fieldwork (e.g. in terms of whether or not it had been resolved) and their future switching intentions.

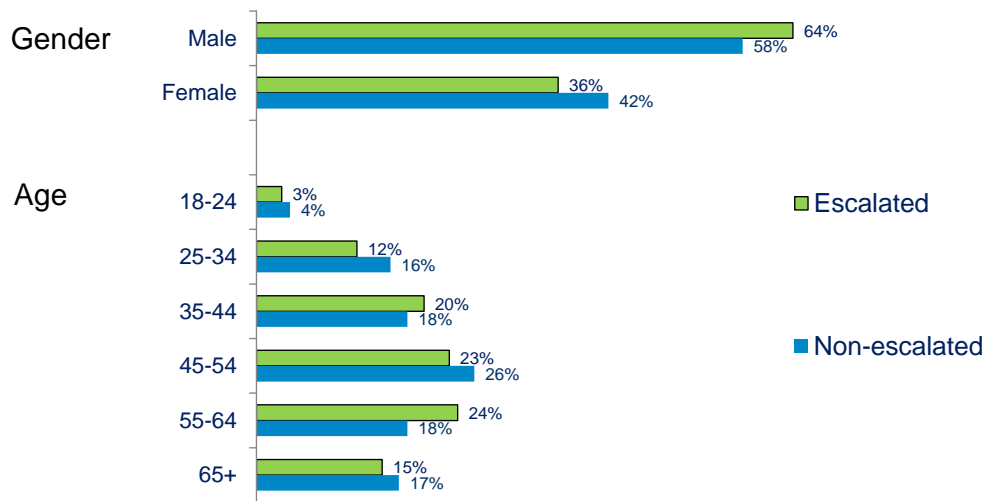
The findings in this section are taken from the quantitative survey.

3.1 Who made the complaint – Domestic customers

Overall, there was little difference in the age and gender profile between those who had escalated their complaint to OS:E and those who had not. Amongst both groups, males and those aged 35 – 64 years were in the majority.

⁷ Ofgem must have regard to vulnerable customers including, but not limited to, those who are: disabled, chronically sick, of pensionable age, on low incomes, and/or living in rural areas. The nature and extent of vulnerability experienced by energy consumers is wide-ranging and more dynamic than traditional models might suggest, therefore Ofgem considers a wide range of factors and situations when identifying and engaging with customers who may be considered vulnerable.

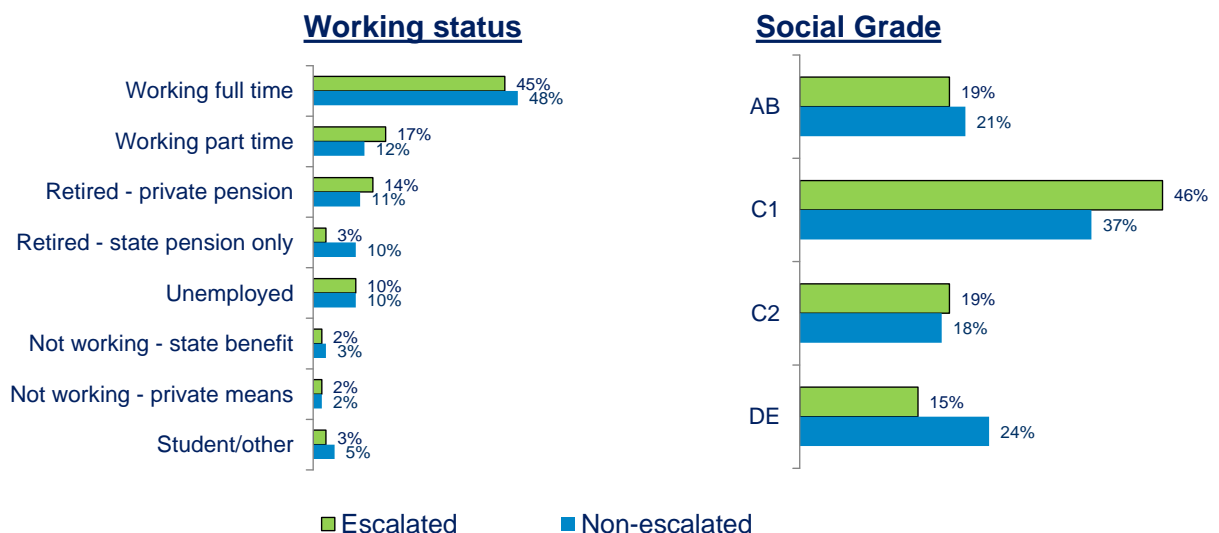
Figure 1: Gender and Age – Domestic Customers



Base: All domestic customers answering: Escalated 264, Non-escalated 890

The analysis shows those who are retired on a state pension, and social grade DEs, were less likely to have escalated their complaint. However, the majority of both those who had escalated and those who had not escalated their complaint were in work and social grade ABC1.

Figure 2: Working Status and Social Grade – Domestic Customers



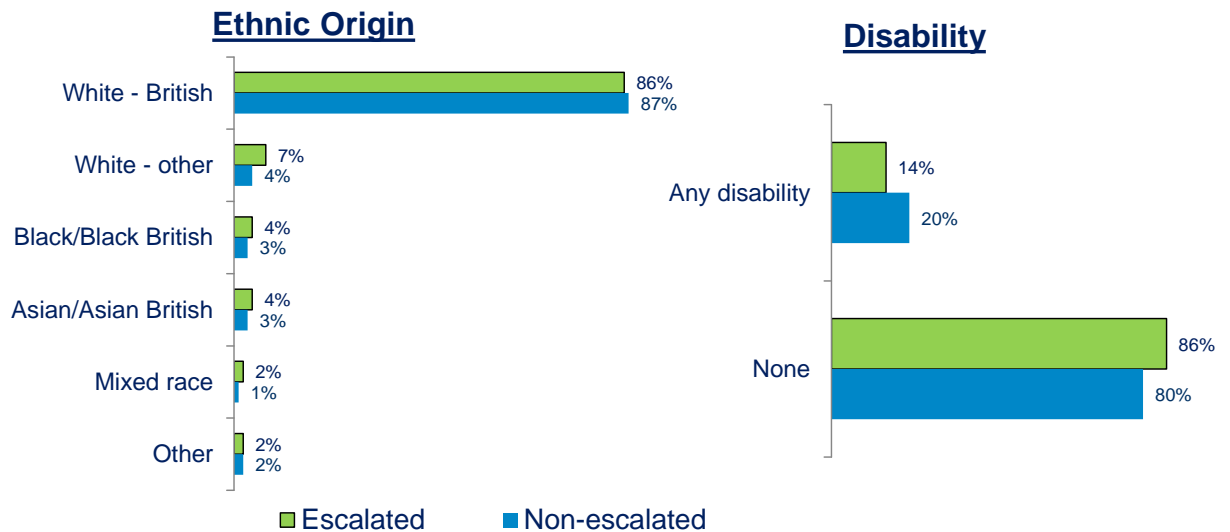
Base: All Domestic customers answering: Escalated 264, Non-escalated 890

The ethnic profile was consistent across both those who had escalated their complaint and those who had not, in line with the UK national profile. There was a marginally higher proportion of customers with a disability amongst those who had not escalated their complaint.

Figure 3: Demographic Profile – Domestic Customers

D4. To which of these ethnic groups do you belong?

D5. Do you have any long term physical or mental impairment which limits your daily activity or the work you can do including problems due to old age?



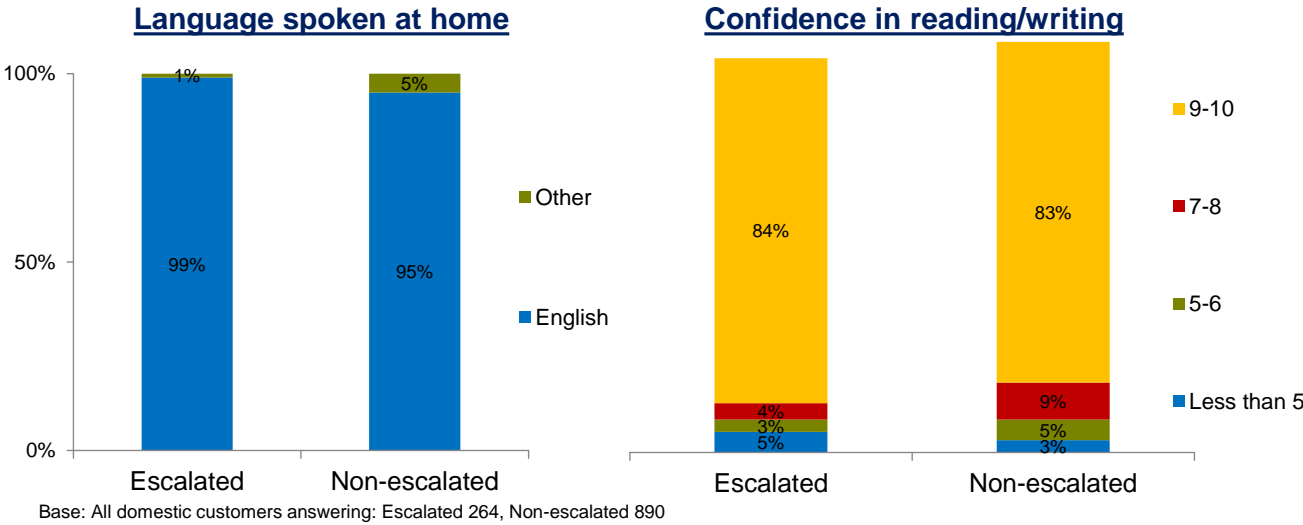
Base: All Domestic customers answering: Escalated 264, Non-escalated 890

Regardless of whether the complaint had been escalated or not, the vast majority indicated that English was the language spoken in the home. Respondents were asked how confident they felt about reading and writing on a 10-point scale (with 10 being the highest level of confidence), and a large majority of both complainant types (escalated and non-escalated) indicated a high degree of confidence (rating 9 or 10).

Figure 4: Language spoken and confidence in reading and writing – Domestic customers

D6/7. Language spoken at home

D8. (On a scale of 1 to 10) how confident do you feel about reading and writing?

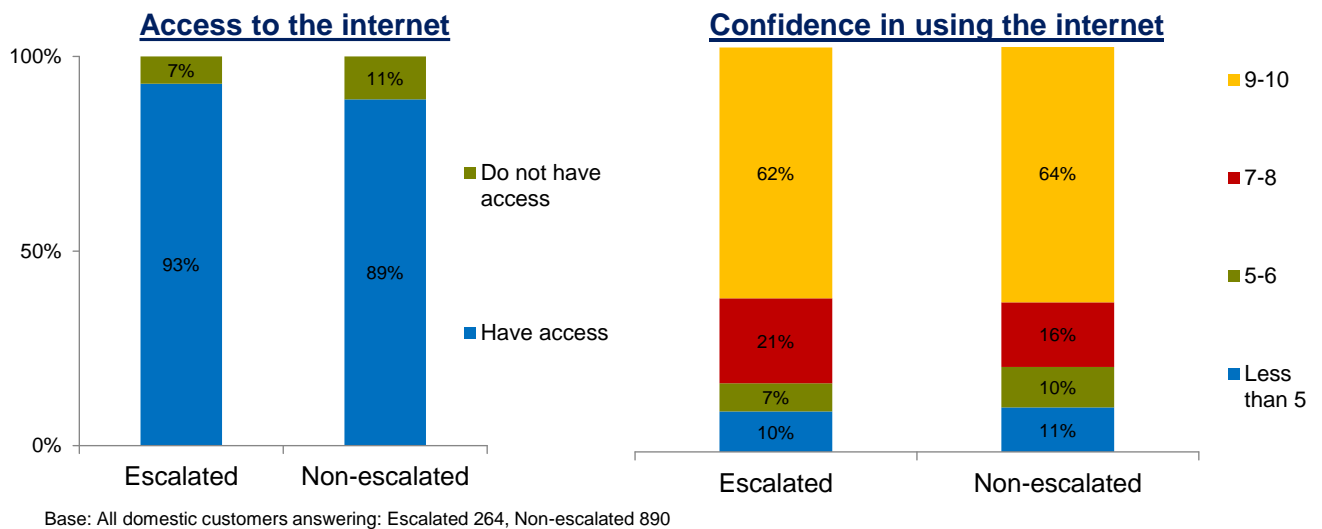


Most customers had internet access either at home or work. When asked how confident they were in using the internet (on the same 10-point rating scale), about two thirds gave a 9 or 10 rating. A similar response was evident across both complainant types (escalated and non-escalated).

Figure 5: Access to and confidence in using the internet – Domestic customers

D9. Do you have access to the internet, either at home or at work?

D8. (On a scale of 1 to10) how confident do you feel about using the internet?

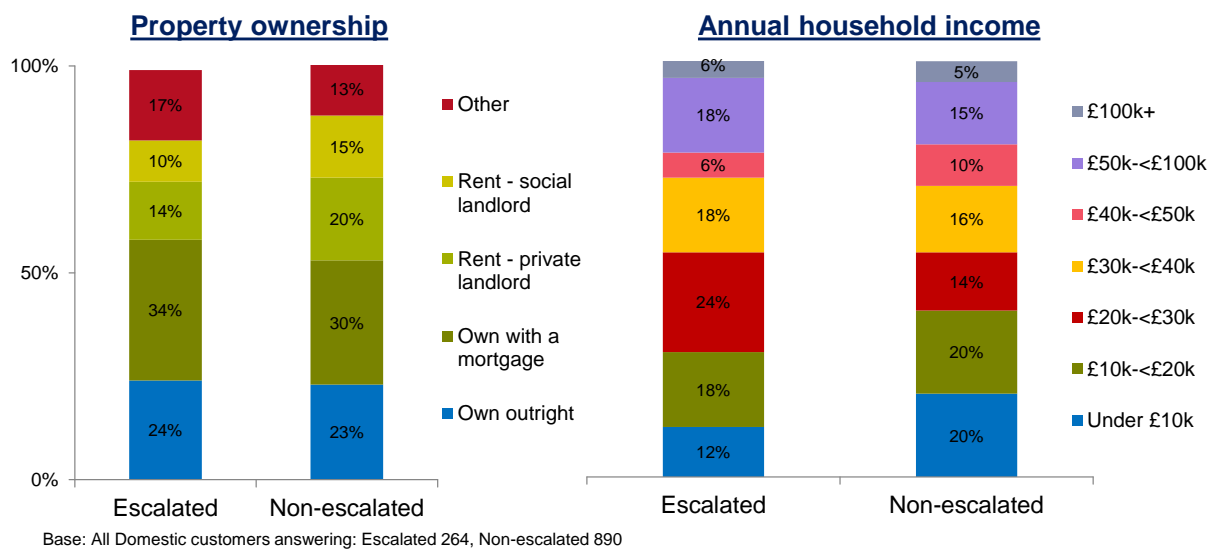


Those who had not escalated their complaint were more likely to be renting their property, and have an annual household income of under £20,000 per year. However, the majority of complainants overall owned their property, either outright or with a mortgage, and had an annual household income of at least £20,000.

Figure 6: Property ownership and household income – Domestic customers

D11. Do you?

D13. What is your annual household income before tax?



In summary, the quantitative survey revealed few differences in the profile of those domestic customers who escalated and those who did not go on to escalate their complaint to OS:E. However, where slight differences are observed, it supports the hypothesis that those who are more likely to be vulnerable because of their state-pensioner status, disability and income level are marginally less likely to escalate their complaint to OS:E.

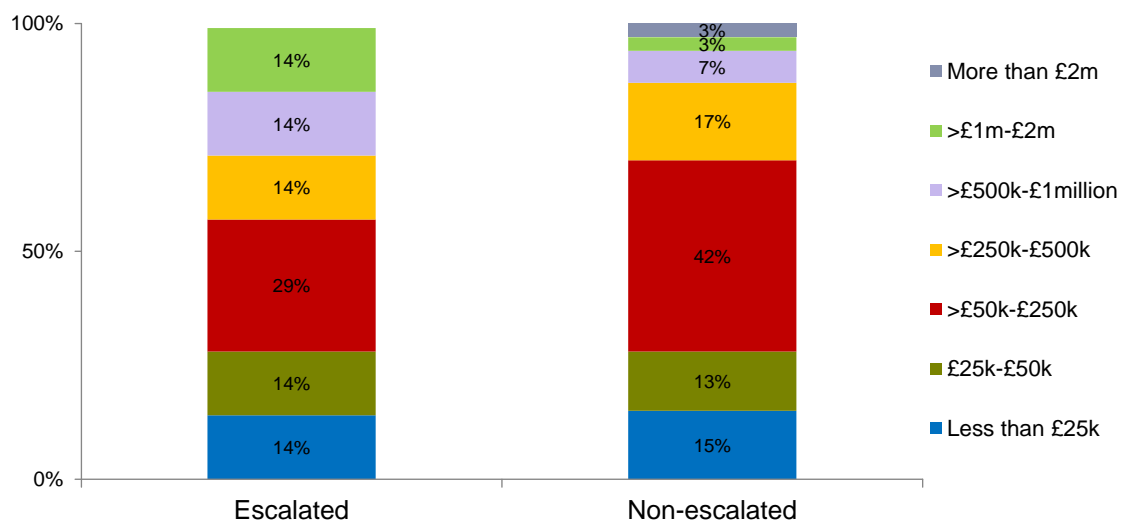
3.2 Who made the complaint – Micro-business customers

In this section we look at the profile of micro-business customers. Some care should be taken interpreting the results due to the relatively small sample of those micro-business customers who had escalated their complaint to OS:E (53 respondents).

The profile of micro-business customers was broadly the same irrespective of whether or not the complaint had been escalated, although larger size organisations (£500k annual turnover or more) were more heavily represented amongst those who had escalated the complaint.

Figure 7: Annual turnover – Micro-business

D14. What is your organisation’s approximate annual turnover?



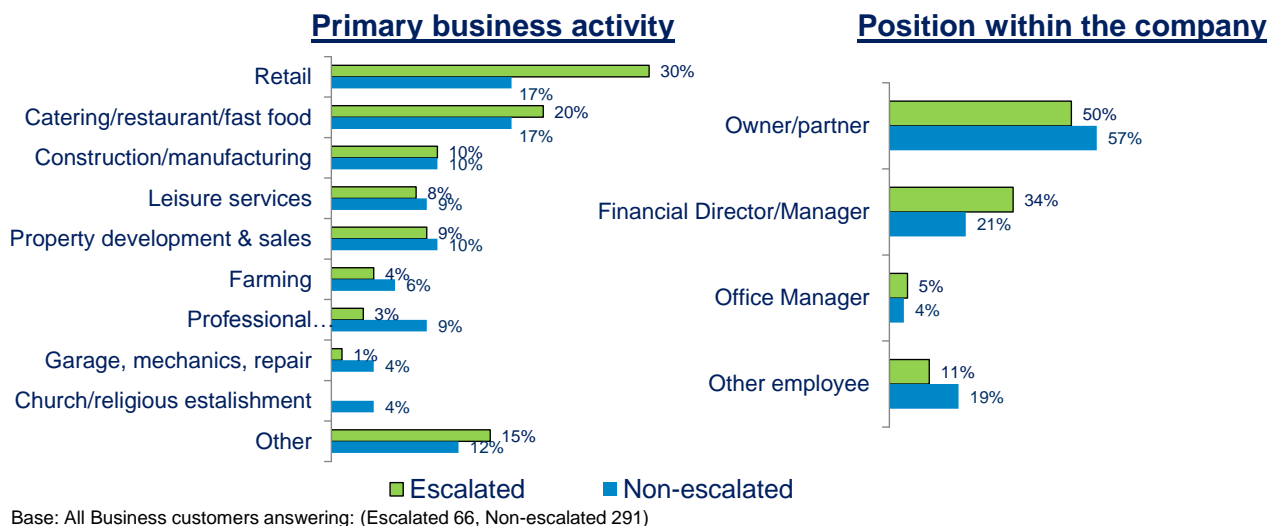
Base: All Business customers answering: (Escalated 53, Non-escalated 251)

There was a range of business sectors represented, and the majority of those interviewed were owners/partners, or financial directors/managers. Retail businesses were more predominant among those who had escalated their complaint.

Figure 8: Business Demographics – Micro-business

D15. What is your primary business activity?

D16. What is your position within the company?

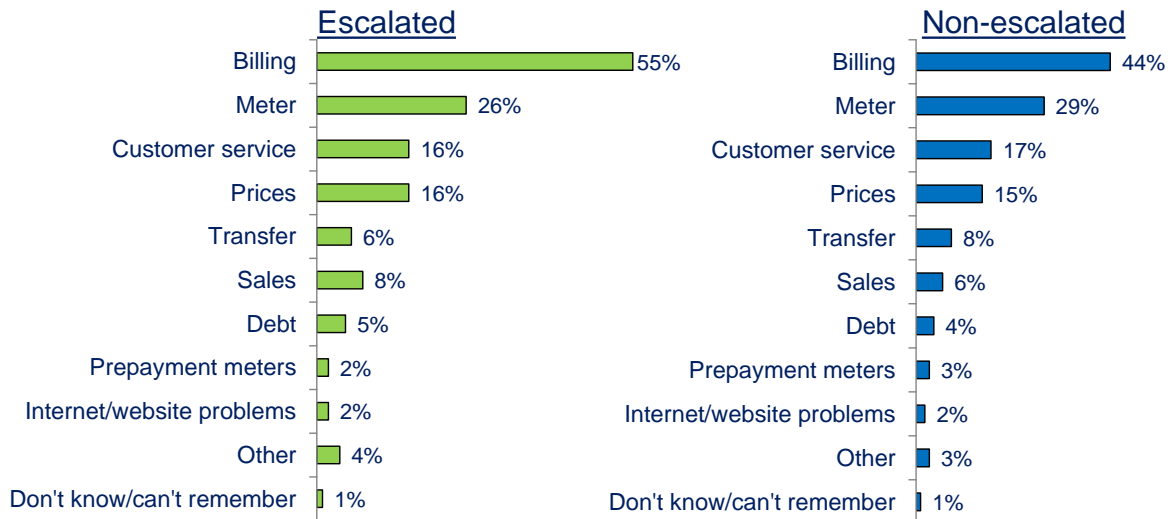


3.3 What the complaint was about – Domestic and Micro-Businesses

Looking at both domestic and micro-business complainants together, the majority of complaints were about billing or metering, with a higher proportion of billing complaints among those who had escalated their complaint. This suggests that there is a link between escalation and seeking financial redress. Most billing complaints related to the accuracy of the bill, and most meter complaints concerned either the reading or the accuracy of the meter reading. This was true of both complainant types (escalated and non-escalated).

