

Andrius Cialka
Ofgem

By email only:
Andrius.cialka@ofgem.gov.uk

13 February 2013

Dear Mr Cialka,

Supplier Guaranteed and Overall Standards of Performance Review – Call for Evidence

Good Energy welcomes the opportunity to contribute to Ofgem's Call for Evidence in its review of the Supplier Guaranteed and Overall Standards of Performance (GOSP).

Good Energy is a 100% renewable electricity supplier. Our growing customer base consists of around 30,000 electricity customers and 7,000 gas customers. We source some 70% of our power from 500 small and medium-sized, distributed renewable electricity generators.

Out of all the energy suppliers, we have a strong track record in delivering for our customers, topping Which? Magazine's customer satisfaction survey of energy suppliers for three out of the last four years. Our company has experienced increased customer sign ups as a result which demonstrates to us that consumers use comparative information to make choices about their supplier.

In July last year we listed on the AIM Market, making us one of the few UK domestic energy suppliers that are listed on the London Stock Exchange.

Our company strives to deliver excellent customer service. We hope that as a smaller supplier, with a strong record in customer satisfaction we can provide a different perspective on the Guaranteed and Overall Standards of Performance.

1. Are GOSP an effective tool for protecting consumers in the retail energy market?

The GOSP are a limited approach towards providing consumers with adequate protection. In our view, they only provide for minimum levels of service for customers on a small number of transgressions for suppliers. The penalties no longer compare with the amounts of customers' bills which have increased drastically since the penalties were originally set. In our view the GOSP became outdated with the implementation of the Consumer, Estates Agents and Redress Act 2007 and the structure for assisting consumers introduced through that legislation.

2. To which groups of consumers are Guaranteed Standards (GS) relevant and useful? Are they of equal relevance and value to all consumer groups, including domestic, SMEs and large businesses?

As the GOSP stand alone at the moment, in our view they are widely ignored by consumers to whom their value is unclear or secondary to that provided in the complaints figures which are used by the media to compile comparison tables that are more relevant to them than the GOSP target figures. As the GOSP figures stand separate from the complaints figures, we see this as one of the main catalysts for abolishing the GOSP or, at least, including a revised GOSP within supplier's obligations to report on complaints.

3. Is the GS on Charges and Payments, which only applies to the previous Public Electricity Suppliers (PES), still appropriate? If so, should it be extended to all suppliers?

We do not believe that the GS on Charges payments are meaningful in light of competition and the reasons mentioned above. We believe that they should be abolished.

4. Are there any customer service areas that no longer need to be covered by the GOSP? Are there any service areas that are not covered by the GOSP, but should be?

We believe that the GOSP should be abolished by incorporation into the Standard Licensing Conditions and included within the existing structure for maintaining supplier complaints policies. If this approach is adopted we suggest that a useful area in which to extend performance measurement would be to call centres.

Suppliers are reliant on their call centres as one of the primary means of communication from their customers. Consumers in general are disenchanted with the standard of service provided by call centres including the amount of time call centres take to answer calls, to reach a suitably knowledgeable member of staff and to obtain the appropriate assistance.

We propose that minimum call centre response times should be implemented, with call centres aiming to answer consumers' calls within a reasonable period of time. Appropriate penalties could apply thereafter. This suggestion might help