Figure 9: Nature of complaint – Domestic and Micro-business

B1. What was your complaint about?

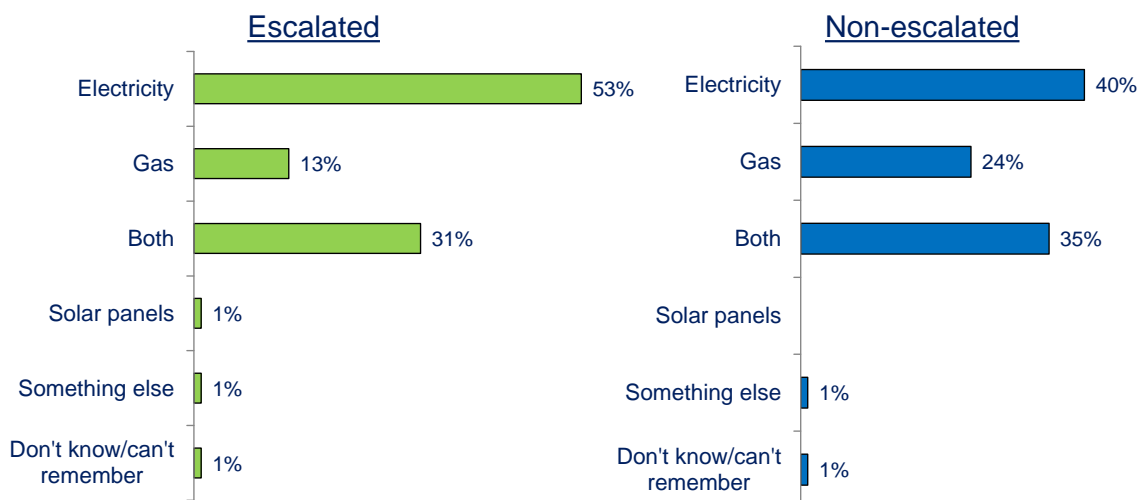


Base: All: Escalated 264, Non-escalated 890

Complaints about electricity supply or both electricity and gas predominated, although those who had not escalated their complaint were more likely to have complained about their gas service.

Figure 10: Which supply was the complaint about – Domestic and Micro-business

B2. Was it a complaint about your gas or electricity supply, or both?

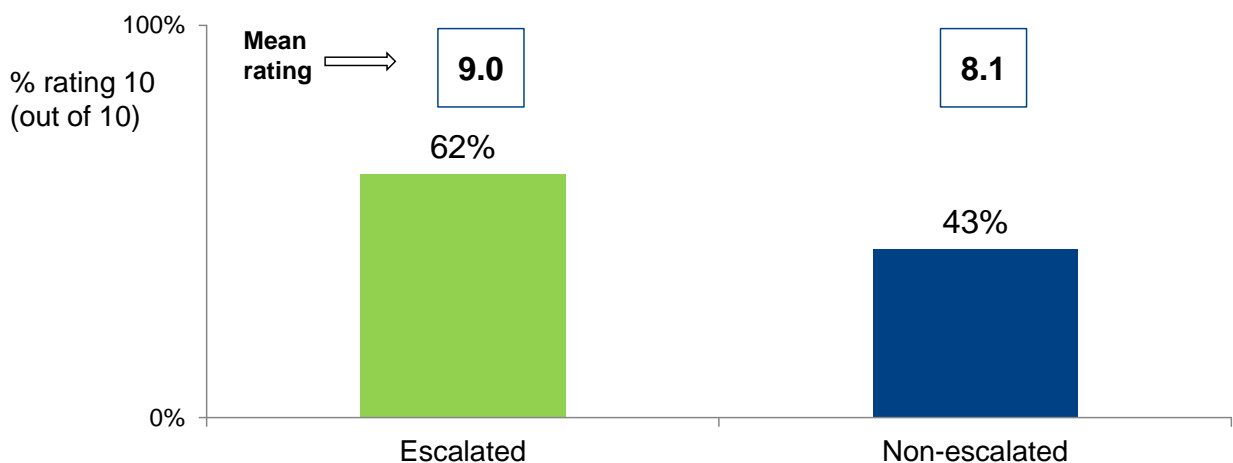


Base: All: Escalated 264, Non-escalated 890

Respondents were asked how serious they felt their complaint was, using a 10-point scale (10 being the most serious). Most respondents across both domestic and micro-business, escalated and non-escalated, thought their complaint was serious. Nearly half (43%) of those who did not escalate their complaint gave the highest possible “seriousness” rating (10 out of 10), and the average rating was high (8.1 out of 10). Those who escalated their complaint were even more likely to consider it serious, with nearly two in three (62%) giving it the highest possible rating (10 out of 10).

Figure 11: Seriousness of complaint – Domestic and Micro-business

B3. On a scale of 1 to 10, could you tell me how serious you felt your complaint was?



Base: All: Escalated 264, Non-escalated 890

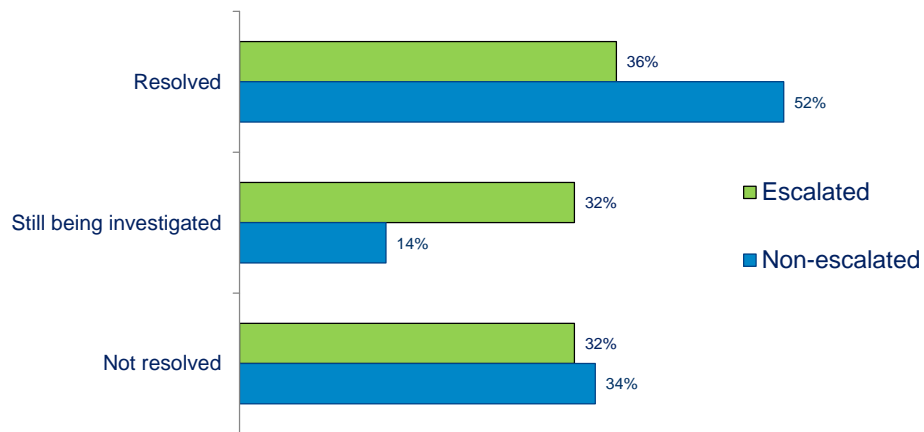
3.4 Whether complaints had been resolved

Just one in two non-escalated complaints had been resolved at the time fieldwork was carried out, although a minority were still being investigated by the supplier. This indicates that many customers had not achieved the outcome they hoped to achieve, several weeks after they had reached the eight week point or Deadlock with their supplier. The process of going through OS:E had enabled some resolution of complaints, although only in a minority of cases (one in three). One in three escalated complaints had not been resolved and were not being investigated further (according to the respondent), whilst the remaining third were still being

investigated (20% by OS:E. 5% by the supplier and 7% by both the supplier and OS:E).

Figure 12: Status of the complaint (including both Domestic and Micro-business)

B21. Would you say that your complaint has been resolved, or not?



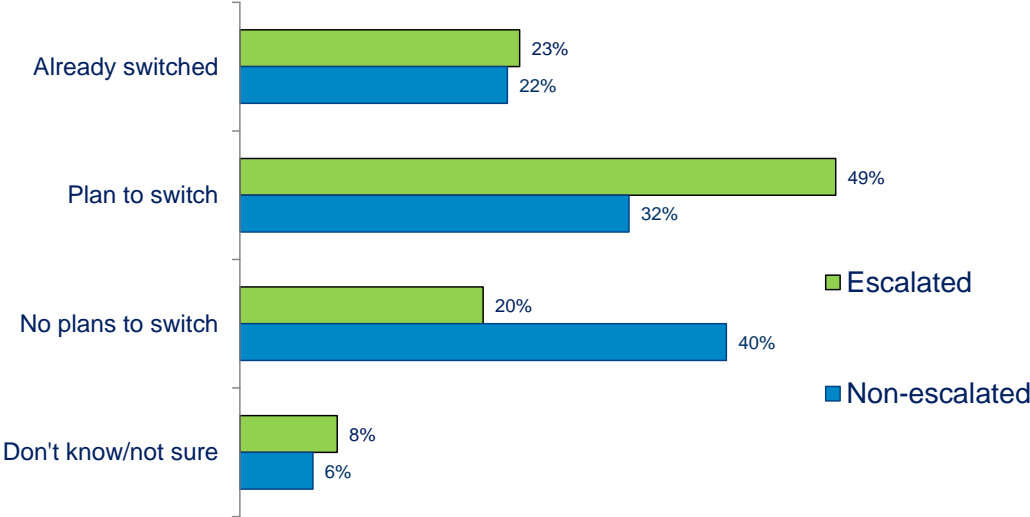
Base: All: Escalated 264, Non-escalated 890

3.5 Impact of complaint resolution on customer switching

There was considerable evidence to suggest that without a resolution many complainants would change energy supplier. The majority of complainants had already switched or planned to switch supplier as a result of their complaint experience. Customers who had not had their complaint resolved were more likely to be planning to switch in comparison to those whose complaint had been resolved. Amongst those who had not escalated their complaint 21% of those whose complaint had not been resolved had already switched, and 43% were planning to switch.

Figure 13: Impact upon use of supplier

B25. Have you switched, or do you plan to switch energy supplier as a result of your experience with this complaint?



Base: All: Escalated 264, non-escalated 890

4 Escalating complaints

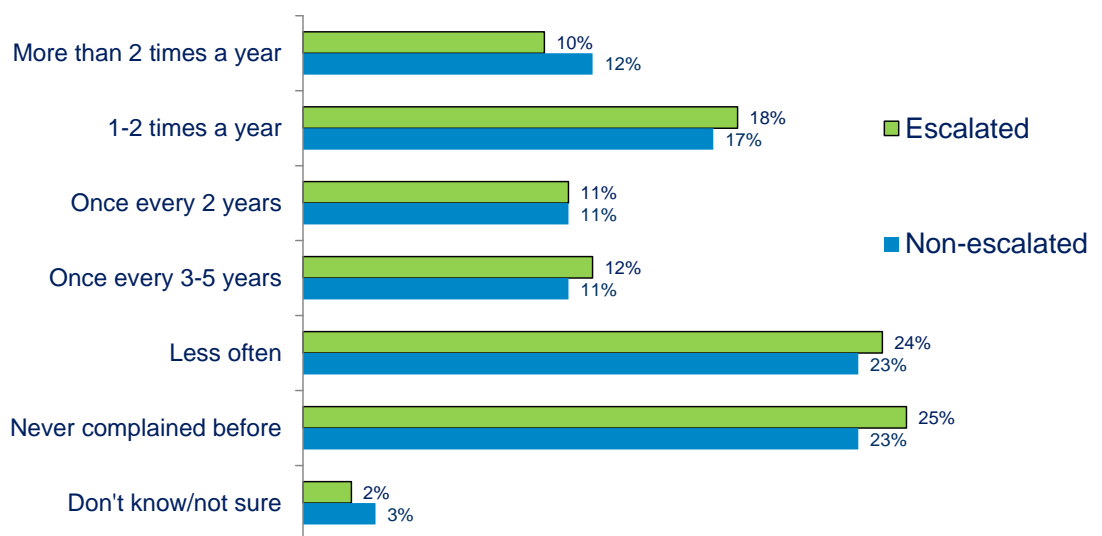
Ofgem wanted to understand if the profile of those customers who do and do not escalate to OS:E differed according to their complaints history and level of confidence in making complaints. This section shows there was very little difference between the profile of these complainant groups. However a range of different complaint histories and confidence levels were represented, and this will need to inform any future changes. This section also examines the experiences of those who did escalate their complaint to OS:E, with a view to identifying drivers of positive and negative experiences, and any facilitators/barriers to access observed by this group.

4.1 Previous experience of escalation and confidence in making a complaint

There was a range of different complaint histories represented in the quantitative survey. About one in four of those interviewed made a formal complaint (to an organisation) of some kind at least once a year, but conversely about one in two had either never made a complaint before or did so less than once every five years. There was virtually no difference in response between those who had escalated and those who had not escalated their complaint.

Figure 14: Frequency of making formal complaints

C1. How frequently do you make formal complaints?

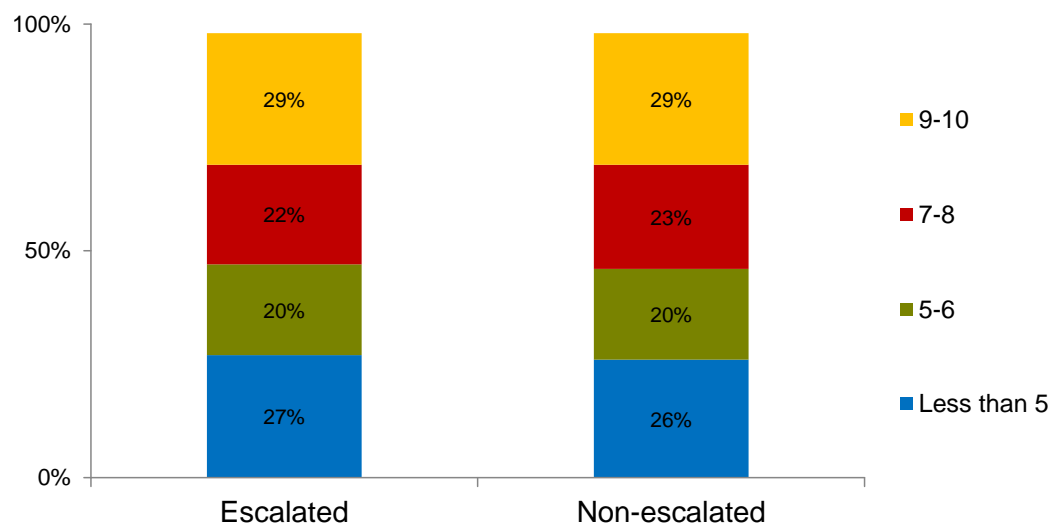


Base: All: Escalated 264, Non-escalated 890

Respondents in the quantitative survey were asked how confident they felt about dealing with organisations when making a complaint, using a 10-point scale (10 being the highest level of confidence). A mix of responses were elicited, with just over one in four giving a high (9 or 10) confidence rating, but a similar proportion giving a low rating (less than five). The pattern of response was the same regardless of whether the complaint had been escalated or not.

Figure 15: Level of confidence in dealing with organisations when making a complaint

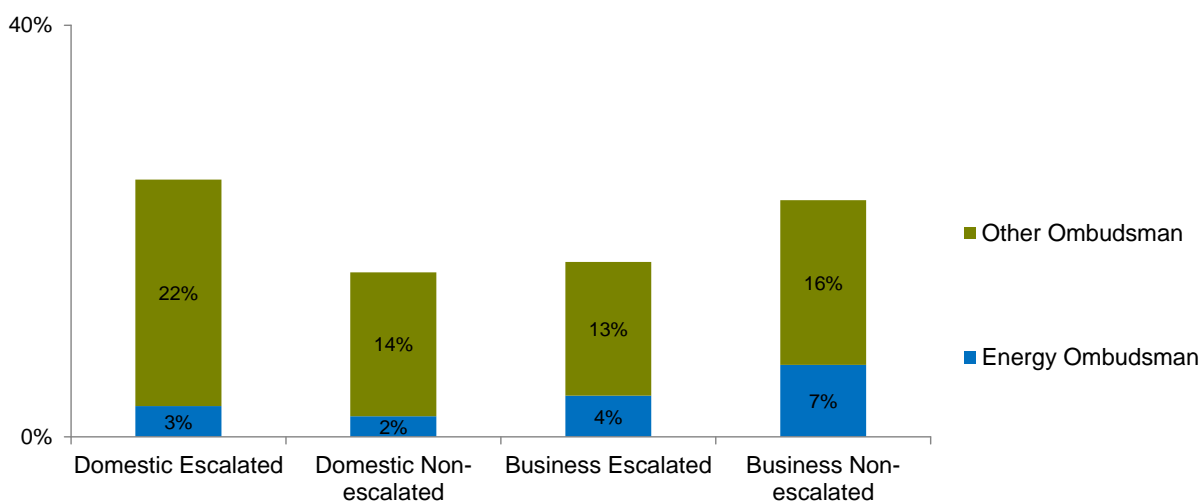
C2. (On a scale of 1 to 10), how confident do you feel about dealing with organisations when making a complaint?



Base: All answering: Escalated 261, Non-escalated 874

Only a small minority of those interviewed in the quantitative survey had made a complaint to OS:E before. However, a greater number had complained to an ombudsman in another industry, most notably among domestic customers who had escalated their complaint to OS:E in energy.

Figure 16: % complained to OS:E or another industry Ombudsman before C3. (Apart from the recent complaint), have you ever made a complaint to either OS:E or another industry Ombudsman before?



Base: All answering: Domestic Escalated 196, Domestic non-escalated 590, Business Escalated 65, Business non-escalated 286

4.2 Experiences of escalation

Most of those interviewed in the quantitative survey had escalated their complaint to OS:E to get the complaint resolved, as they did not feel that the energy supplier would do so and that escalation was the only way of achieving resolution. This was also true of qualitative participants who escalated their complaint to OS:E because they felt their complaint had either not been resolved by their energy supplier, or they were not satisfied with the outcome of the complaint investigation.

Qualitative participants reported mixed experiences of escalating their complaint to OS:E. Participants who reported a positive experience of having escalated their complaint to OS:E tended to do this having received a positive outcome overall. Consequently there were **two key drivers of positive experiences**:

- Escalation to OS:E - or the 'threat' of escalation to OS:E - had meant the complaint was dealt with and resolved, either by the supplier or by OS:E, in these instances.
- OS:E recommended in favour of the customer and the resolution met the expectations of the customer.

One example of a positive experience related to an instance where the participant informed the energy supplier they had contacted OS:E, and then received a response from the supplier the next day. Another notable example of a positive experience arose when OS:E sent the participant a written summary of the complaint, based on details relayed via a telephone call with OS:E. This provided important reassurance that OS:E were dealing with the case efficiently and effectively.

Similarly, those who reported a negative experience of having escalated their complaint to OS:E tended to do this having achieved a poor outcome overall.

There were **two key drivers of negative experiences**:

- Where OS:E was not supportive at the first point of contact and discouraged the customer from pursuing the complaint further.
- Where OS:E did not meet the customer's expectations in terms of complaint resolution.

One example of a negative experience involved the participant telephoning OS:E and feeling he had been dealt with poorly; he did not feel supported by them or encouraged to pursue the complaint further, and did not believe OS:E registered his case. In another example, a participant received a written summary of the complaint events from OS:E which was incorrect. In addition, OS:E's recommendation was also not what the complainant had wanted, or expected. One participant noted that OS:E had not found in their favour, which they were disappointed about and felt was a result of OS:E not fully understanding the complaint.

It is clear that both positive and negative experiences of OS:E were influenced by participants' expectations of OS:E and the extent to which those expectations were met.

One key factor participants who had received a Deadlock letter had not been made aware of prior to escalating their complaint to OS:E, and OS:E agreeing to investigate the complaint, was that the energy supplier would not communicate with them about the complaint once OS:E began formally handling it. Participants discovered this when they telephoned their supplier about the complaint and were told by the supplier that they would no longer discuss it. Participants were surprised by this, and some were frustrated they could no longer discuss the complaint with their energy supplier and that they had not been warned this would be the case in advance.

“I didn’t realise it was a Deadlock [letter] until I wrote to them and they [name of energy supplier] ignored me completely.”

Domestic, Deadlock letter, Birmingham

“I remember them saying if the case is already lodged with the Ombudsman, they [name of energy supplier] can’t call it back, they can’t do anything with that contract...Ombudsman will take care, they [the energy supplier] will not speak to us.”

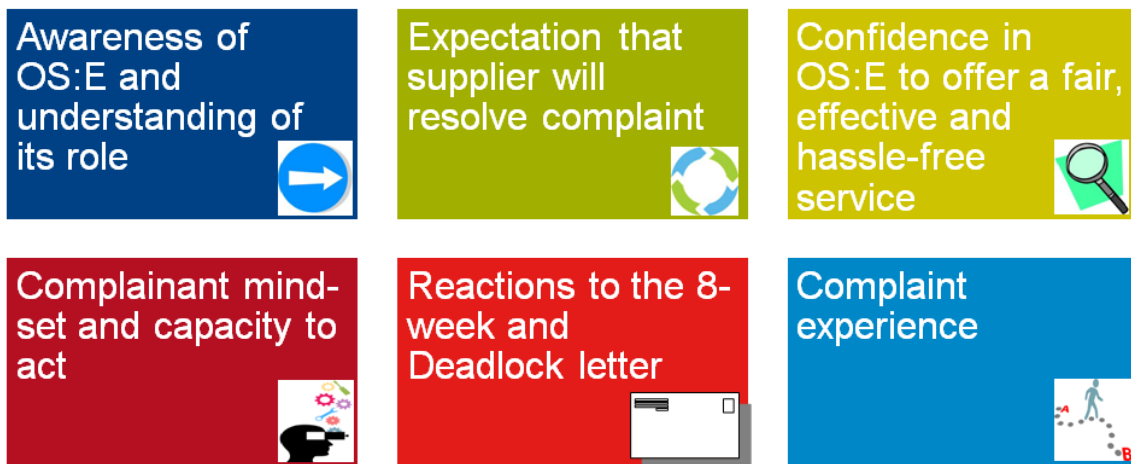
Business, Deadlock letter, Manchester

This was not mentioned as an issue by participants who had received an 8-week letter, as many had not escalated their complaint to OS:E at this point.

A couple of qualitative participants had decided to escalate their complaint to OS:E but were dissuaded from doing so by the energy supplier. These participants said they had been verbally advised by their suppliers that it was unlikely that OS:E would be able to help.

5 Motivations and barriers to escalating a complaint

A key objective of this study was to identify both incentives/enablers and barriers to escalating a complaint to OS:E. The study identified six factors that influence the ‘customer journey’ in terms of whether or not consumers escalate their complaint to OS:E:

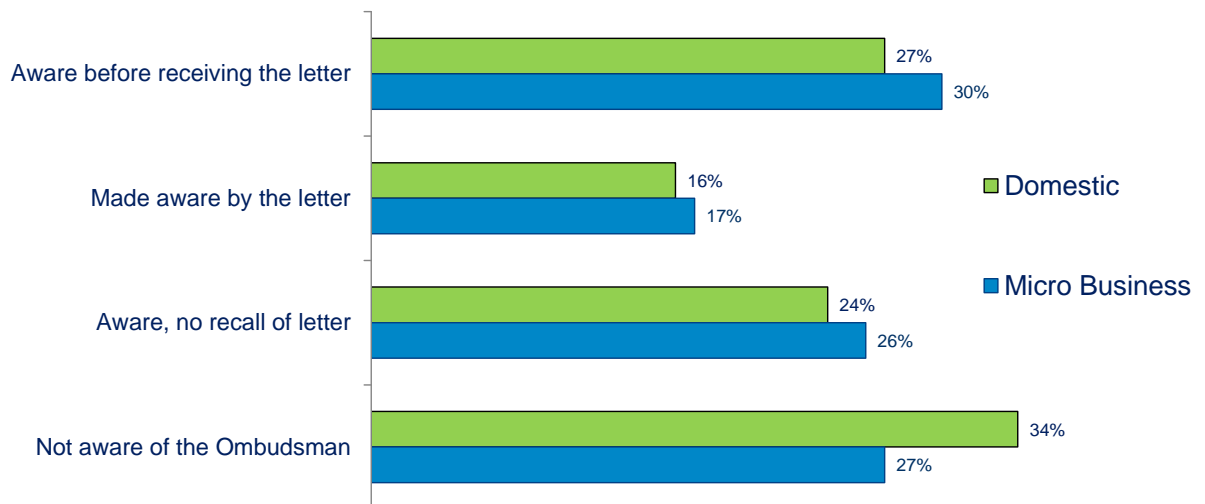


Each of these is discussed in turn below.

5.1 Awareness of OS:E and understanding of its role

The results from the quantitative survey revealed a sizeable proportion of those who had not escalated their complaint were unaware of OS:E, accounting for one in three domestic and one in four micro-business customers. Only a minority (about one in six) were previously unaware of OS:E but had been made aware by the 8-week or Deadlock letter.

Figure 17: Awareness of OS:E – Non-escalated
B14. Before you received the letter/before today, did you know that you could take your complaint to an Independent Energy Ombudsman?

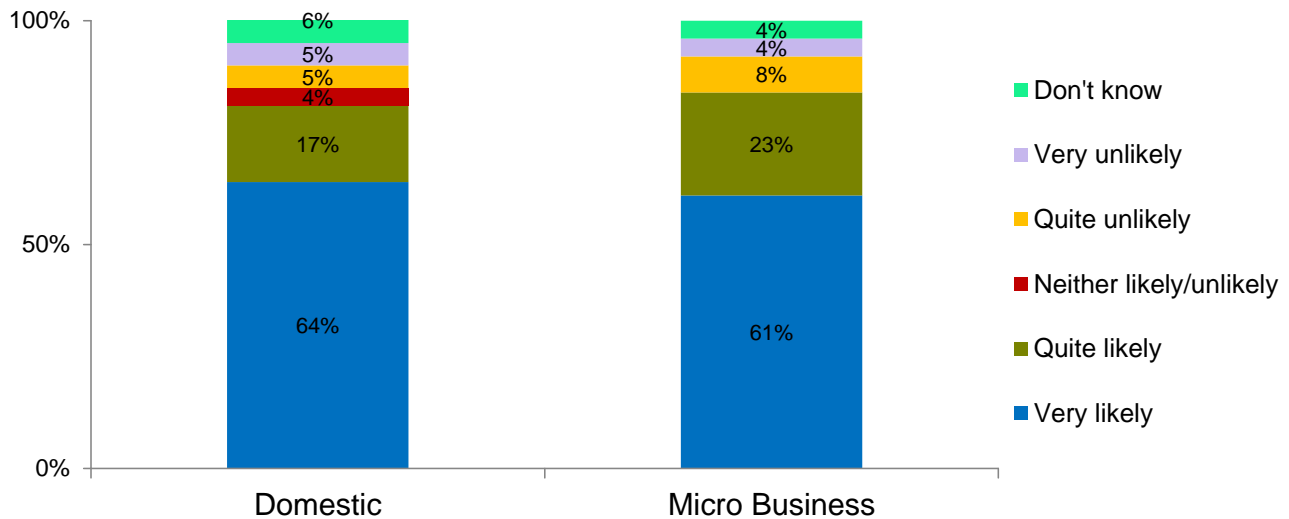


Base: All customers who did not escalate their complaint to the Ombudsman: Domestic 599, Micro Business 291

The quantitative survey also revealed that a high proportion of non-escalators would have taken up their complaint with OS:E had they known about OS:E beforehand. About two in three of those who were unaware of OS:E indicated that they would have been “very likely” to have made contact had they known about its role, and over eight in ten would have been “very” or “quite likely”.

Figure 18: Likelihood of contacting OS:E – Non-escalated customers

B20. If you had known about OS:E before, how likely would you have been to contact OS:E about your complaint?



Base: All not aware of the Ombudsman: Domestic 197, Micro Business 77

Qualitative participants had low awareness of OS:E. Most participants had heard of the term ‘ombudsman’ and knew that this related to dealing with disputes but knowledge of different types of ombudsman services was mixed. Some had heard of general ombudsman services through the media, for example on television programmes such as Watchdog and X-Ray or in newspapers.

“I have heard of them [ombudsman]...it was on TV the other day...on X-Ray.”

Domestic, 8-week letter, Wales

Participants commented that it was often ombudsman services relating to financial services that they had heard about. Others had heard of an ombudsman service through their employment, often because the company they worked for was regulated by an industry body who had mentioned a related ombudsman service.

“I suppose it’s the sort of thing I know because of work; formal complaints, litigation and processes.”

Domestic, 8-week letter, London

A small number of qualitative participants had previously used an ombudsman service and were therefore aware that other ombudsman services existed. A couple of participants also mentioned that their friends had used an ombudsman service.

“I’ve already contacted the ombudsman previously...I haven’t had much luck with the [financial] ombudsman...they take so long.”

Domestic, Deadlock letter, Birmingham

Qualitative participants who had escalated their complaint to OS:E were either aware of ombudsman services prior to making their complaint, or had carried out an internet search to find out where they could get help in getting their complaint resolved (and this search had signposted them to OS:E).

Those who had not escalated their complaint to OS:E included a mix of those who were aware of ombudsman services and those who were not. Some were aware of ombudsman services but for a variety of reasons decided not to escalate. Many participants noted that at the time they made and were dealing with their complaint with the energy supplier, an ombudsman or OS:E simply had not been top of their mind or something that they had actively considered.

When talking about and describing OS:E it was clear that there were mixed perceptions across the qualitative participants. Nonetheless, all participants associated OS:E with resolving disputes and complaints.

“My understanding of what their [Ombudsman] role is when you reach an impasse with a company...it’s somebody who really sits on the fence and looks at it objectively from both sides and comes back with a response.”

Business, 8-week letter, Manchester

“I would say the Ombudsman has the powers to adjudicate and his decision is final.”

Domestic, 8-Week letter, Scotland

Whilst all participants identified OS:E with resolving complaint and disputes, there was a **lack of awareness regarding the types of disputes and complaints they dealt with**. This led some participants to query whether their complaint would be considered ‘too trivial’ for OS:E to review.

“I think it’s got to be quite serious...if it’s something you really can’t agree on...I’m not sure my case qualifies.”

Domestic, 8- week letter, Wales

Resultantly, some participants were unsure whether it would or would not have been worthwhile escalating their complaint.

A key objective of the 8-week and Deadlock letters is to make customers aware of the role of OS:E, and how it can help them with their dispute. Participants in the qualitative and quantitative research were asked whether they remembered receiving a letter from their energy supplier to explore recall of these letters.

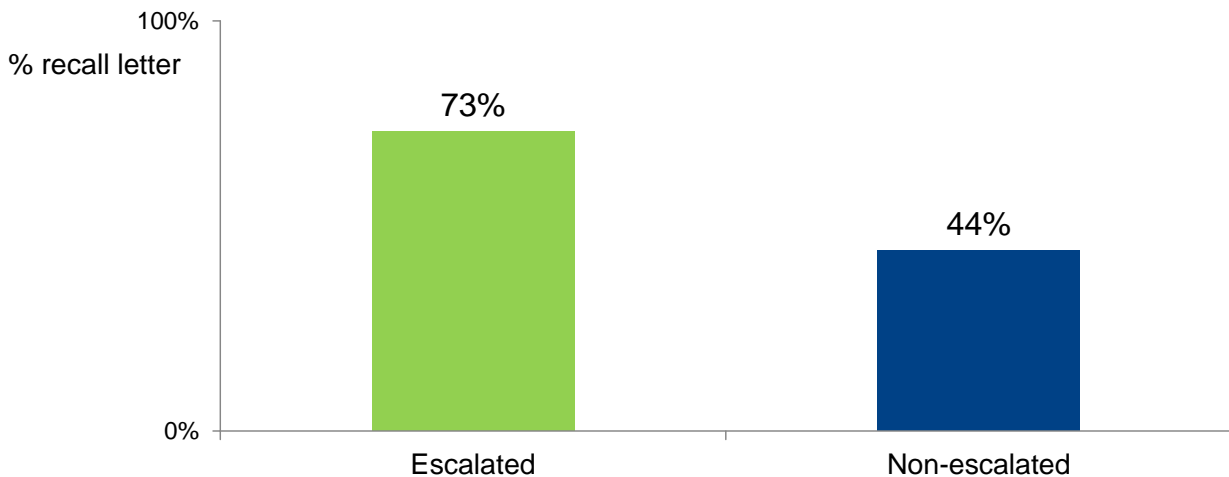
Across the qualitative research participants there was **mixed recall of the letters**. This is further discussed in section 5.5 in the analysis of the overall complaint experience.

From the quantitative survey, less than half (44%) of those who had not escalated their complaint recalled receiving the 8-week or Deadlock letter. However, recall of the Deadlock letter was higher than of the 8-week letter (66% compared with 41%).

Recall of the letter was higher (three in four) among those who had escalated the complaint.

Figure 19: Recall of letter

B5. Did you receive a letter from... (provider) that said you could take your complaint to an independent Energy Ombudsman to resolve your complaint?



Base: All: Escalated 264, Non-escalated 890

5.2 Expectation that supplier will resolve complaint

When discussing whether they had considered taking their complaint to OS:E, qualitative participants who had not escalated their complaint often noted that this was because they had hoped that it would be resolved by the energy supplier.

“My first thought is why would I go to the Ombudsman? I just want you [energy supplier] to resolve it - why are you sending me somewhere else?”

Business, 8-week letter, London

“I wanted to hopefully resolve my case with them [energy supplier]”

Domestic, Deadlock letter, Birmingham

Many complainants were keen to give the energy supplier time to arrive at a resolution and avoid involving a third party unless absolutely necessary. They did feel that they would be motivated to escalate the complaint to OS:E if the energy

supplier did not offer a satisfactory resolution, or took a long time to reach a resolution.

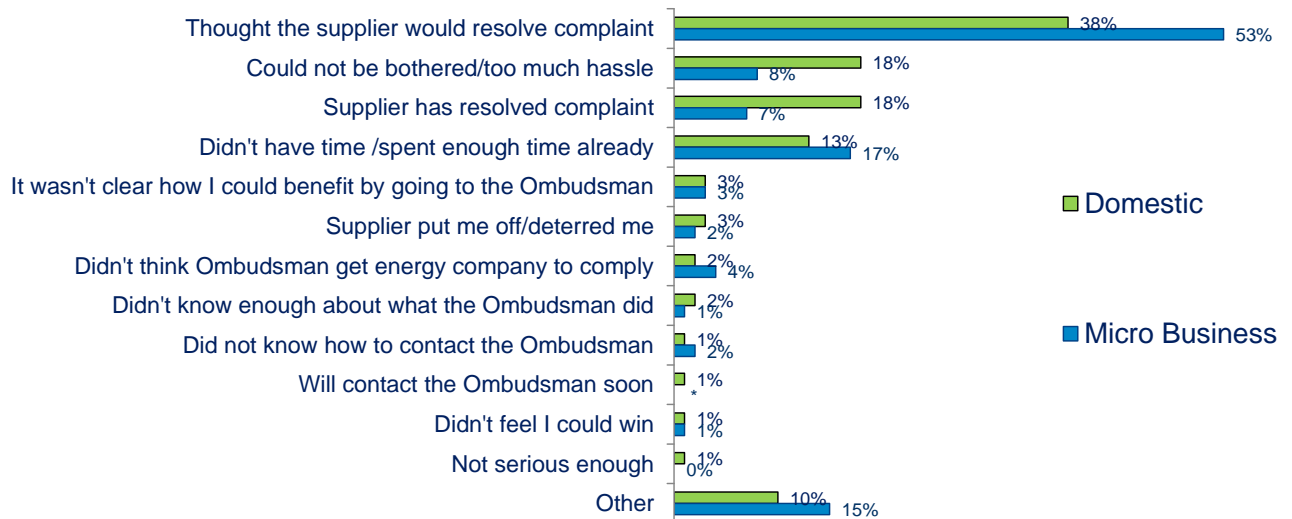
Those who were optimistic about reaching an agreeable resolution with their energy supplier often based this on telephone conversations with the company's staff, who reassured them that steps towards resolution were being taken. Those who considered themselves loyal customers of the energy supplier also often felt confident that their loyalty would be taken into account in reaching a timely and acceptable resolution. For these participants the 8-week letter reassured them that their complaint was being progressed.

Those who were more pessimistic about reaching an agreeable resolution with the energy supplier similarly based this on communications with the company's staff which had not been encouraging, or felt dissatisfaction with the length of time it was taking to reach a resolution. These participants were often cynical about the 8-week letter. Complainant mind set and capacity to act (as discussed in section 5.4) often determined whether participants expressing these views decided to escalate to OS:E.

The importance of complaint resolution was highlighted in the quantitative survey. Respondents who were aware of OS:E but had not escalated their complaint were asked why they had not done so. Answers were elicited spontaneously, and three key reasons emerged:

- Customers thought the supplier would resolve the complaint, this being particularly the case among micro-business customers.
- Customers thought it would be too much effort and too time consuming.
- Some thought the supplier had already resolved the complaint – this was mainly expressed by domestic customers.

Figure 20: Reasons why did not take complaint to OS:E
B16. Why did you decide not to take your complaint to OS:E?



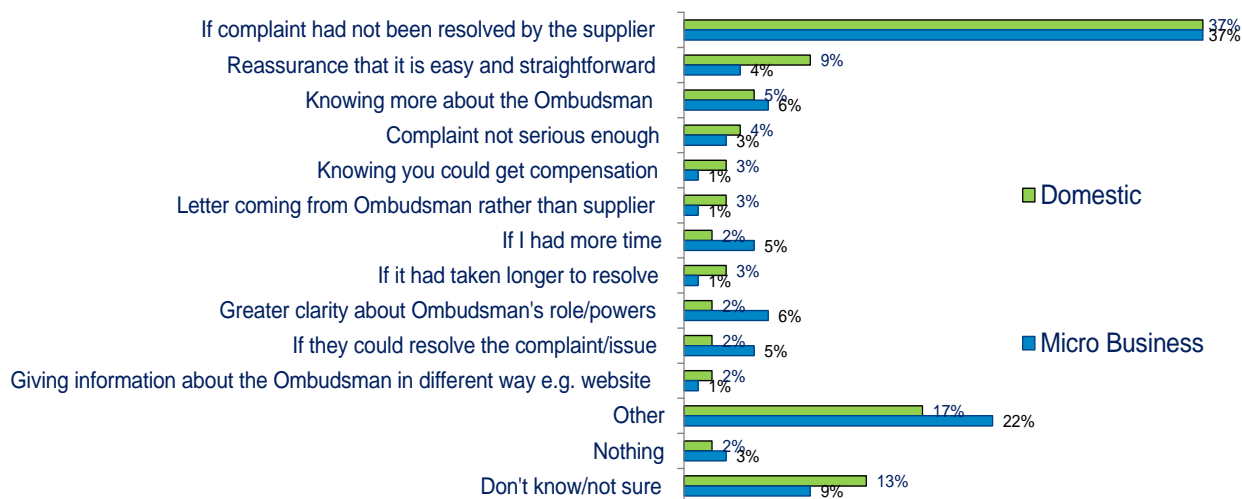
Base: All aware of but did not escalate complaint to the Ombudsman: Domestic 395, Micro Business 210

* = less than 0.5% mention

Those who were aware of, but had not escalated their complaint to, OS:E, were then asked what would have encouraged them to do so (answers were again elicited spontaneously). For many, the key factor would have been if their complaint had not been resolved by their energy supplier already, but for others they would have required more reassurance about what the process involved, such as knowing more about what OS:E did and that it would be an easy and straightforward process to go through.

Figure 21: Factors that would have encouraged taking complaint to OS:E

B17. What, if anything, would have encouraged you to go to OS:E?



Base: All aware of but not escalated complaint to the Ombudsman: Domestic 395, Micro Business 210 Only mentions of 2% or more show

However, it is clear that for many their complaint had not been resolved, several weeks after reaching the 8-week point or Deadlock. Therefore, there would appear to be a clear rationale for these customers to escalate their complaint to OS:E, especially when most customers perceived their complaint to be serious in nature.

5.3 Confidence in OS:E to offer a fair, effective and hassle-free service

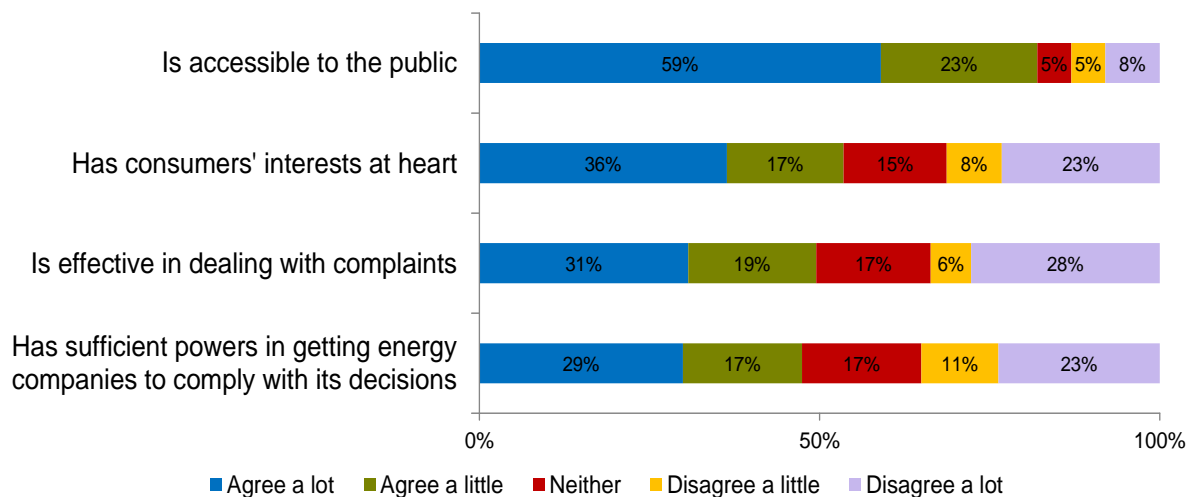
Those aware of OS:E in the quantitative survey were asked how much they agreed or disagreed with a series of statements about OS:E relating to its reputation and perceived effectiveness. The purpose of this was to find out if there were any perception-based barriers regarding the usefulness of OS:E which were putting off complainants from using its services.

Looking first at perceptions of **those who had escalated** their complaint, most agreed that OS:E is accessible to the public. However, opinion was more mixed when thinking about the effectiveness of OS:E in dealing with complaints, and having sufficient powers in getting energy companies to comply with its decisions, with about one in three disagreeing with these statements. Similarly, about one in three disagreed that OS:E has the consumer interest at heart. These responses

were driven to a considerable extent by whether or not the respondent’s complaint had been resolved, with those indicating that the complaint had not been resolved viewing OS:E more negatively – 38% disagreeing compared with 18% of those who had their complaint resolved.

Figure 22: Attitudes towards OS:E – Escalated customers

B19. How much do you agree or disagree with each statement: The Energy Ombudsman ...?

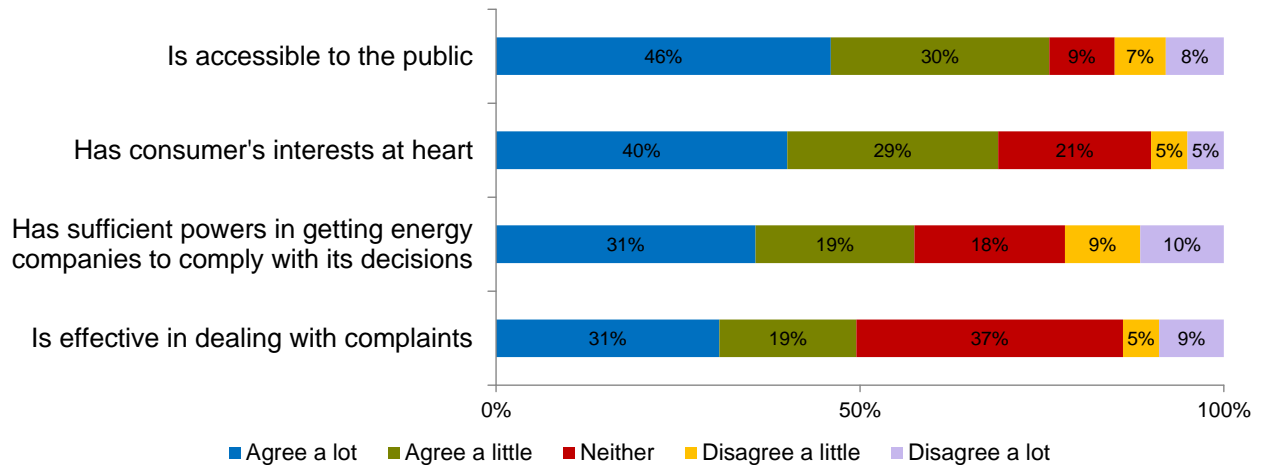


Base: All who escalated their complaint and aware of the Ombudsman: 264 (Excluding Not stated responses)

Those aware of OS:E **who had not escalated** their complaint tended to view OS:E more positively, with fewer concerns about its effectiveness and powers and whether it has consumers’ interests at heart. This suggests that the key barriers to escalation were not related primarily to customer confidence in its ability to perform its role. Nor was there much evidence that accessibility was a barrier, with three in four thinking that OS:E is accessible to the public.

Figure 23: Attitudes towards OS:E – Non-escalated customers

B19. How much do you agree or disagree with each statement: The Energy Ombudsman ...?



Base: All who did not escalate their complaint and aware of the Ombudsman: 616 (Excluding Not Stated responses)

However, some qualitative participants queried whether OS:E could really be independent from energy suppliers. Many of those who had not escalated their complaint to OS:E, and the perceptions of those prior to escalation, was that whilst they understood that OS:E operated independently from energy suppliers, there was some cynicism about whether OS:E would not find in favour of energy suppliers. Some participants spontaneously used the phrase ‘no teeth’ when describing their view of OS:E.

“The energy company is too powerful for the Ombudsman, I don’t see them being scared of the Ombudsman, they’re a lapdog to the Government.”

Domestic, 8-week letter, Scotland

“I don’t think you can ever have an organisation that makes decisions that might potentially cause problems with energy suppliers.”

Domestic, 8-week letter, London

This cynicism was often driven by the **perceived lack of publicity and information** around OS:E outcomes. Participants noted that they did not hear about OS:E cases in the media and felt that hearing about these cases, including those where the outcome was in favour of the complainant, could help increase the profile of OS:E and communicate its effectiveness.

“Maybe OS:E should advertise who they are, then the general public would know that they are a service outside of the energy companies...when you hear of a government body applying a £10 million fine that shows what they are all about [news article about Ofgem fining SSE.]”

Domestic, Deadlock letter, Scotland

“How do you get in touch with the Ombudsman? They don’t advertise it, they don’t let anybody know.”

Domestic, Deadlock letter, Birmingham

Across the qualitative research it also became clear that, for some, **receiving information about OS:E directly from the energy supplier** reinforced cynicism that OS:E lacked independence.

“...on the second page [of the 8-week letter], about the energy Ombudsman, the way it’s written, it almost sounds as though they’re an extension of the supplier because it’s all wrapped up in ‘We’ve done all that we can, here’s the Ombudsman’...there’s one line saying they’re [OS:E] independent...that wouldn’t reassure me...because it doesn’t tell me enough about the Ombudsman’s role, how and why they’re independent and the fact that they’re not tied to or linked with energy suppliers.”

Domestic, 8-week letter, London

Qualitative participants also expressed some **concerns regarding how easy it would be to escalate** a complaint to OS:E. Many of those who had not escalated

their complaint to OS:E, and the perceptions of those prior to escalation, assumed that the process would be difficult, lengthy and involve large amounts of form filling and bureaucracy. This was of particular concern and a deterrent for those who lacked confidence in personally navigating official processes. Participants sought reassurance that the process would be easy and efficient.

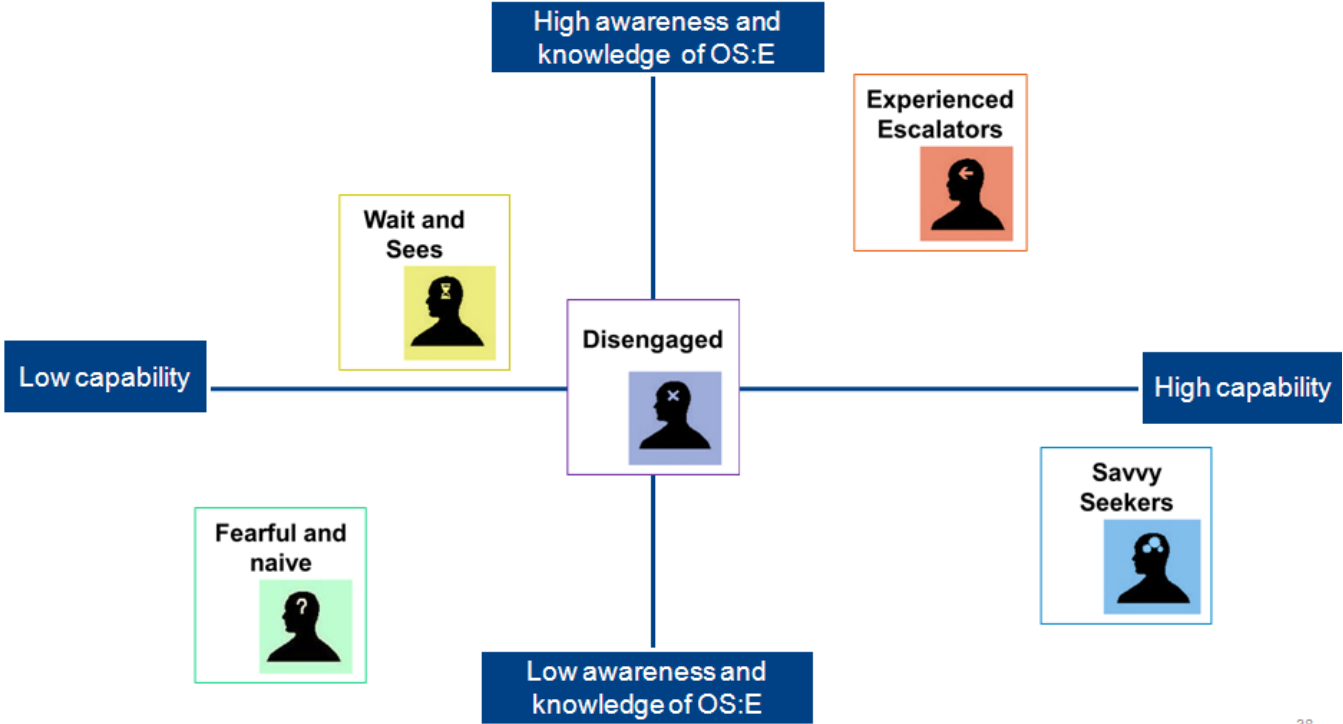
However, some qualitative participants specifically talked about approaching OS:E as a way to 'galvanise' the energy company to come to a speedy and satisfactory resolution. These participants felt that informing the energy company that they intended to, or had contacted OS:E could act as a 'threat' which could encourage them to resolve the complaint. This point of view was confirmed for some who had taken this approach, or simply told the energy company that they had gone to OS:E and had found that their complaint had been resolved shortly after.

5.4 Complainant mind-set and capacity to act

Across the qualitative research five typologies of complainants emerged, with different attitudes towards complaint escalation. These typologies became evident through the qualitative analysis but no attempt has been made to quantify these typologies. The five ‘complainant mind-sets’ identified were:



The complainant mind-set affected people’s propensity to escalate and confidence in escalating their complaints to OS:E. Two key factors influence a complainant’s mind-set: **perceived capability** in dealing with official processes and **awareness and knowledge of OS:E**. The diagram below shows how these factors interact and drive the mind-sets.



5.4.1 Experienced escalators

Experienced escalators have good awareness and knowledge of ombudsmen services in general, often with spontaneous knowledge that there is an ombudsman service for energy supplier disputes. Confident in their ability to navigate official processes and complaints procedures, experienced escalators will often take their complaint to OS:E with ease. Similarly, they will often tell the energy supplier that they intend to do so with the hope that the ‘threat’ will result in an acceptable resolution.

Experienced escalators are keen to resolve the complaint quickly and efficiently and prefer not to wait too long before they escalate.

Overall, experienced escalators feel in control of their finances and energy bills and have high levels of supplier switching to ensure they get the best deals. When dissatisfied with the way a complaint has been handled they are keen to switch supplier at the earliest opportunity.

Experienced escalator: case study

What happened
 Brian first encountered problems after a pre-payment meter was changed in one of his rented properties. He started receiving bills for large amounts of money, and when he queried this, he was told by the energy company that they believed the previous meter was under-charging and therefore money was owed.

Brian and his wife rang the energy company on a number of occasions to try to get to the bottom of this dispute. The account holder was a previous tenant who no longer lived at the property, and Brian believed it was not his responsibility to pay the bill as he had never lived there nor was he the account holder.

The energy company contacted Brian on a few occasions about non-payments and to try and track down the previous tenant. This frustrated Brian as the previous tenant had left the property over 5 years ago and he did not know how to contact them.

Brian is 70 years old and lives in a 5 bedroom property in an affluent suburb. He used to work in banking but now owns and rents out properties. He researches online for the best energy deals and switches suppliers for all of his properties from time to time.

Current Situation
 Brian did receive an 8 week letter but; *'we throw them in the bin.'*

On the last occasion the energy supplier called, he threatened to take his issue to the OS:E and found that the calls and letters stopped coming after that. He feels that the complaint has now ended as the energy company ceased contact regarding the complaint.

He was previously aware of the Ombudsman as he had used them before, but did not feel it was necessary to go to them on this occasion. He felt that he would have gone to the OS:E if the energy company had continued to contact him regarding non-payment.

Experienced Escalators

"I threatened them and said 'If you send me another bill, I'm going straight to the Ombudsman.'"

5.4.2 Savvy seekers

Savvy seekers display some similarities to experienced escalators. They are also in control of finances and energy bills and feel at ease with following official procedures and processes.

However, *savvy seekers* are less aware of ombudsmen and whilst they may have heard of the term 'ombudsman' they tend not to spontaneously think about an ombudsman service relating to energy. *Savvy seekers* become frustrated with the length of time their energy supplier is taking to progress or resolve their complaint or the way in which the complaint is being handled. This leads them to consider escalating their complaint outside of the energy supplier but they lack awareness of where to escalate. They are proactive and seek out information about escalation routes with most using internet search engines that signpost them to OS:E. Once

aware of OS:E they are confident with escalating and tell the energy supplier that they intend to do so.

Savvy seeker: case study

Geoffrey is retired and lives with his disabled wife in a 3 bedroom end of terrace house. He is very organised and keeps a lever arch folder with all correspondence from the energy company. He keeps an eye on his bills and will switch if he knows he can get a better deal elsewhere.

Savvy Seekers

"I said the only way to resolve it is to go to the Ombudsman... [because] there is nobody who fights our corner for the customer... [however] I don't know if the Ombudsman's got any teeth."

What happened
Geoffrey changed to his current energy supplier when a sales representative knocked on his door and told him he would pay less if he switched to them. However, when his first bill arrived, it ended up being more expensive than his previous supplier which left him feeling angry.

Geoffrey had signed up to pay a monthly fixed amount by direct debit. He expected the money he paid in the summer months to contribute towards the winter months when he would have a higher energy consumption. However, the energy supplier kept changing the amount that was taken out of his bank account, and so he made a complaint.

He had numerous phone calls with the energy supplier about his direct debit payments and meter readings, which was eventually sorted and he is now in credit with them.

Current Situation
Geoffrey has since switched energy suppliers but feels that his complaint is not settled and he is taking it forward to the Ombudsman.

He would have taken it forward earlier, but was unable to because his wife had been quite ill.

He is not sure what the outcome of his complaint will be, partly because he is not familiar with the role of the Ombudsman.

"I'm referring it to the Energy Ombudsman... I've got no intention to work with an organisation who says 'Right, as far as we're concerned the complaint's closed, therefore it is'.... and I guess it's me... I'm saying 'No, I'm not having it.'"

5.4.3 Wait and sees

Wait and sees have lower levels of self confidence in dealing with official procedures and processes. Whilst some are aware of ombudsman services and assume there is a service relating to the energy industry, they prefer to wait and see if the energy supplier will resolve the complaint.

Their preference to wait and see is sometimes driven by a lack of self-confidence in escalating the complaint, but also based on:

- competing priorities in life and the perception that it will be easier if it can be resolved with the energy supplier (i.e. through one party, rather than two), and;
- some lack of confidence in OS:E and confusion about whether it is there to help ‘customers like them’. As part of this, many in this group question whether their complaint is too trivial, and express concern about whether the OS:E complaint escalation process will be too difficult and onerous.

A couple of *wait and see* participants had considered going to OS:E but said they had been encouraged by their energy supplier not to do so. These participants said they had been verbally advised by their suppliers that it was unlikely that OS:E would be able to help.

Wait and sees: case study

What Happened
When Anne first moved into her property in 2011, she was contacted by her energy supplier to find out her details in order to set up her account. 9 months later, Anne had not received her first bill, so she rang her energy company to find out what was happening and she had also decided to switch energy suppliers. She was told that she did not have an account and would have to wait a couple of weeks for this to be set up before she could switch to her desired energy supplier.

Anne rang her energy company on numerous occasions to try and set up her account with no luck. She was worried that because she had not paid an energy bill for some time, she owed a large amount. She stopped calling them as she was becoming very frustrated and decided to wait for them to contact her. A couple of months later, she started receiving bills in quick succession and found it difficult to keep on top of her payments, so she complained.

Anne received an 8 week letter, but felt reassured to some extent that her complaint was being resolved. She had considered taking it to OS:E, but she was talked out of it by the energy supplier. Anne received a goodwill payment from her energy supplier, but did not feel this was adequate. She continued to ring the energy company on numerous occasions to try and resolve the situation.

Current Situation
Anne received a deadlock letter, and was shocked by this. She wanted to resolve the issue with her energy supplier, but now believes that her case was not being dealt with at all.

Anne has now taken her complaint to OS:E and she is waiting to hear back from them. She is not sure what the outcome will be, partly because she had not heard of OS:E prior to this situation.

"I had considered it many times [going to the Ombudsman] but to me it's more work. My life's quite busy...when my kid's around I can't concentrate...it's unfair...to push [them]out because I'm on the phone to these people all the time...it has an effect on family life...constantly on the computer researching their policies, looking at their complaints procedures...to try and see why these people are treating me this way"

Wait and Sees

"They [supplier] made me believe all the way along that it was being resolved...thinking about it now, when the account wasn't opened I should have rung the Ombudsman, I wouldn't have been in this mess now."

Anne is a single parent and lives in her new build two bedroom property with her young daughter. She works part time and manages to pay her energy bills on time by careful monitoring of her heating and hot water use.

5.4.4 Fearful and naïve

Participants with a *fearful and naïve* mind-set have low self-efficacy in being able to navigate official forms and processes and lack confidence about their ability to escalate a complaint. Coupled with very low awareness of OS:E, *fearful and naïve* participants only approach OS:E as a last resort. A negative experience of escalating can reinforce their view that escalating a complaint is difficult.

Fearful and naïve participants often consider themselves to be loyal customers of their energy supplier and envisage that this will be taken into account when their complaint is being dealt with. They expect to be treated fairly and for the process to be efficient, and where this is not the case they are disappointed and angry. Some are then keen to change supplier but find this difficult because they are both emotionally and financially tied to the supplier.

Communications received by energy suppliers are a particular concern for this group of customers. They find letters threatening and worrying but lack confidence and awareness of how to seek help.

Fearful and naïve: case study

Sandra is 45 years old and has been with the same energy supplier since she was 18 years old. She lives with her husband and 2 boys in a 3 bedroom terraced house and was recently made redundant.

What happened
Sandra arranged a 36 month payment plan with her energy supplier because her family were experiencing financial difficulty. However, when she received her monthly bills, it did not acknowledge her payment plan and said that she was in arrears. She rang her energy company numerous times to try and resolve this problem, and spoke to a different member of staff each time. None of these conversations were confirmed in writing, which made Sandra very distressed when she received letters that contradicted all verbal agreements. She is now worried that the energy company will send bailiffs to her home.

"Because I had such a poor response with them [Ombudsman], I was reluctant to go down that route again...I always find when speaking to the Ombudsman that they're very long winded and the letters are very formal, and I think that would put someone off...They don't make it very user friendly...because of the terminology they put in"

Current Situation
Sandra has recently taken her complaint to OS:E and is waiting to hear back from them. She was reluctant to go to them but felt she had no choice, as she believes her energy company are not trying to resolve her situation.

She had contacted OS:E before but was told her case was over nine months old so they would be unable to help her. This had led to her not having a positive perception of OS:E, and feels unsure of the outcome of her case.

Fearful and naïve

"I think a lot of the letters I've had from them [supplier] would frighten people: 'It's our right to enter your home.' ...Can they force entry? I don't know, and I have nowhere to find out."

5.4.5 Disengaged

Those who fall into the Disengaged mind-set include consumers who feel strongly about their complaint with the energy supplier but simply decide that they no longer have the energy or motivation to continue the dispute. These participants tended to disengage for two reasons:

- **External priorities:** other things in life are more important, meaning they are unwilling to spend more time on the complaint. This can include day-to-day priorities such as work (especially for micro-businesses) or family life. This can also include life-events or crises – examples cited in the research included diagnosis of a family member with a serious health condition and personal involvement in a serious car accident.

- Disillusionment with the process:** participants simply become frustrated with the process, the length of time that it is taking, and feel that they are ‘not getting anywhere’. In some instances, reference to the need to take the complaint up with a third party – such as Royal Mail⁸ – further frustrated participants who felt that this added another complicated step into the process. It is worth noting that OS:E was often seen as a third party which meant that these participants were often reluctant to involve OS:E. Those who were disillusioned generally decided that instead of spending more time dealing with the complaint they would prefer to change supplier at the earliest opportunity.

Disengaged: case study

What Happened
Phil first encountered problems with his energy supplier when he was sent a final bill because he was moving out of his rented property. The final bill was very high, and Phil believed that he had not consumed as much energy as the bill claimed.

He rang the energy company and complained, which they disputed and started to chase him for money. He wrote them a formal letter and included the final meter reading which was provided by the management company of the building he rented. He also paid the energy company the amount he expected the bill to be. He sent the energy company a letter because he wanted something back from them in writing to acknowledge his complaint. All of his communications with the energy company had been by telephone and he felt that he had nothing concrete.

A month later, and Phil had not received a reply from the energy company, so he called them. He wanted to resolve the issue as quickly as possible and stated that he would not pay over a certain amount of money.

Current Situation
The energy company stated that they would accept the amount that Phil said he would not pay over, and the matter would then be resolved.

Phil paid this amount to the energy company, but in hindsight thinks the amount was more than what he should have paid. However, by this point Phil wanted the complaint resolved as quickly as possible, and thought this was the easiest option.

He did not take his case to OS:E because he felt he did not have the time to escalate his complaint.

Disengaged

"I ended up paying £100 more than I thought the meter reading was but by that time I was quite fed up! ...[I did not escalate my case to the Ombudsman] because at the time it's not something I could really be bothered to do."

Phil is a contractor and frequently works in different locations. He lives in rented accommodation depending on where his work takes him. He doesn't mind which energy supplier he uses, as he only lives in rented property for a few months at a time before he has to move again.

⁸ One participant described how he complained to his supplier after encountering problems in terminating his contract. The supplier said they had sent the participant a renewal contract letter and that The Royal Mail's track and trace service showed the letter was signed for. The participant said it was not his signature and he had not received the letter; and was told by the supplier that this would "need to be taken up with The Royal Mail."

5.5 Reactions to the 8-week and Deadlock letters within the context of the complaint experience

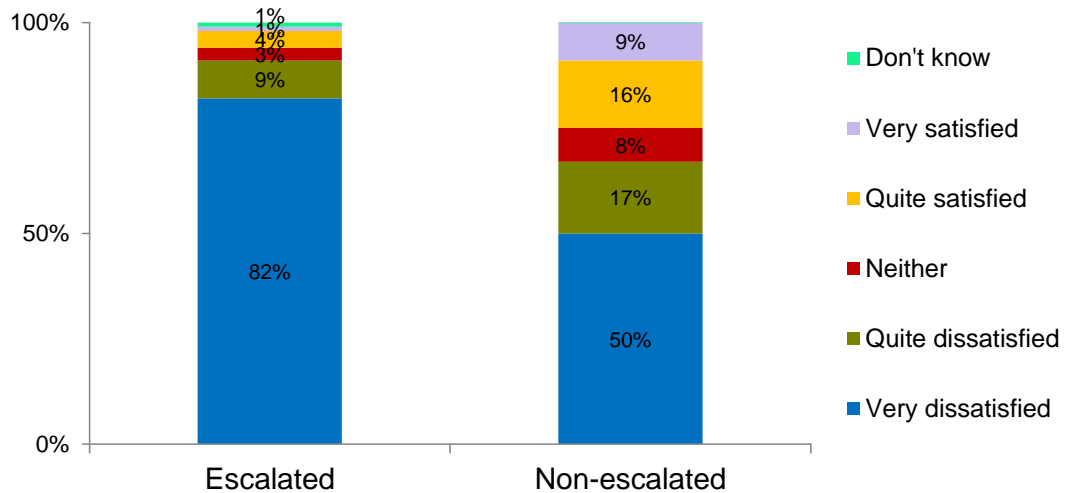
Ofgem wanted to understand the context in which complainants make their decision about whether or not to escalate to OS:E, to see if this presented any important barriers or opportunities for improvement. The evidence shows that the decision sits within a broader ‘complainant journey’ and that the effectiveness of key customer communications has an important bearing on how consumers’ view their options. This section also explores how factors such as satisfaction with suppliers’ complaint handling processes and engagement with the 8-week and Deadlock letters influences complainants’ choices and outcomes.

5.5.1 Satisfaction with supplier complaint handling

The quantitative survey revealed a high degree of dissatisfaction with the way the energy supplier had handled the customer’s complaint, regardless of whether or not they had escalated it to OS:E. There is little evidence that non-escalation was due to satisfaction with the way the energy supplier was handling the complaint.

Figure 24: Satisfaction with the way supplier handled complaint

B4. Overall how satisfied are you with the way that...(provider) handled your complaint?



Base: All: Escalated 264, Non-escalated 890

These high levels of dissatisfaction suggest that complainants were receiving information about OS:E in the context of a largely negative experience, via a party with whom they were mostly dissatisfied. The qualitative research shows that information about OS:E contained within the 8-week and Deadlock letters did not communicate as effectively as it could have done that OS:E is an independent and free service, and how to go about contacting OS:E.

5.5.2 Communication with energy suppliers during the complaints process

Although the range and nature of the complaints varied across the qualitative participants, there was often a mixture of written and telephone communications between the participants and energy companies whilst the complaint was being investigated.

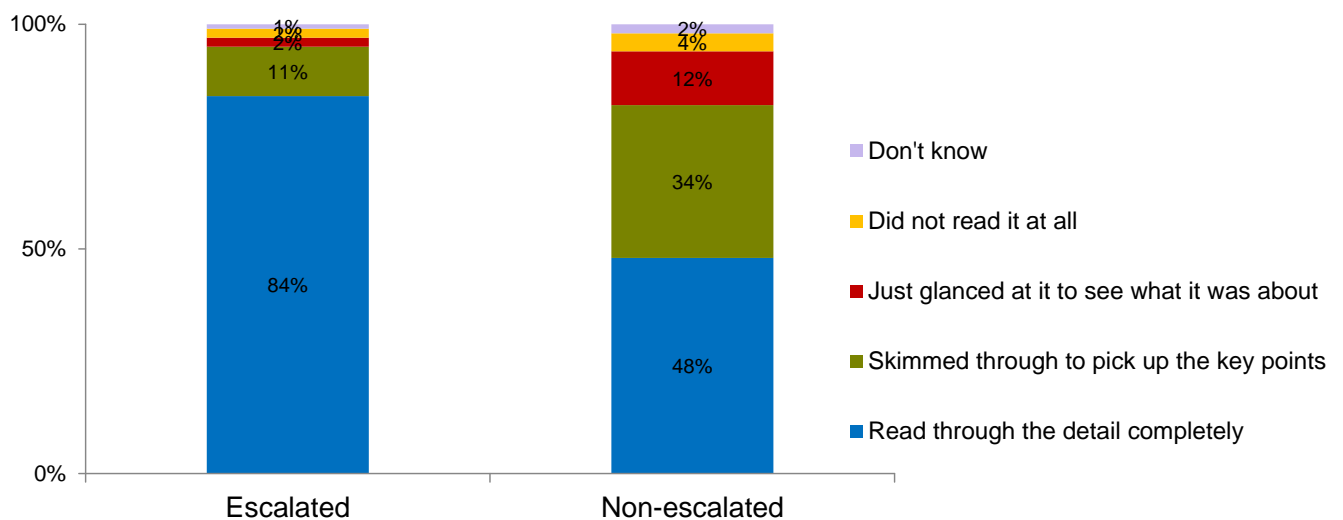
As well as the frequency and quality of the differing types of communications, the tone of the communications was also a key aspect in contributing to participants' complaint experiences.

5.5.3 Written communications

As indicated in section 5.1, awareness of the 8-week and Deadlock letters was mixed. The quantitative survey also reveals that only a minority had read through the notification letter from the energy supplier in detail. Those who recalled receiving the 8-week or Deadlock letter were asked how much of it they had read. Whilst most of those who escalated their complaint had read through the detail of the letter completely, just one in two of those who had not escalated the complaint had done so. This suggests that engagement with the letter is an important determinant of what consumers do next. There is an opportunity therefore to increase consumers' engagement with the escalation process by improving the letters.

Figure 25: Detail in which letter read

B6. In how much detail did you read the letter?



Base: All who recall receiving the letter: Escalated 187, Non-escalated 404

The lack of engagement with the notification letters is illustrated further by the fact that recall of its content was patchy, especially among those who had not escalated their complaint.

Those in the quantitative survey who had read the 8-week or Deadlock letter were asked what if anything they recalled reading about in the letter. One in three of

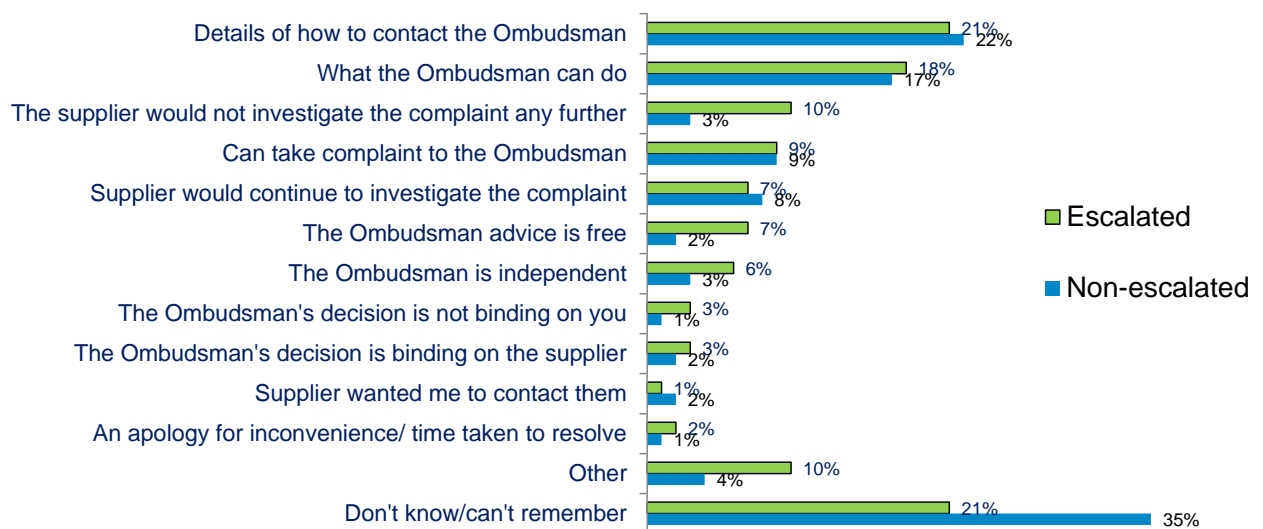
those who had not escalated their complaint could not spontaneously recall any of the detail, and whilst some could recall reading details of how to contact OS:E and what it could do, few could recall specific details of its role.

In contrast, those who had escalated their complaint were more likely to recall specific details in the letter, namely that the:

- Ombudsman is free.
- Ombudsman is independent.
- Ombudsman’s decision is not binding on the customer but is on the supplier.

Figure 26: Spontaneous recall of letter content

B7. What if anything do you recall reading about in the letter?



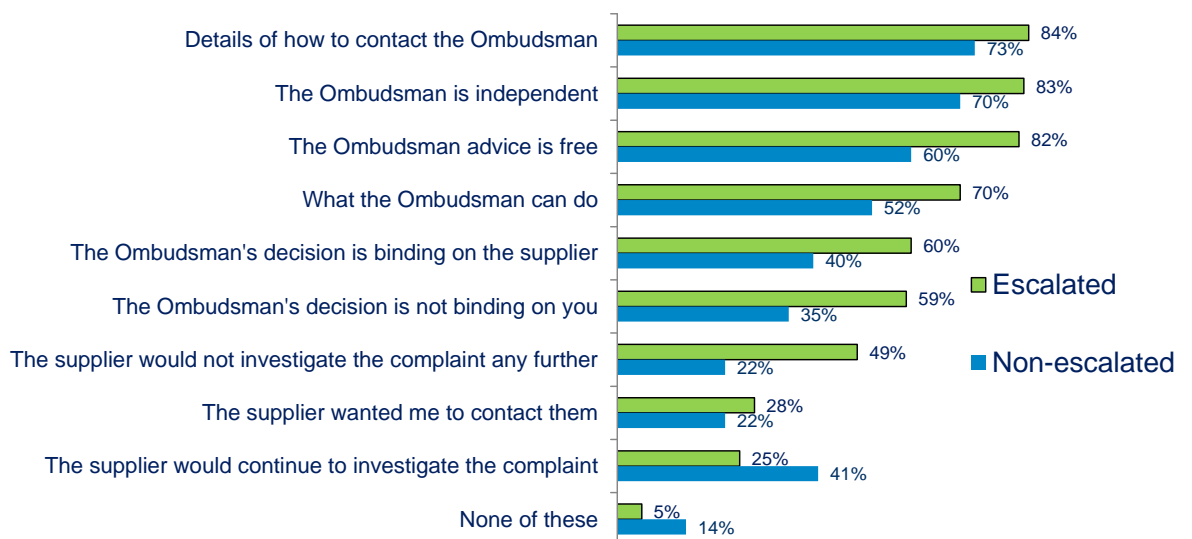
Base: All who read the letter: Escalated 181, Non-escalated 379

Only mentions of 2% or more shown

Having given their spontaneous recall, respondents in the quantitative survey were prompted with a list of its content and asked whether they had read any aspect of it in the 8-week or Deadlock letter. After prompting, recall levels were higher, particularly among those who had escalated their complaint. However, only a minority of those who had not escalated their complaint recalled reading that the decision is binding on the supplier, and not binding on the customer. Notably, among those who had not escalated their complaint a greater proportion recalled reading that the supplier would continue to investigate the complaint than recalled that the supplier would not investigate the complaint any further.

Figure 27: Recall of letter content after prompting

B8. Did you read that....?

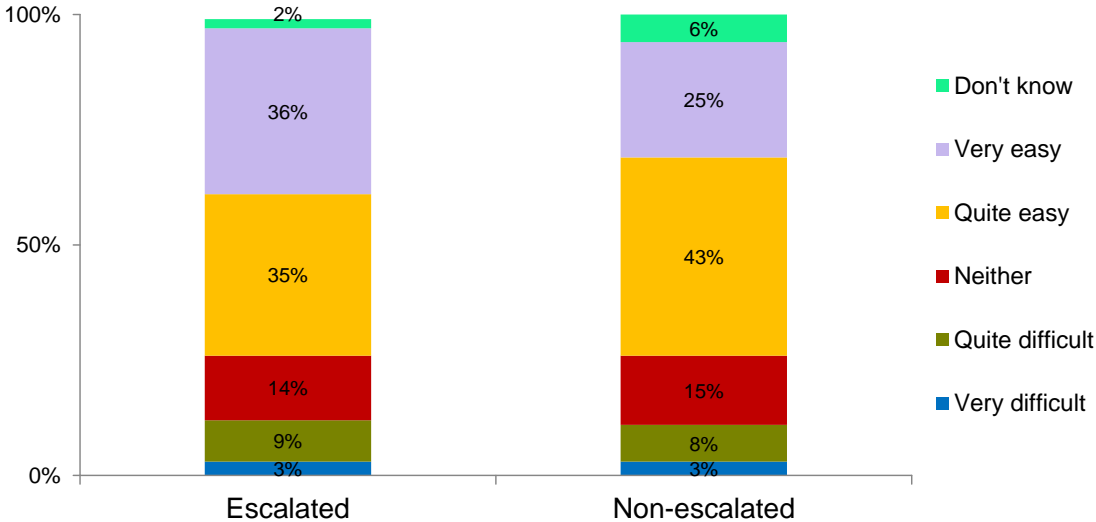


Base: All who read the letter received: Escalated 181, Non-escalated 379

Most of those from the quantitative survey who read the 8-week or Deadlock letter thought it was very or quite easy to read, but over one in ten considered it difficult to read, and this was the case with both those who had escalated their complaint and those who had not.

Figure 28: Ease of understanding the letter content

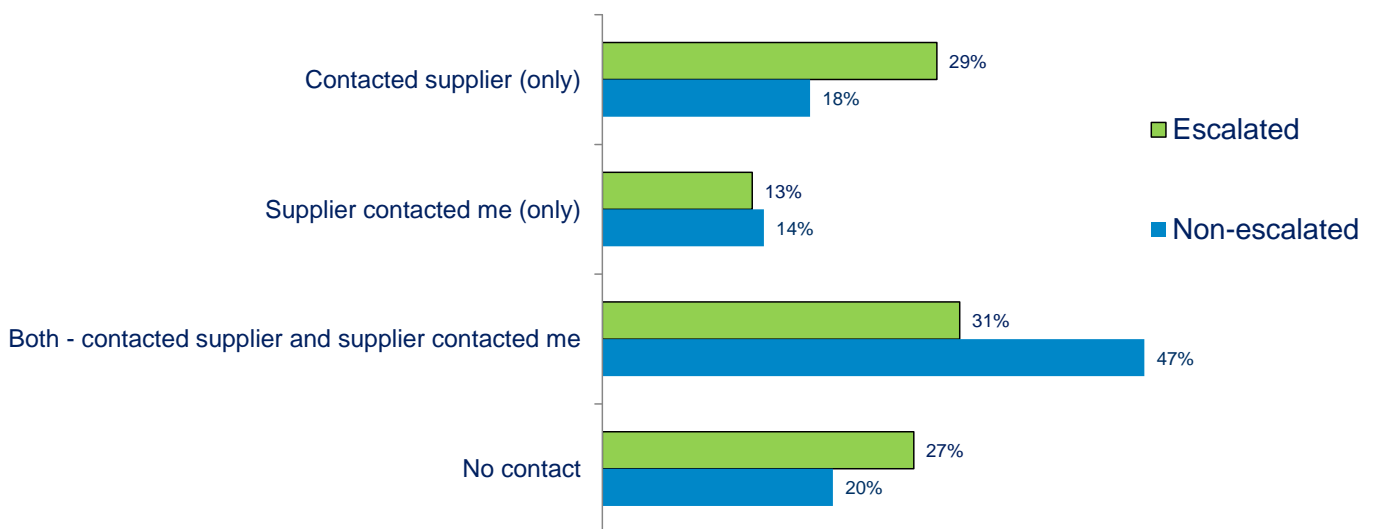
B9. How easy was it to understand the content of the letter?



Base: All who read the letter: Escalated 181, Non-escalated 379

The quantitative survey also revealed that a sizeable proportion of customers had no further contact with the energy supplier following receipt of the 8-week or Deadlock letter. One in five of those who had not escalated their complaint had no further contact. Those who had escalated the complaint were more likely to have had no further contact (one in four), and less likely to have had two-way contact. This probably reflects that once the complaint has been taken up formally by OS:E, the consumer goes through OS:E from that point.

Figure 29: Contact with energy supplier after receiving the letter B10/B12. Did you contact the energy supplier/did the energy supplier contact you after you received the letter?

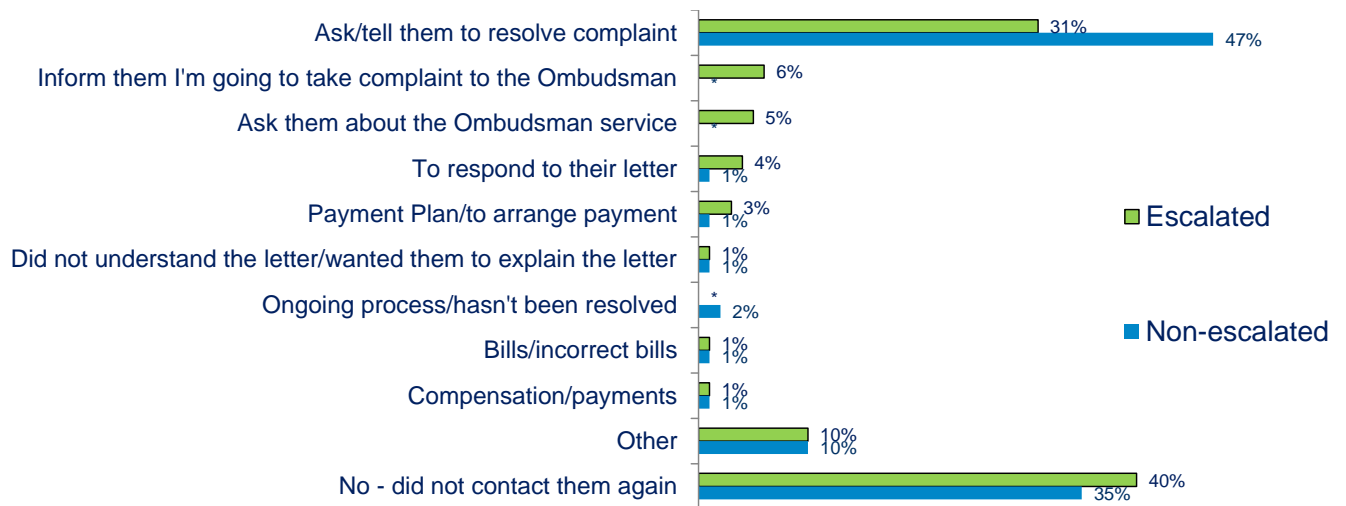


Base: All who read the letter: Escalated 181, Non-escalated 379

Most of those who contacted the energy supplier again after receiving the 8-week or Deadlock letter did so to ask them to resolve the complaint, this being particularly the case among those who had not escalated the complaint. A few of those who escalated the complaint contacted the supplier to inform them they were taking the complaint to OS:E or to ask them about OS:E.

Figure 30: Reason contacted the energy supplier after receiving the letter

B11. Why did you contact them again?

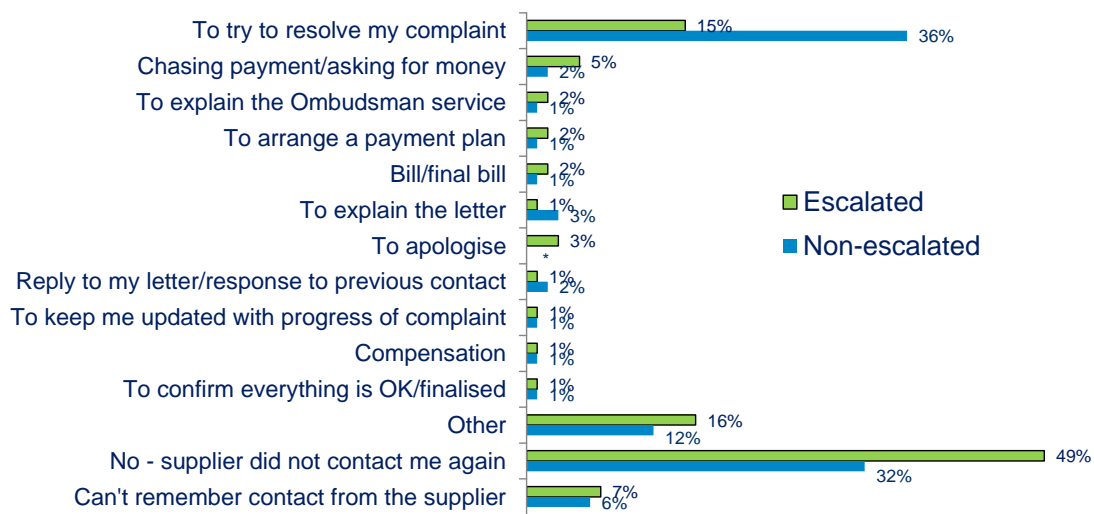


Base: All who read the letter: Escalated 181, Non-escalated 379 * = less than 0.5% mention

In most cases where the supplier contacted the customer again following the 8-week or Deadlock letter it was to try to resolve the complaint. However where the case had been escalated, fewer mentioned the supplier contacting them to try to resolve the complaint.

Figure 31: Reason why energy supplier contacted the customer after sending the letter

B12. Why did they contact you again?



Base: All who read the letter received: Escalated 181, non-escalated 379

* = less than 0.5% mention

Qualitative participants often produced extensive files and records of written correspondence received from or sent to the energy supplier about their complaint. It was sometimes the case that the longer and more complex the complaint, the greater the volume of written correspondence. However, it was also evident that some participants communicated with their supplier primarily by telephone, irrespective of the length or complexity of the complaint and therefore they had less written correspondence.

A. Detailed analysis of written communications

Overall, the written communications most valued by participants during the complaint journey were those which included:

- Personalised information about their complaint
- Details about the outcome of the complaint.

In contrast, written communications that looked generic/non-personalised or 'computer generated' did not attract the customer's attention or communicate a sense of importance. Therefore, these types of written communications were often 'overlooked' or 'skimmed'.

Although it was possible for participants to have received various written communications from the energy supplier, the focus of this study was on the 8-week letter and the Deadlock letter.

Some of the **language and phrasing** in both the 8-week and Deadlock letters was felt to be problematic because of the jargon and legal terms used. Qualitative participants picked out words and phrases such as "binding on us", "abide" and "redress" as being potentially confusing and unclear.

In terms of the **information about OS:E**, one of the key reasons given by qualitative participants for not considering escalating their complaint to OS:E at the 8-week letter stage was because many of them would have missed the OS:E-related information contained in the letters. There were a number of reasons given by participants for this:

- One reason was they would have disengaged from the letter because of its generic nature, and would therefore not have read enough of the letter to reach and assimilate the information about OS:E.
- Another reason was because information about OS:E was often included in the body of the letter without any headings, use of colours, or use of bold text / italics to signpost the reader to the information or to distinguish the information as distinct from the energy supplier.

One example of this concerned information about OS:E being contained in the second paragraph of a three paragraph letter, without any type of signposting. In other cases, information about OS:E was contained on the second page or the back of the letter, whilst the energy supplier information took a more prominent space on the first page. Similarly, the information about OS:E contained in the Deadlock

letters was often included in the body of the letter without any headings, use of colours, or use of bold text / italics to signpost the reader to the information or to distinguish the information as distinct from the energy supplier.

“The things in bold are what is relevant to them but they have not highlighted what is relevant to you.”

Domestic, Deadlock letter, Glasgow

Qualitative participants who reviewed either the 8-week or Deadlock letters also noted that the letters did not contain all of the four expected key **methods of contacting OS:E**: phone number, email address, website and postal address. Some of the letters contained only OS:E’s website address.

“It doesn’t say how you actually contact the Ombudsman...no phone number.”

Domestic, 8-week letter, London

In the next sections we look at detailed views of the 8-week and Deadlock letters respectively.

8-week letter

There was lower recall of the receipt of the 8-week letter than of the Deadlock letter. From the quantitative survey just four in ten (41%) of those who received an 8-week letter, and did not escalate their complaint, recalled receiving the 8-week letter. The qualitative research also revealed mixed awareness of the 8-week letter.

“I did not receive anything like that [example 8-week letter], that would have been quite useful...this probably would have progressed things quicker...and easier to escalate.”

Domestic, 8-week letter, London

In terms of the **look and feel** of the 8-week letters, the standardised and non-personalised nature of the letters made it instantly easy for participants to dismiss

the letter and disengage from the information. This meant that those who could recall receiving the letter had often skim read it or thrown it away without reading it properly.

When qualitative participants were shown the 8-week letter by the researcher, they described how the standardised and generic information contained in the letter would mean that, at most, the letter would be given a cursory read, but more than likely it would be thrown away without having been read properly.

In terms of the **language and phrasing** in the letters, qualitative participants who received a letter titled 'Dear Customer' rather than a letter that was personalised with their name, were especially likely to feel that the communication held no relevance for them.

"I just don't think it says anything...it tells me that they're looking at my problem but it doesn't say how, it's not personalised, it just says 'Dear Customer', I expect a bit more."

Business, 8-week letter, Cardiff

Qualitative participants were often put off reading the letter at the very first sentence, examples of which included: "We're still looking into your complaint" or "I'm sorry that your complaint isn't yet resolved". They commented that this type of standard text did not encourage further reading and that it signalled from the outset that because the complaint had not yet been resolved, the remainder of the letter would not contain any type of outcome.

Qualitative participants were very outcome focussed during the complaints process, as they wanted the complaint to be resolved. The 8-week letter was considered to be a holding letter that informed recipients that the complaint was being investigated, and that an outcome had not yet been reached. This meant it was not considered to be an important or significant communication from the energy supplier, nor a 'call to action' which required attention. This sense was reinforced by the perceived non-committal and generic language and tone of the letters.

Most qualitative participants trusted that the energy supplier was in the process of investigating the complaint and gave this as one of the reasons why they would or would not consider escalating the complaint to OS:E at that point. However, many also noted that the 8-week letter could be seen to lack credibility and sincerity, given the apologetic tone of the letters, if the energy supplier was not perceived to have had handled the complaint well during the eight week period. Phrasing that was considered to be insincere and generic was not received positively by participants.

“It’s very easy to say sorry, it means nothing, it’s not sincere, they’ll say anything, it’s just paper.”

Domestic, 8-week letter, Glasgow

“It’s completely impersonal, it’s not acknowledging me once...‘your complaint is very important to us’ I don’t believe that for a second.”

Business, 8-week letter, Cardiff

One of the energy suppliers caused confusion by having a heading about independent advice and then starting the next sentence with “If you are a micro-business and you remain dissatisfied...”, which was felt to imply that only micro-businesses could refer their complaint to OS:E.

“It’s [the OS:E] for small businesses, micro-businesses, not for everybody, that’s what I got from that [letter]...the reason I say that is it starts off with ‘if you are a micro-business’, which implies to me that if you’re not, the next bit’s not applicable to you...if I read that letter, [and I was a domestic customer, I’d think] I can’t go to the Ombudsman, I’ve got to be a small business.”

Business, 8 week letter, Manchester

Another energy supplier caused confusion by writing that “...you can also ask the Ombudsman Services: Energy to carry out a review at no extra cost.” One qualitative participant commented that this was misleading because by mentioning “at no extra cost” the implication was there was a cost involved at some point and that this could be off-putting for customers.

Deadlock letter

There was higher recall of the Deadlock letter, with two in three (66%) of those who received a Deadlock letter but did not escalate their complaint saying they received the Deadlock letter, in the quantitative survey.

However, the qualitative work revealed little awareness of when the Deadlock letter would be received. Only one participant (who had been phoned by the energy supplier to notify them that the deadlock letter had been sent) had known when to expect to receive the Deadlock letter. This meant that participants who received a Deadlock letter had no sense of the timeframe in which they could expect to receive information that set out the energy supplier’s final position. In turn, this was a contributing factor for some in deciding when and whether to escalate their complaint to OS:E, because some participants preferred to wait until the supplier’s investigation was complete before considering whether to escalate their complaint to OS:E. Indeed, a couple of participants had waited months before escalating their complaint to OS:E because they were waiting for the supplier investigation to be completed.

In terms of the **look and feel**, the Deadlock letters were tailored to reflect the participants’ complaint and set out the energy supplier’s final position. Qualitative participants treated the Deadlock letter with seriousness because it signified the end of the supplier investigation and provided an outcome regarding the complaint.

Tone of the 8-week and Deadlock letters

Some of the qualitative participants noted how some of the communications from the supplier had a ‘bullying’ tone. Some perceived that the Deadlock letters were lacking in empathy and showed little regard for how the complaint had impacted on

the customer. Some participants commented that the tone of the Deadlock letters had come across as being arrogant, implying that the energy supplier was correct. The tone of some of the Deadlock letters, where the energy supplier's final position was set out, was seen to have a 'take it or leave it' attitude.

Some participants felt that the energy suppliers may have chosen to use legalistic sounding language in the 8-week and Deadlock letters to intimidate customers and discourage them from pursuing the complaint further.

B. Plain English Campaign review of supplier communications

The Plain English Campaign (PEC) critically reviewed all of the suppliers' 8-week and Deadlock letters and identified generic analytical themes from the letters, such as layout, language and clarity of content. The overarching feedback from the review suggested that there is clear room for improvement in the design of both 8-week and Deadlock letters. Below we have detailed the key themes and areas for improvement highlighted by the PEC review.

Layout and style

The PEC suggested prescribing as much of the content of the letters as possible by limiting energy suppliers' use of open and free text, as this would maintain greater control over the clarity and language used in the letters.

The tone of the letters was very much driven by the type of language used, and would benefit from the use of simple language rather than legalistic jargon and superfluous words and information.

Across the letters, the PEC suggested that the redress actions should be listed using bullet points to clarify the information. They also suggested prescribing the order in which information is presented, for example, where the information about OS:E is provided and where an apology is offered.

The PEC proposed reducing the sentence and paragraph lengths as much as possible. They also recommended that key information should be provided within the body of the letter itself rather than requiring the reader to keep referring to other documents and leaflets.

Clarity of content

Overall, the PEC suggested that information about consumers' rights and OS:E needed to be presented more clearly.

A lack of consistency in suppliers' descriptions of OS:E was also identified. Across all the letters, OS:E was referred to differently and there was some ambiguity about who OS:E is independent from.

There was also some confusion regarding who is bound by OS:E's decision. In particular, the PEC raised concerns about the clarity of information around what happens if the customer is not satisfied with OS:E's decision.

In some instances, information was provided in the letters that was not directly relevant to the customer, for example, references to micro-businesses in a letter also intended for domestic customers.

In some of the letters, it was not clearly stated that OS:E was a free service.

Words and phrases

The PEC recommended simplifying key words and phrases to make the understanding of the letters clearer. This included using plainer language for terminology such as:

- Resolve
- Binding
- Deadlock
- Exhausted
- Remedy

- Redress
- Abide
- Oblige

C. Feedback from Suppliers on written communications

Suppliers were invited to reflect on the evolution of the 8-week and Deadlock letters from their perspective and how they could be improved. The following themes emerged and should be considered alongside the feedback from consumers.

- Some suppliers recognised that the wording of the letters could be improved to make them less formal. It was thought this formality may be especially off-putting because suppliers have made their own brands and tone more informal in recent years. The formality was felt to be compounded by large amounts of 'dry' information, for example, in the 'regulatory requirement' sections. A few also felt that the letters had suffered from piecemeal changes, for example, at the request of OS:E.
- They noted it was challenging to ensure consumers feel they have been effectively sign-posted to further support, but not 'fobbed off' and 'sent elsewhere'.
- Some mentioned that at times trade-offs need to be made between different aspects valued by consumers, for example, between greater personalisation of letters and the speed at which they can be issued.
- Overall, energy suppliers reported that they had done little, if any, research around how best to present the information contained in the 8-week and Deadlock letters to customers. Similarly, they said they did not receive much other feedback from consumers regarding the letters (unless they spontaneously mention them as part of their general feedback on the complaints experience, which is extremely rare).

A more detailed account of findings from the supplier interviews is appended.

5.5.4 Telephone contact between customers and suppliers

Some qualitative participants communicated with their supplier mainly by telephone. Whilst the energy suppliers tended to send written communications to participants during the complaints process, participants often telephoned the energy supplier to discuss information they had received from the supplier or any other aspect of the complaint.

Qualitative participants expressed concern and frustration that they had no way of knowing or guaranteeing whether summaries of each telephone conversation with the energy supplier had been recorded by the telephone advisor on their notes. Participants gave examples of where the conversation had not been recorded on their notes, which meant that they had no proof of the conversation. As participants did not have a single point of contact at the energy supplier, it also meant that when a telephone conversation was not recorded, they had to spend time explaining the situation to the new telephone advisor. This led some participants to try and keep their own written record of who at the energy supplier they had spoken to, as well as the date and content of the conversation.

Some qualitative participants thought there was an imbalance between the customers and the energy suppliers because the suppliers could record the telephone conversations but the customers were not allowed.

A small number of qualitative participants mentioned they had been told about OS:E during telephone conversations with the energy supplier.

Some of the participants discussed how some of the telephone communications from the supplier had a 'bullying' tone. They described situations where telephone advisors had been unfriendly, dismissive or abrupt towards them. Some commented that telephone advisors were lacking in empathy and showed little regard for how they had been adversely affected by the issue they were complaining about.

5.5.5 Tone of written and telephone communications

The tone of the energy supplier communications was a key aspect in contributing to qualitative participants' complaint experiences.

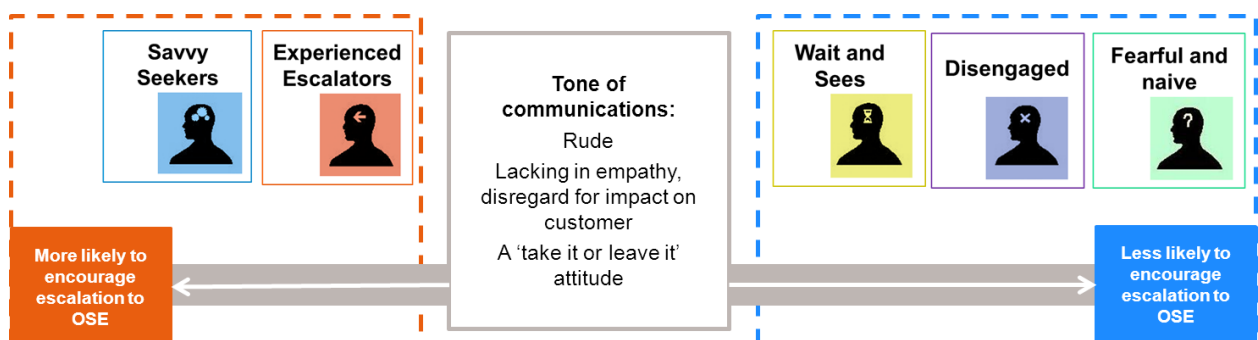
As mentioned previously, some of the qualitative participants discussed how some of the communications from the supplier had a 'bullying' tone. In these instances, often the effect of this was to encourage some customers to escalate their complaint to OS:E.

"I'm referring it to the Energy Ombudsman because I think the relationship with [name of energy supplier] is completely broken down, I do not trust [name of energy supplier] ...I want an impartial, objective view and to come up with an appropriate resolution. I've got no intention to work with an organisation who says 'Right, as far as we're concerned the complaint's closed, therefore it is'....and I guess it's me...I'm saying no, I'm not having it."

Domestic, 8-week letter, London

However, in some cases it had also resulted in some participants feeling intimidated, which meant they were less likely to escalate their complaint to OS:E.

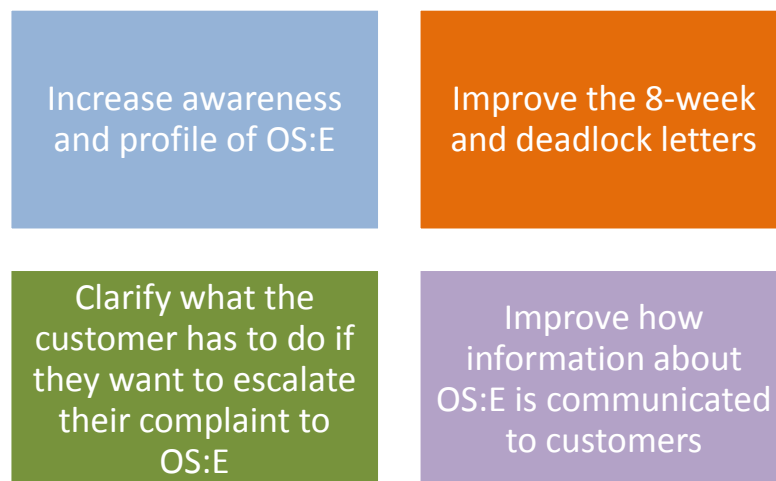
The diagram below shows which of the complainant mind-sets were more likely or less likely to escalate their complaint to OS:E if there was a 'bullying' tone to the communications.



Other qualitative participants mentioned that where the communications from the energy supplier had a friendly and helpful tone, it had encouraged them to think the supplier would resolve the complaint. In some cases, this had meant they had delayed escalating or had not escalated their complaint to OS:E.

6 Recommendations for making it easier for consumers to escalate their complaint to OS:E

The research has identified four prospective measures that will make it easier for consumers to escalate their complaint to OS:E:



6.1 Increase awareness and profile of OS:E

- **Ensure that information from suppliers about OS:E is clearly defined, written in plain English and provides enough information about the role, purpose and independence of OS:E.**
- **OS:E to raise its profile amongst consumers by, for example, publicising its services and increasing its media profile through positive news stories.**

With low awareness of OS:E currently, customers are reliant on the following to prompt them to consider escalating:

- Previous experience of using an ombudsman service.
- Proactively seeking out information about how to escalate a complaint with the energy supplier.

- Information about OS:E provided by the energy supplier.

The research and the Plain English Campaign review suggests that information provided by the energy supplier can be made clearer in two respects. Firstly, the energy supplier should clearly signpost the **role** and **importance** of the letter, thereby encouraging recipients to read it in full. Secondly, the supplier should ensure that the information about OS:E itself is clearly **defined**, written in **plain English** and provides enough information about **what OS:E does** and **how to escalate a complaint**.

Across the research qualitative participants commented on the lack of **media coverage** and **profile** of OS:E. Many commented that this lack of profile led them to question the efficacy of OS:E and the types of outcomes it achieved. It was suggested that increased coverage in national and local media would not only make them aware of OS:E but increase confidence in OS:E's role.

6.2 Improve the 8-week and Deadlock letters

- **Provide information about the types of complaints that can be escalated to OS:E.**
- **Highlight that OS:E is independent, and clearly explain what is meant by 'independent'.**
- **Include details for all four ways to contact OS:E - telephone, email, postal and website.**
- **Greater personalisation of the 8-week letters to avoid them being perceived as 'generic' and 'standardised'.**
- **Improve the format of the letters:**
 - **Tone: avoid tones that suggest or elicit an emotional response**
 - **Layout: signpost and clarify the role and importance of the letters in the first heading / paragraph. Ensure clear signposting to information about OS:E**
 - **Language: avoid jargon and legalistic terms**

The quantitative research revealed that less than half of those who had not escalated their complaint could remember receiving the 8-week or Deadlock letter. Across the qualitative research there were low levels of recall surrounding the 8-week letter and concerns that the information about OS:E contained in both the 8-week and Deadlock letters was not particularly prominent or clear. The qualitative research found that the following information would be considered useful and would help people decide whether to escalate, and how to do so.

The types of complaints that can be escalated to OS:E

Participants were unclear about the types of complaints that could be escalated to OS:E with some wondering whether their complaint would be 'too trivial'. This was a particular barrier for 'fearful and naïve' and 'wait and see' mind-sets who lacked confidence in dealing with official processes and escalating complaints in general. Participants reacted positively to an OS:E factsheet⁹ (provided to participants at the end of their research session for general information). They were particularly interested to see a list of the type of complaints that OS:E can look into (see Figure 2, below).

What can we handle?

The types of complaints that we can deal with include:

- problems with energy bills;
- problems resulting from an energy company's sales activity;
- problems resulting from switching gas or electricity supplier;
- physical problems relating to the supply of energy to a home or small business, such as power cuts and connections;
- micro generation and feed-in tariffs (FITs); and
- problems relating to the provision of services under the Green Deal.

⁹ http://www.ombudsman-services.org/downloads/OSenergy_factsheet.pdf

Figure 2: Information taken from 'About Ombudsman Services: Energy Factsheet'

http://www.ombudsman-services.org/downloads/OSenergy_factsheet.pdf

It is clear that this type of information will help people decide whether to escalate to OS:E.

OS:E is independent

There were mixed views across the research regarding the perceived independence of OS:E, both in the quantitative and qualitative research. Increased awareness and profile of OS:E (as discussed above in section 6.1) is likely to improve this. Qualitative participants also responded positively to the information regarding independence in OS:E's factsheet. This information (see Figure 3, below) clarified what was meant by independence and went some way to reassuring people about the way in which OS:E reviews complaints.

We are entirely independent. This means that we do not take sides and we make our decisions based on the facts available to us.

Figure 3: Information taken from 'About Ombudsman Services: Energy Factsheet'

http://www.ombudsman-services.org/downloads/OSenergy_factsheet.pdf

Again, it is likely that this type of detail will help build consumer confidence in the independence of OS:E.

How to contact OS:E

Across the qualitative research participants noted that they expected to be provided with a range of contact methods for reaching OS:E. This often reflected their different communications preferences. There was some consensus that any information about OS:E should include:

- Telephone number
- Email address
- Postal address

- Website

Providing all of these contact details will ensure that people can easily identify their preferred communication method.

Personalisation of the letters

Currently information about OS:E is provided by the energy suppliers within 8-week and Deadlock letters. The 8-week letters in particular are often seen as a standardised or generic letter which suggests to recipients that it is not very important or crucial to their complaint. Resultantly, this letter is often skim-read or simply overlooked. The quantitative research showed that only one in five of those who had not escalated their complaint recalled the letter and had read through it in detail. In order to help address this issue, personalisation of the 8-week letter is recommended. It should be noted that whilst personalisation is likely to gain the recipient's attention, the Plain English Campaign review noted that personalisation of letters (through use of tailored information specific to each customer and complaint) is reliant on the capabilities of the person writing the letter. There is therefore a risk that, depending on the capabilities of the person writing the letter, even a personalised letter could still fail to communicate the relevant information in a clear and impactful way.

Format of the letters

Both the Plain English Campaign review and feedback from participants identified improvements that can be made to the 8-week and Deadlock letters. This included:

- **Tone:** Avoid tones that suggest or elicit an emotional response (e.g. a hostile tone). Some qualitative participants felt that Deadlock letters used a 'take it or leave it' tone which could suggest to some people that it would not be worth escalating because they would be unlikely to receive a better or fairer resolution.
- **Layout:** Highlight and clarify the role and importance of the letter in the first heading/ paragraph. Ensure clearer signposting to information about OS:E and

ensure this information is clearly delineated and eye-catching by, for example, using bullet points to clearly detail important information (e.g. contact details).

- **Language:** Avoid jargon and legalistic terms (e.g. binding, resolve, remedy, redress, *etc.*). Even if most participants do broadly understand these terms, it is best practice to use plain English as it is accessible to all whilst delivering the same message.

6.3 Clarify what the customer has to do if they want to escalate their complaint to OS:E

- **Provide reassurance that the escalation process is simple.**
- **Provide information around expected supplier complaint resolution timeframes to help customers determine whether to escalate to OS:E immediately.**
- **Provide information about the timeframe for OS:E escalation to help customers understand the OS:E process and decide whether they want to escalate.**

Amongst some participants, there was a perception that the escalation process would be difficult and time-consuming. Understanding supplier timeframes for the complaints processes would help customers to identify the best time to escalate a complaint to OS:E. Similarly, customer understanding of the timeframes involved in escalating a complaint to OS:E, and the proceeding OS:E investigation, is likely to build confidence in the process.

Simplicity of the escalation process

Qualitative participants sought reassurance that the process for escalating a complaint to OS:E would be simple. This was particularly important for 'fearful and naïve' and 'wait and see' mind-sets who lack confidence in official processes. The quantitative research indicated that for some the barrier to escalation involved concerns about how time-consuming and difficult the process would be.

Any information detailing the process or clarifying the simplicity of any process is likely to encourage those who lack confidence to escalate.

Timeframes for complaint resolution and OS:E escalation

Overall participants perceived a lack of clarity around timeframes for complaint resolution and escalation.

Where the supplier states that they are still investigating, information about the **supplier timeframe for complaints** resolution may help people decide whether to give the supplier more time to resolve the complaint or to escalate to OS:E straight away. Qualitative participants were unsure how long after receiving an 8-week letter from the supplier they should reasonably expect to wait until the supplier reached a resolution. This led some people to wait a long time before thinking about escalation by which point some had become disengaged with the complaint. The inclusion in the 8-week letter of the date when the supplier expects to resolve the complaint, together with an explanation of why it will take that long, may help people determine whether to escalate to OS:E straight away. However, such an approach may have the unintended effect of extending the period within which suppliers have to resolve complaints beyond the statutory eight weeks. Another approach may be to introduce a letter earlier in the process which would update customers on the progress of their complaint and inform them as to the supplier's level of expectation that they would resolve it by a set date.

Information about the **timeframe for OS:E escalation** will help people understand the OS:E process. This is likely to build confidence in the process, and help people to decide whether they want to escalate. Currently participants assumed that it would be a long drawn-out process which, for some, led to an 'it's not worth it' view.

Overall, further detail about timeframes is likely to help people feel more in control of their complaint and make informed choices about when to consider escalating to OS:E.

6.4 Improve how information about OS:E is communicated to customers

→ **Consider enclosing the OS:E factsheet with the supplier letters.**

- **Consider whether it should be mandatory for suppliers to include in their letters the information from the OS:E factsheet about: the types of complaints that can be escalated to OS:E; and the independence of OS:E.**
- **Provision of supplier communications in email format, where this is the customer's preferred method of communication**
- **Consider (subject to Data Protection laws) OS:E providing information directly to customers.**

The fact that information about OS:E is provided by energy suppliers resulted in some caution and cynicism regarding the independence of OS:E from recipients. The findings suggest that the 8-week and Deadlock letters are often being overlooked, either because they look generic (in the case of the 8-week letter) or because the information gets 'lost' among other communications that are a part of the complaints process. With this in mind, it is worth considering alternative or additional sources of information, such as:

Enclosed information provided with supplier letters

A couple of qualitative participants recalled receiving a separate leaflet or information slip about OS:E from their energy supplier alongside a letter and had found this useful. Participants across the qualitative research were particularly positive towards the OS:E factsheet (Figure 4, below), with some suggesting that this be sent to them by their energy supplier.

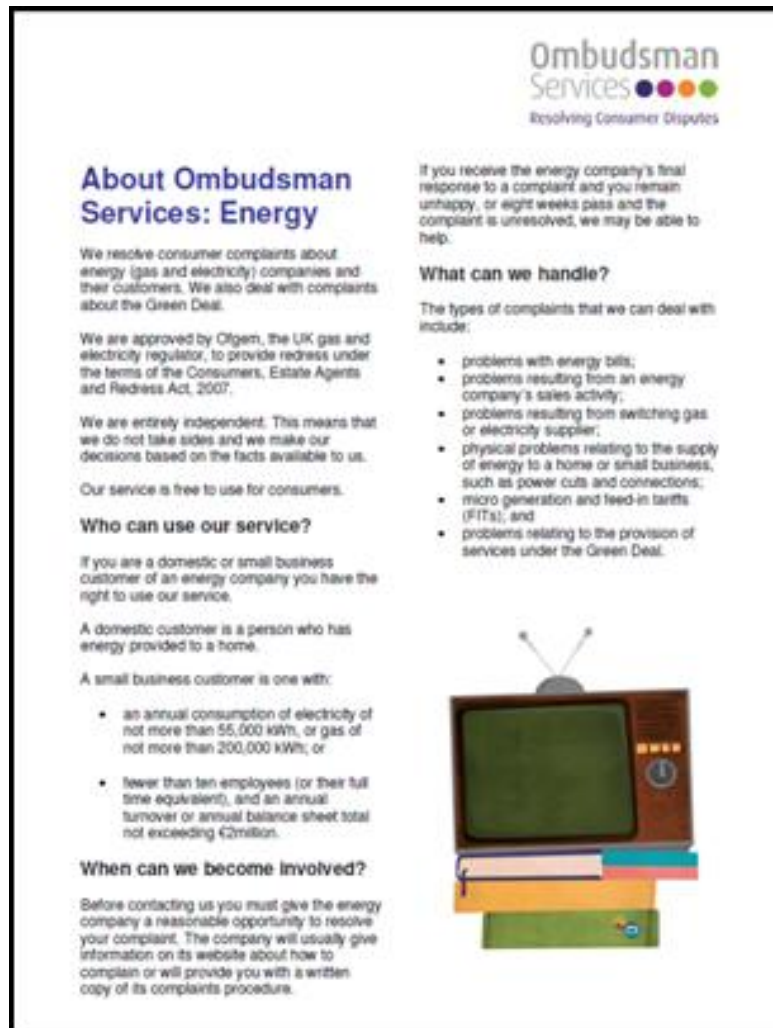


Figure 4: About Ombudsman Services: Energy Factsheet

http://www.ombudsman-services.org/downloads/OSenergy_factsheet.pdf

Not only does the factsheet provide greater detail about OS:E but it also provides something tangibly separate, and therefore more eye-catching and impactful, from the 8-week or Deadlock letters. The standalone nature of the factsheet may also serve to reassure people about the independence of OS:E. However, it should be noted that the Plain English Campaign review highlighted the importance of providing information about OS:E within the body of the 8-week or Deadlock letter even where any accompanying leaflet or factsheet may be included.

Whilst not directly suggested by the research participants, Ofgem might consider whether it should be mandatory for suppliers to include in their letters the information from the OS:E factsheet about the types of complaints that can be escalated to OS:E.

Emails from suppliers

The qualitative research suggests that some participants would value the option of receiving communications – including the 8-week and Deadlock letters – in email format. They noted that emails are easily kept for later reference whilst paper letters can easily be misplaced or thrown away.

Information provided directly from OS:E

Whilst not directly suggested by the research participants, information provided directly from OS:E to complainants is a potential approach which should be carefully considered. This suggestion would be subject to Data Protection laws. The research suggests that this approach could eliminate a number of barriers to escalation, including:

- Ensuring that the information is distinct from the complaint journey with the energy supplier; not ‘lost’ within the communications with the energy supplier but instead emphasises that the OS:E escalation process is something separate.
- Dedicated and detailed information about OS:E.
- Signalling OS:E’s independence from the energy supplier.

7 Conclusion

The primary aim of this research study was to provide insight into why so few customers who receive an 8-week or Deadlock letter from the energy supplier escalate their complaint to OS:E. This study shows that both domestic and micro-business customers, escalated and non-escalated, **perceived their complaint to be serious**. Many non-escalated complaints had **not been resolved**, and there was considerable evidence to suggest that without a resolution **many complainants would change energy supplier**.

- Barriers to escalation

Whilst many customers perceived their complaint to be serious, the findings of this study show that there are a number of **barriers to escalating a complaint** to OS:E. The barriers can be grouped according to the following categories:

Type of complainant

- Particular complainant mind-sets are less likely to escalate ('wait and sees', 'fearful and naïve' and 'disengaged').

Role of / customer relationship with the energy supplier and effectiveness of key communications

- The hope/belief that the complaint will be resolved by the energy supplier
- Some being dissuaded from escalating by the energy supplier
- Lack of information and understanding about how long it might take the supplier to resolve the complaint
- The generic and standardised nature of the energy suppliers' 8-week letters
- Information in the Deadlock letter about OS:E not being distinct, detailed or clear enough.

Perceptions of OS:E

- Lack of/low awareness of OS:E
- Lack of media coverage and positive publicity around OS:E
- OS:E not being top of customer's mind when making a complaint

- Lack of awareness about the types of complaints dealt with by OS:E
- Assumption that the escalation process is difficult, lengthy and bureaucratic
- Lack of information and understanding about the OS:E escalation process timeframe
- Concern over whether or not OS:E is an independent organisation.

- Recommendations

The findings of this study also identify a number of ways of **addressing the barriers** to escalating a complaint to OS:E. These can be grouped into four categories:

- Increase awareness and profile of the OS:E
- Improve the 8-week and Deadlock letters
- Clarify what the customer has to do if they escalate their complaint
- Consider provision of information about OS:E in other ways.

8 Appendix

8.1 Quantitative questionnaire

Complaints to ombudsman services QUESTIONNAIRE

FINAL VERSION: 11th March 2013

A INTRODUCTION AND SCREENER

Good morning/afternoon. Please can I speak to (NAMED CONTACT)

CONTINUE INTERVIEW WITH NAMED CONTACT

My name is from GfK NOP the market research company. We are carrying out a survey on behalf of Ofgem, the independent Energy regulator, about services provided by energy companies and how customers' complaints are handled.

Do you have 10 minutes or so to complete this important survey?

All the work we carry out is governed by the Market Research Society's Code of Conduct, which means that everything you say will be treated in the strictest confidence, and you will not be identified in any way, without your permission. The interview will be recorded but this is for our own quality assurance purposes and will not be kept.

ADD REASSURANCES AS NECESSARY

- Everything you say is confidential and any responses will not be attributed to you
- There will be no attempt to sell you anything, either during or as a result of the survey
- Ofgem is the independent body appointed by government that is responsible for regulating the energy market, protecting the interests of consumers is their first priority
- Your energy supplier was required to pass on your contact details to Ofgem

A 1 Have you or anyone else in your household (IF RESIDENTIAL)/organisation (IF BUSINESS) made a formal complaint to an energy company in the last 18 months?

1. Yes – I made complaint
2. Yes – someone else in the household/organisation did so
3. No – not made complaint
4. Don't know/can't remember

- **CONTINUE IF RESPONDENT MADE COMPLAINT (CODE 1 AT A1).**

- **IF SOMEONE ELSE IN HOUSEHOLD/ORGANISATION MADE THE COMPLAINT (CODE 2 AT A1), ASK TO BE REFERRED TO THAT PERSON AND RE-START INTRODUCTION TO INTERVIEW.**
- **REST THANK AND CLOSE**

ASK A2 AND A3 IF COMPLAINT DATE IN SAMPLE. IF NOT COMPLAINT DATE, GO TO A4.

- A 2 Did you make just the one complaint, or more than one complaint in that time period?
1. One complaint only
 2. More than one complaint

- A 3 Can I just check that you made your complaint/ one of your complaints around (month from sample)?
1. Yes – complained in that month
 2. Yes – but not sure exactly when made complaint
 3. No – definitely did not make complaint at that time

CLOSE IF RESPONDENT DEFINITELY DID NOT MAKE COMPLAINT AT ABOUT TIME FROM SAMPLE (CODE 3 AT A3)

- A 4 (IF MADE MORE THAN ONE COMPLAINT) This survey is about the complaint that you made in ... (MONTH FROM SAMPLE).
(ALL) Which company did you complain to?

INTERVIEWER NOTE:

BRITISH GAS IS KNOWN AS SCOTTISH GAS IN SCOTLAND AND NWCY PRIDAIN IN WALES

SCOTTISH AND SOUTHERN ENERGY IS ALSO KNOWN AS: SCOTTISH HYDRO, HYDRO, SOUTHERN ELECTRIC, SWALEC OR ATLANTIC

1. British Gas
2. EDF
3. EON
4. npower
5. Scottish and Southern Energy
6. Scottish Power
7. Other
8. Don't know/not sure

CONTINUE IF RESPONSE AT A4 CORRESPONDS WITH TAG ON SAMPLE. REST THANK AND CLOSE

- A 5 Did you make the complaint on your own behalf, or was it on behalf of someone else?
1. Own behalf
 2. For someone else

ASK A6 IF MADE COMPLAINT ON BEHALF OF SOMEONE ELSE, REST GO TO INSTRUCTION BEFORE A7

A 6 Are you acting in a professional capacity e.g. as a legal representative or through an organisation like the Citizen's Advice Bureau, or are you acting in a personal capacity as a family member, friend, colleague or carer of the person?

1. Professional
2. Personal
3. Don't know/not sure

ASK A7 IF MICRO BUSINESS SAMPLE. REST GO TO B1

A 7 How many people are employed in total by your organisation?

1. 1
2. 2-5
3. 6-10
4. 11+
5. Don't know/not sure

CONTINUE IF 10 OR LESS EMPLOYEES (CODES 1-3 AT A6). REST THANK AND CLOSE

B COMPLAINT JOURNEY

B 1 What was your complaint about?

DO NOT READ OUT BUT CODE ACCORDINGLY. MULTICODE

1. Billing – accuracy of bill
2. Billing – estimated bill
3. Billing - frequency
4. Billing – refunds
5. Sales – behaviour of sales staff
6. Sales – misinformation provided
7. Sales – agreed to receive information only
8. Transfer – problems switching to a supplier
9. Transfer – problems switching from a supplier
10. Meters – accuracy of meter reading
11. Meters – position of meter
12. Meters – meter reading
13. Prices – notification of increases
14. Prices – amount of increase
15. Prices – direct debits
16. Debt – debt recovery
17. Debt – debt payment schemes
18. Debt – disconnection
19. Prepayment meters e.g. settings, faults, use
20. Customer service – general
21. Internet/website problems
22. Other (WRITE IN)
23. Don't know/can't remember

- B 2 Was it a complaint about your gas or electricity supply, or both?
1. Gas
 2. Electricity
 3. Both
 4. Something else (WRITE IN)
 5. Don't know/can't remember

- B 3 On a scale of 1 to 10, where 1 means it was not very serious and 10 means it was very serious, could you tell me how serious you felt your complaint was? ADD IF NECESSARY: The higher the number, the more serious you considered the complaint.

INTERVIEWER: WRITE IN NUMBER

- B 4 Overall how satisfied are you with the way that ... (COMPANY AT A4) handled your complaint? Would you say ...

READ OUT AND SINGLE CODE

1. Very satisfied
2. Quite satisfied
3. Neither satisfied nor dissatisfied
4. Quite dissatisfied
5. Very dissatisfied
6. Don't know/can't remember (DO NOT READ OUT)

- B 5 Did you receive a letter from ... (COMPANY AT A4) that said you could take your complaint to an independent Energy Ombudsman to resolve your complaint?

1. Yes
2. No
3. Don't know/can't remember

ASK B6 IF RECALL LETTER (CODE 1 AT B5). REST GO TO B14

- B 6 In how much detail did you read that letter? Did you ...

READ OUT AND SINGLE CODE

1. Read through the detail completely
2. Skim through to pick up the key points
3. Just glance at it to see what it was about
4. Not read it at all
5. Don't know/can't remember (DO NOT READ OUT)

ASK B7 IF READ THE LETTER AT ALL (CODES 1-3 AT B6). REST GO TO B14

- B 7 What if anything do you recall reading about in that letter?

DO NOT READ OUT. CODE ALL THAT APPLY

1. The Ombudsman advice is free

2. The Ombudsman decision is not binding on you as the customer (i.e. you don't have to accept it)
3. Details about how you could contact the Ombudsman
4. The Ombudsman decision is binding upon the energy company (i.e. the supplier has to accept it)
5. The Ombudsman is independent
6. What the Ombudsman can do (i.e. award compensation, require the supplier to apologise or explain what happened, tell the supplier to put things right)
 7. The supplier would not investigate the complaint any further
 8. The supplier would continue to investigate the complaint
 9. The supplier wanted me to contact them
 10. Other (write in)
 11. Don't know/can't remember

B 8 Did you read (that) ...

READ OUT ALL CODES NOT MENTIONED AT B7. CODE ALL THAT APPLY. ROTATE ORDER BETWEEN INTERVIEWS

1. The Ombudsman advice is free
2. The Ombudsman decision is not binding on you as the customer (i.e. you don't have to accept it)
3. Details about how you could contact the Ombudsman
4. The Ombudsman decision is binding upon the energy company (i.e. the supplier has to accept it)
5. The Ombudsman is independent
6. What the Ombudsman can do (i.e. award compensation, require the supplier to apologise or explain what happened, tell the supplier to put things right)
 7. The supplier would not investigate the complaint any further
 8. The supplier would continue to investigate the complaint
 9. The supplier wanted me to contact them
 10. None of these (DO NOT READ OUT)

B 9 How easy was it to understand the content of that letter? Would you say ..

READ OUT SINGLE CODE ONLY

1. Very easy
2. Quite easy
3. Neither easy nor difficult
4. Quite difficult
5. Very difficult
6. Don't know/can't remember (DO NOT READ OUT)

B 10 Did you contact (COMPANY AT A4) again after receiving that letter?

1. Yes
2. No

ASK B11 IF CONTACTED THE ENERGY COMPANY AGAIN (CODE 1 AT B10). REST GO TO B12

B 11 Why did you contact them again?

DO NOT READ OUT BUT PROBE TO PRECODES. CODE ALL THAT APPLY

1. Did not understand the letter/wanted them to explain letter
2. Ask them about the Ombudsman service
3. Ask/tell them to resolve complaint
4. Other (WRITE IN)
5. Don't know/can't remember

B 12 Did ... (COMPANY AT A4) contact you again after sending you that letter?

1. Yes
2. No
3. Don't know/can't remember

ASK B13 IF ENERGY COMPANY CONTACTED THE RESPONDENT AGAIN (CODE 1 AT B12). REST GO TO B14

B 13 Why did they contact you again?

DO NOT READ OUT BUT PROBE TO PRECODES. CODE ALL THAT APPLY

1. To explain the letter
2. To explain the Ombudsman service
3. To try to resolve my complaint
4. Other (WRITE IN)
5. Don't know/can't remember

ASK ALL

B 14 Before you received that letter (IF CODE 1 AT B5)/Before today (IF CODE 2 OR 3 AT B5), did you know that you could have taken your complaint to an independent Energy Ombudsman, or not?

1. Yes - knew
2. No
3. Don't know/Not sure

ASK B15 IF AWARE OF OMBUDSMAN (CODE 1 AT B5 OR CODE 1 AT B14). REST GO B20

B 15 Did you take your complaint to the Energy Ombudsman, or not?

1. Yes
2. No
3. Don't know/can't remember

ASK B16 IF DIDN'T TAKE COMPLAINT TO OMBUDSMAN (CODE 2 AT B15). REST GO TO INSTRUCTION BEFORE B18

B 16 Why did you decide not to take your complaint to the Energy Ombudsman?
DO NOT READ OUT BUT PROBE TO PRECODES. MULTI-CODING ALLOWED

1. Did not know how to contact Ombudsman
2. Didn't know enough about what Ombudsman did
3. Letter telling me about Ombudsman was not clear/put me off
4. It wasn't clear how I could benefit by going to the Ombudsman
5. Energy company put me off/deterred me
6. Didn't think Ombudsman would be impartial/not sufficiently independent
7. Didn't think Ombudsman would get energy companies to comply
8. Thought it would cost me money to pursue claim
9. Could not be bothered/considered it too much hassle
10. Didn't have time/spent enough time already with complaint
11. Thought my energy company would resolve complaint
12. Other (WRITE IN)
13. Don't know/can't remember

B 17 What if anything would have encouraged you to go to the Energy Ombudsman?

DO NOT READ OUT BUT PROBE TO PRECODES. MULTI-CODING ALLOWED

1. Knowing more about the Ombudsman/what it does
2. Knowing you could get compensation
3. Reassurance that it is an easy and straightforward process
4. Greater clarity about Ombudsman's role/powers
5. Making the letter from the Energy supplier clearer
6. Giving information about Ombudsman in a different way (e.g. on website)
7. Letter coming from Ombudsman rather than energy supplier
8. Other (WRITE IN)
9. Don't know/not sure

ASK B18 IF TOOK COMPLAINT TO OMBUDSMAN (CODE 1 AT B15). REST GO TO B19

B 18 Why did you decide to contact the Ombudsman as a way of trying to resolve your complaint?

DO NOT READ OUT BUT PROBE TO PRECODES. MULTI-CODING ALLOWED

- a. Advice is free
2. Ombudsman is independent /offers impartial advice
3. Ombudsman decision forces energy companies to act/binding on them
4. Does not commit me to anything/decision is not binding on me
5. Didn't think Energy company would resolve my complaint
6. Only way to resolve my complaint
7. Didn't want to let it go/give up on complaint
8. Recommended by someone else
9. Used them before
10. Other (WRITE IN)

11. Don't know/can't remember

B 19 I am now going to read out a number of things that other people have said about the Energy Ombudsman, and would like you to tell me how much you agree or disagree with each statement. Please use the following scale when giving me your answer. READ OUT SCALE. IF NOT USED OMBUDSMAN (CODE 2 OR 3 AT B15) SAY: It doesn't matter if you don't know much about the Energy Ombudsman, it is just your impression that counts. However, if you feel you cannot express an opinion at all, please say so.

INTERVIEWER: READ OUT SCALE

SCALE

AGREE A LOT

AGREE A LITTLE

NEITHER AGREE NOR DISAGREE

DISAGREE A LITTLE

DISAGREE A LOT

DON'T KNOW (DO NOT READ OUT)

The Energy Ombudsman has consumer's interests at heart

The Energy Ombudsman has sufficient powers in getting energy companies to comply with its decisions

The Energy Ombudsman is accessible to the public

The Energy Ombudsman is effective in dealing with complaints

ASK B20 IF NOT AWARE OF ENERGY OMBUDSMAN (CODE 2/3 AT B5 AND CODE 2/3 AT B14). REST GO TO B21

B 20 The Energy Ombudsman role is to provide free and independent advice to resolve disputes where a final agreement cannot be reached between a customer and an energy supplier. If you had known about this before, how likely would you have been to contact the Energy Ombudsman about your complaint. Would you say ...

READ OUT. SINGLE CODE ONLY

1. Very likely
2. Quite likely
3. Neither likely nor unlikely
4. Quite unlikely
5. Very unlikely
6. Don't know/Not sure (DO NOT READ OUT)

ASK ALL

B 21 Would you say that your complaint has been resolved, or not?

1. Yes – resolved
2. No – not resolved
3. Don't know/not sure

ASK B22 IF COMPLAINT HAS BEEN RESOLVED AND TOOK COMPLAINT TO OMBUDSMAN (CODE 1 AT B21 AND CODE 1 AT B15)

B 22 Was your complaint resolved by .. (COMPANY AT A4) or by the Energy Ombudsman?

1. Resolved by supplier
2. Resolved by Ombudsman
3. Resolved by combination of both
4. Don't know/can't remember

ASK B23 IF COMPLAINT HAS NOT BEEN RESOLVED (CODE 2 OR CODE 3 AT B21). REST GO TO B25.

B 23 Is your complaint still being investigated by .. (COMPANY AT A4), or not?

1. Yes – still being investigated
2. No
3. Don't know/not sure

ASK B24 IF COMPLAINT HAS NOT BEEN RESOLVED (CODE 2 OR CODE 3 AT B21) AND TOOK COMPLAINT TO OMBUDSMAN (CODE 1 AT B15). REST GO TO B25.

B 24 Is your complaint still being investigated by the Energy Ombudsman?

1. Yes – still being investigated
2. No
3. Don't know/not sure

ASK ALL

B 25 Have you switched, or do you plan to switch energy supplier, as a result of your experience with this complaint, or not?

- i. Already switched
2. Plan to switch
3. No plans to switch
4. Don't know/Not sure

C BEHAVIOURS/ATTITUDES TOWARDS MAKING COMPLAINTS

C 1 I'd now like to ask you a few questions about your experience of making complaints to organisations in general. How frequently do you make formal complaints?

PROBE TO PRECODES. SINGLE CODE ONLY

1. More than four times a year
2. 3-4 times a year
3. 1-2 times a year
4. Once every 2 years
5. Once every 3 years
6. Once every 4-5 years
7. Less often
8. Never complained before
9. Don't know/not sure

C 2 On a scale of 1 to 10, where 1 is not at all confident and 10 is extremely confident, how confident do you feel about dealing with organisations when making a complaint?

ADD IF NECESSARY: The higher the number the more confident you feel
INTERVIEWER: CODE NUMBER OR REFUSED

C 3 Apart from your complaint to .. (COMPANY AT A4) IF TOOK COMPLAINT TO OMBUDSMAN (CODE 1 AT B15), have you ever made a complaint to either the Energy or another industry Ombudsman before?

NOTE TO SCRIPTWRITER: ALLOW MULTICODING ACROSS CODES 1 AND 2

1. Yes – Energy Ombudsman
2. Yes – another industry Ombudsman
3. No
4. Don't know/not sure

D CLASSIFICATION

D 1 These last few questions are for classification purposes only. Which of the following age groups do you fall into?

READ OUT. SINGLE CODE

1. 18-24
2. 25-34
3. 35-44
4. 45-54
5. 55-64
6. 65+
7. Refused

D 2 Record gender of respondent

1. Male
2. Female

ASK D3 IF RESIDENTIAL AND MADE COMPLAINT ON THEIR OWN BEHALF, OR IN A PERSONAL CAPACITY ON BEHALF OF SOMEONE ELSE (A5 = CODE 1 OR A6 = CODE 2). REST GO TO INSTRUCTION BEFORE D14.

D 3 Which of the following best describes your working status?

READ OUT. SINGLE CODE.

1. Working full time (30 hours or more per week)
2. Working part time (8-29 hours per week)
3. Retired/not working with private pension or means
4. Retired with state benefit/state pension only
5. Student
6. Unemployed more than 6 months
7. Unemployed less than 6 months
8. Not working with state benefit only
9. Not working living on private means
10. Other
11. Refused (DO NOT READ OUT)

D 4 To which of these ethnic groups do you belong?

READ OUT. SINGLE CODE ONLY

1. White – British
2. White – Other
3. Black/Black British
4. Asian/Asian British
5. Mixed Race
6. Other
7. Refused (DO NOT READ OUT)

D 5 Do you have any long term physical or mental impairment which limits your daily activities or the work you can do, including problems due to old age?

1. Yes
2. No
3. Refused

D 6 Is English the first language spoken at home, or not?

1. Yes
2. No
3. Refused

ASK D7 IF ENGLISH IS NOT THE FIRST LANGUAGE, REST GO TO D8

D 7 Which is the first language?

1. Welsh
2. Other (write in)
3. Refused

D 8 On a scale of 1 to 10, where 1 is not at all confident and 10 is extremely confident, how confident do you feel about reading or writing?

ADD IF NECESSARY: The higher the number the more confident you feel
INTERVIEWER: CODE NUMBER OR REFUSED

D 9 Do you have access to the internet, either at home or at work?

SINGLE CODE ONLY

1. At home
2. At work
3. Both
4. No internet access
5. Refused

D 10 On a scale of 1 to 10, where 1 is not at all confident and 10 is extremely confident, how confident do you feel about using the internet?

ADD IF NECESSARY: The higher the number the more confident you feel
INTERVIEWER: CODE NUMBER OR REFUSED

D 11 Do you

READ OUT. SINGLE CODE ONLY

- i. Own your house outright
2. Own your house but with a mortgage
3. Rent your property from a private landlord
4. Rent your property from a social landlord
5. Other

D 12 What is the occupation of the CHIEF INCOME EARNER in your household?

PROBE FOR:

JOB TITLE:

JOB DESCRIPTION:

INDUSTRY:

QUALIFICATIONS:

SIZE OF COMPANY:

NUMBER OF PEOPLE RESPONSIBLE FOR:

CODE SOCIAL GRADE

1. AB
2. C1
3. C2
4. DE
5. Unclassifiable

D 13 What is your annual household income before tax?

READ OUT CODE BY CODE, STOP WHEN RESPONDENTS SAYS YES AT APPROPRIATE BAND.

1. Under £10,000
2. £10,000-19,999
3. £20,000-29,999
4. £30,000-39,999
5. £40,000-49,999
6. £50,000 - £99,999
7. £100,000+
8. Refused

ASK D14 IF MICROBUSINESS SAMPLE. REST GO TO D17

D 14 What is your organisation's approximate annual turnover?

READ OUT - STOP WHEN RESPONDENTS SAYS YES AT APPROPRIATE BAND

1. Less than £25,000
2. £25,000 - £50,000
3. 50,001 - £250,000
4. £250,001 - £500,000
5. £500,001 - £1 million
6. More than £1m – up to £2 million
7. More than £2 million
8. Refused (DO NOT READ OUT)

D 15 What is your primary business activity?

PROBE TO PRECODES

- Catering/restaurant/fast food
- Construction/manufacturing
- Farming
- Garage, mechanics, repair

Leisure services
Professional/Consultancy services
Property Development & Sales
Retail
Other (Write In)

D 16 What is your position within the company?
PROBE TO PRECODES

1. Owner/partner
2. Financial Director/Manager
3. Office Manager
4. Other employee

ASK ALL

D 17 Thank you very much for your help. Would you be willing to be contacted again about this subject, if it were necessary?

1. Yes
2. No

Thank you for participating in the survey. We really appreciate your time.

8.2 Qualitative discussion guide

Below is a shortened version of the qualitative discussion guide that was used in the qualitative interviews. The version below includes the main questions that were asked, but does not include any prompts or the exercises used.

Ofgem complaints to Ombudsman Services: Energy

Discussion guide, FINAL

The overall aims are to:

The research will provide better understanding about why consumers do not ask the Ombudsman to investigate their unresolved complaint, having been informed of their right to do so:

- Establish whether there are perceived or actual barriers to accessing the OS:E
- Understand what would motivate customers to use OS:E.
- Review how suppliers currently communicate customers' rights to approach the OS:E
- Identify other factors that may play a role in triggering escalation to the OS: E
- Explore the reasons why some customers who have received eight week or deadlock letters continue to work with their supplier to resolve the complaint or do nothing rather than escalating it to the OS: E

1. Introduction

- Thank you for agreeing to take part in this research.
- Introduce self and GfK NOP.
- Explain purpose of the research: **We are carrying out research on behalf of Ofgem to understand views about the letters energy suppliers send to customers who have made a complaint, and why some customers may or may not take the complaint further. Ofgem is the organisation that regulates the electricity and gas and markets in Great Britain. They will be using the findings of this research to help improve the information energy suppliers give to customers, and ensure more customers are aware of their rights when they make a complaint that cannot be resolved easily.**
- Explain the importance of being able to say what you think, there are no right or wrong answers and please be honest.
- Explain audio recording
- Reassure participant that the discussion is confidential, and that it complies with the Market Research Society Code of Conduct.
- Explain the discussion will last one hour

- Any questions?

Participant introduction

- Please tell me a little bit about yourself...
 - First name, age
 - Family background
 - What you do with your time (working / not working etc.)
 - Type of residence (flat / house etc.)
 - Length of time in property

2. Relationship with energy supplier

I'd like to start by asking you to think about your energy supplier...

- Please can you tell me who you supplies your gas and electricity??

Note to moderator: participants may have different suppliers for their gas and electricity. If they do, please can you ask them to only talk about the supplier to whom they have made a complaint?

- How long have you been a customer of [energy supplier]?
- Why did you choose [energy supplier] as your energy supplier?
- What words would you use to describe your relationship with [energy supplier]?
Why?
- What are the different types of communications you receive from [energy supplier]?
- Overall, how satisfied are you with your relationship with [energy supplier]?

3. Complaint journey

In this research we're talking to people who have made complaints to their energy suppliers; so now I'd like to talk about the complaint you made to [energy supplier]...

- Please can you tell me a brief history of the complaint you made?
- What kinds of communications did you *receive* from [energy supplier], in the days and weeks after you had made the complaint?
- What did you do when you received the letter?

- What was the main message of the letter?
- How did you feel when you received the letter?
- What did you do after you had read/skimmed/discarded the letter?
- What impact did receiving this letter have on the rest of your complaint journey?
- How satisfied are you with the way the complaint was handled by [energy supplier]? Why?
- How satisfied are you with the outcome proposed by the supplier? Why?

4. Spontaneous awareness and perceptions of the Energy Ombudsman

Now I'd like move on to talk about the Energy Ombudsman...

Moderator: spend 5 minutes if participant has not escalated complaint to the Energy Ombudsman; and 10 minutes if participant has escalated complaint to the Energy Ombudsman

- Have you heard of the Energy Ombudsman?
- What can you tell me about the Energy Ombudsman?
- What are your perceptions around the Energy Ombudsman, in terms of:
- Can I check - did you approach the Energy Ombudsman about your complaint with [energy supplier]?

If yes:

- At what point of the complaints process did you contact the Energy Ombudsman?
- Why did you decide to contact the Energy Ombudsman?
- What were your expectations of the Energy Ombudsman when you contacted it?
- What was the outcome of you contacting the Energy Ombudsman?
- How satisfied are you with this outcome?
- To what extent would you recommend someone who is/was in a similar situation to you to contact the Energy Ombudsman?

If no:

- Why didn't you contact the Energy Ombudsman?

- If you had of contacted the Energy Ombudsman, what do you think the process would have been like?
- What, if anything, would have encouraged you to contact the Energy Ombudsman?

5. Letter evaluation

I'd like to now show a copy of the letter you may have received from [energy supplier]

Moderator: show participant copy of letter and let them read it. Then ask:

- Do you recall receiving this letter?
- How did you feel when you received the letter?
- Were you contacted by [energy supplier] to say you were going to receive this letter?
- What did you understand from the letter?
- What is the letter saying?
- What did you do when you received it?
- What difference did receiving this letter make to you?
- Looking at the letter now, what are your first impressions around how:
 - How attractive and engaging the letter is?
 - How important and authoritative the letter is?
- How clear is the letter?
- Why did you highlight these words / phrases?
- How clear do you think these words are [only mention those words below that are included in letter]?:
 - Resolve; remedy; binding; redress; deadlock; abide; exhausted; oblige
- To what extent do you think the letter follows a clear and logical order?
- How does the tone of the letter come across to you?
- *If the letter refers to enclosed leaflet or Factsheet:*
 - To what extent would you prefer this information to be included in the body of the letter, rather than being enclosed with the letter?
 - How useful is the factsheet? Why?

- Overall what do you think is the most important information in the letter?
- What point do you think the energy supplier is trying to get across to you in the letter?
- What information do you think is unnecessary?
- What do you understand from letter about the role and purpose of the **Energy Ombudsman?**
- Based on the letter how do you think people would feel about taking their complaint to the Energy Ombudsman?
- What is the impact of this message about the Energy Ombudsman coming from [energy supplier] who you are / were in a dispute with?

Moderator: For those participants with sight impairments or over the age of 75 years ask:

- Does [energy supplier] know you have a sight impairment?
- Did [energy supplier] ask you if you would like to receive printed information in large print or a different accessible format?

Moderator: For Welsh participants ask:

- Did you receive bi-lingual versions of the letter?
- Did [energy supplier] ask you if you'd like to receive bi-lingual letters?
- To what extent would you expect to be sent the letter in Welsh?

6. Clarifying the role of the Ombudsman

I'm now going to show you a description of the Energy Ombudsman [show card A]:

Show card A

We resolve consumer complaints about energy (gas and electricity) companies and their customers. We are approved by Ofgem, the UK gas and electricity regulator, to provide redress under the terms of the Consumers, Estate Agents and Redress Act, 2007. We are entirely independent from the energy industry, the regulator and from consumer groups so that people can trust us to be fair. This means that we do not take sides and we make our decisions based on the facts available to us. Our service is free to use for consumers.

What do you think about the Energy Ombudsman service?

Moderator: now I'd like you to briefly look at the letter again. Now that you've seen this description of the Energy Ombudsman...

- How well do you think the letter communicates the role and purpose of the Energy Ombudsman?
- To what extent does the letter make it clear that the customer has the right to take their complaint to the Energy Ombudsman?
- To what extent does the letter make it clear that the Energy Ombudsman is independent of the energy company?
- To what extent does the letter make it clear that having the complaint considered by the Energy Ombudsman is free?
- To what extent does the letter explain the types of solutions available (an apology, explanation, action, compensation)?
- To what extent does the letter make it clear that the energy company must accept the Energy Ombudsman's decision but the customer does not have to?
- To what extent does the letter make it clear how you contact the Energy Ombudsman?

Moderator: if the participant did not escalate complaint to the Energy Ombudsman, ask:

- Thinking about the information we've just been looking at, and also more broadly, what if anything could have encouraged you to take your complaint the Energy Ombudsman?
- Under what circumstances might you consider taking a complaint to the Energy Ombudsman?
- Overall, to what extent do you think customers are told about the Energy Ombudsman at the right time during their complaint?
- To what extent do you think customers are told about the Energy Ombudsman in the right way/format?
- Overall, to what extent do you think customers are given enough information about the Energy Ombudsman?

Moderator: if the participant did escalate complaint to the Energy Ombudsman, ask:

- Given your experience of using the Energy Ombudsman service, how well does the information provided in the letter explain what you can expect from using the service?
- What information, if any, is missing?
- To what extent do you think that the letter provides enough information about the Energy Ombudsman?
- To what extent do you think that the letter makes it clear that you can contact the Energy Ombudsman?
- Overall, to what extent do you think customers are told about the Energy Ombudsman at the right time during their complaint?
- To what extent do you think customers are told about the Energy Ombudsman in the right way/format?
- Overall, to what extent do you think customers are given enough information about the Energy Ombudsman?

7. Summary and close

Overall, statistics show that few customers decide to take the complaint forward to the Ombudsman. Thinking about everything we've discussed...

- Why do you think this is?
- What do you think could encourage people to take their complaint to the Ombudsman?

Thank and close

8.3 Feedback from suppliers

The feedback from each of the ‘big six’ energy supplier interviews has been merged, and verbatim quotations have not been attributed, in order to ensure individual responses cannot be identified and participant confidentiality is maintained. This means this section of the report is necessarily broad and general.

There were a number of themes that emerged from the supplier interviews that helped identify key areas for the research and informed the direction of the qualitative discussion guide. The feedback has been grouped into four sections:

- Signposting customers to OS:E
- Development of the 8-week and Deadlock letters
- Customer reactions to the 8-week and Deadlock letters
- Reasons why customers may not escalate their complaint to OS:E

Each of these sections is now discussed below:

Signposting customers to OS:E

The six energy suppliers reported that they each had a complaints procedure in place, and that complainants were signposted to OS:E as part of the procedure.

“It gives all the details of the Ombudsman in terms of contact information, at what point a customer should be contacting the Ombudsman, because the Ombudsman likes us to quote ‘If you’re complaint has reached eight weeks and you’re still not satisfied, we’ve included the eight week timescale in our signposting.’”

“We send them [complainants] a letter that we are dealing with the complaint and we also send our complaint handling booklet which signposts the Ombudsman at the forty-eight hour – seventy-two hour period.”

The energy suppliers also reported that they provided information about OS:E through all or some of the following sources: the company website; the back of bills; marketing literature; service leaflets; and terms and conditions.

Development of the 8-week and Deadlock letters

A. *Feedback about the 8-week and Deadlock letters*

A couple of energy suppliers mentioned that the 8-week and Deadlock letters were introduced in 2008 when the new complaint handling regulations were introduced. One energy supplier mentioned that they received feedback from OS:E at the end of 2012 and are now looking to include additional contact information relating to OS:E.

Another energy supplier described how OS:E had recently sent out suggested templates to the company and similar organisations, and believed that these were primarily sent out so that staff at the energy companies understood what information was required to be in a Deadlock letter. Up until this point, this particular energy supplier had created the letters internally and believed that they had to be signed off by Ofgem before they could be used.

In terms of the information included in the 8-week letter and the Deadlock letters, one of the energy suppliers felt that some of the wording could be improved to make the letters less formal. This supplier said they tried to make the tone of the letters helpful and friendly and the text sound personal. They also said they thought there was too much information included in the “regulatory requirement section” of the letters and questioned whether this could discourage customers from taking their complaint to OS:E. They felt that their general brand communication had evolved and had moved away from being formal, and were concerned that the formality of the 8-week and Deadlock letters could result in the letters becoming disconnected from other information that the company provided for customers.

“I don’t think it impacts in the clarity of the message because the message is very, very clear...I just think it could be slightly more aligned with our tone of voice.”

Another supplier described how the most radical change to the Deadlock letter had been the most recent. This change was to the format of the Deadlock letter so that it is now split into three sections: what the company and the customer cannot agree on and why; final information about the offer the company is making; and

information about taking the complaint further. This supplier mentioned that earlier changes to the Deadlock letter were prompted by OS:E (for example trying to make it clearer to the customer when to contact OS:E in the process), but the most recent changes were made because of recommendations to the industry as a whole by OS:E, as it was found that customers did not understand the letter.

One energy supplier mentioned that there was a question mark around how to interpret customer dissatisfaction, and that this could impact on customer reactions to the 8-week and Deadlock letters. This energy supplier had experienced customers contacting them to ask why they have been sent signposting information about OS:E, because when they had originally contacted the company they were not registering a complaint and therefore did not need the signposting information.

“The interpretation of expression of dissatisfaction is one that is very difficult to be very consistent and we then have to explain to the customers well it may be due to the tone that you expressed your complaint.”

One energy supplier described that they provide a fact sheet about OS:E with their 8-week and Deadlock letters.

One energy supplier mentioned that eight weeks was considered to be a good timeline, but it could drive the “wrong” customer behaviours. They had some concern that telling customers about OS:E in the 8-week letter could drive customers to take the complaint forward to OS:E. However, because the entire investigation is not completed by the supplier at that point, there was a risk that the customer could simply be signposted back to the supplier for the supplier to finish exploring ways to resolve the complaint.

B. Personalisation of the letters

One energy supplier described how they used to personalise their 8-week letter, so that it was tailored to fit with each customer’s situation or circumstance. However, they stopped this and now send a standard letter in order for the company to feel satisfied that the letters are being sent out on time.

Another energy supplier mentioned that the beginning and end of their letters were personalised to make the tone friendlier, but the middle section of the letters was standard text. The letters were written by the specific complaint handler.

C. Letter research conducted by the energy suppliers

Overall, energy suppliers reported that they had done little, if any, research around how best to present the information contained in the 8-week and Deadlock letters to customers.

“I wouldn’t say we’ve done any specific research [about how best to present information in the letters].”

One energy supplier mentioned that they had brought in organisations to help the company understand how to better communicate with customers and to provide assistance with the design and presentation of the letter.

A couple of energy suppliers mentioned the importance of communicating with customers in a way that is consistent with their brand. For example, one supplier mentioned that the complaint booklet they give to customers has been modified to make sure that it is consistent with the brand.

Customer reactions to the 8-week and Deadlock letters

Overall, the energy suppliers reported that they did not receive much feedback from customers about the 8-week and Deadlock letters.

“I’ve never seen any feedback from anyone asking us to give further clarification about that Ombudsman signposting bit because it is a very straightforward piece of communication around a moment of choice and a contact route.”

“I don’t think we’ve had anything [feedback] back direct from the customers.”

“We don’t receive an awful lot of statistic[al] feedback about the fact that they’ve received the letter...we’re having on-going dialogue about their complaint...eight week letter is quite a useful way of us getting the customer’s attention again...that can often prompt them to get the complaint sorted out, it allows us to bring it to a close.”

Some energy suppliers did explain that they ask complainants for feedback on the complaints process, once the complaint has been closed. One mentioned that when customers contact the company they are asked if they would be prepared to give feedback. If they are prepared to give feedback then the customer is called within a time period and taken through an automated process. Another explained that after a complaint has been closed the company issues feedback cards to customers to gain more understanding and insight.

Another supplier explained that when a complaint is closed, the customer automatically receives a letter and questionnaire asking for feedback. They reported that often the response is quite positive, *“but it can be the outcome that skews the result rather than how the complaints process was followed.”*

Reasons why customers may not escalate their complaint to OS:E

There were a number of reasons suggested by the energy suppliers as to why customers may not escalate their complaint to OS:E. These are (in no particular order) as follows:

A. Satisfaction with the way the energy suppliers were handling the complaints

One of the reasons provided by energy suppliers as to why they thought customers may not escalate their complaint to OS:E is because customers were satisfied with the way the energy suppliers were handling the complaints.

“I think it just confirms that the majority of our customers are quite satisfied [and therefore do not take the complaint to the Ombudsman] with the fact that we are managing their complaint, we keep them informed about their complaint and

that we make it clear to them that we are doing our utmost to resolve their complaint....so I think the majority of customers are satisfied...for [name of energy supplier] to manage their complaint for them and probably don't want to have the added complexity of escalating the issue when they don't really feel the need to."

"The amount of customers that get to forty [days], there are obviously some on-going issues. Some of them [customers] are hopefully getting very close to resolution and there would be an on-going relationship with the team and hopefully they can see the light at the end of the tunnel and see a resolution, and think 'I have no need to go to the Ombudsman because I trust that the supplier's going to sort it out.'"

"The only reason I think a customer would go to the Ombudsman at eight weeks is if they felt we weren't dealing with it [the complaint] appropriately."

"It means we must be doing something right, we're managing these complaints well and the customer doesn't need to involve an Ombudsman or a third party."

B. The perceived length of time and amount of work involved in escalating a complaint to OS:E

Energy suppliers mentioned that one reason customers may not escalate their complaint to OS:E is because they may perceive the process to be quite lengthy and involve a lot of work.

"They [customers] need to go through quite a bit of work in order for it to be investigated [by the Ombudsman]."

One energy supplier felt that those with previous experience of OS:E may prefer to keep the complaint with the supplier, as the OS:E complaints process can be lengthy and places onus on the customer to provide evidence.

“I think maybe some customers might not want to provide all of the evidence that would be required to the Ombudsman in order for them to look at it.”

“I would like to think that some of these customers are not doing it because once we’ve been able to set out to the customer clearly about what it is that we’ve done and what it is that they’re asking for, maybe they decide...maybe ‘what I have been asking for is totally unreasonable’.....I think maybe some customers might not want to provide all of the evidence that would be required to the Ombudsman in order for them to look at it.”

Another energy supplier mentioned that some customers are looking for compensation as a result of their complaint, and may fear that OS:E will tell them they will not receive the compensation they are expecting. An energy supplier described how customers sometimes “push” to see how far they can go in terms of compensation from the supplier, but they have found that customers who do go to OS:E often end up taking up the offer that the supplier originally proposed. They think that customers like to talk to OS:E because it is an independent voice, and once they are told by OS:E that what the supplier is offering is fair, they are more willing to accept it.

C. The complaint is still being investigated

Some energy suppliers felt that customers may not escalate their complaint to OS:E whilst the energy supplier is still actively investigating the complaint.

D. The relationship between the customer and energy supplier

A couple of energy suppliers felt that the customer relationship was crucial to good complaint handling and that a positive relationship with the customer could impact

on their propensity to take a complaint forward to OS:E. There was a perception that where there was a good relationship, customers may have more confidence in the supplier to resolve the complaint.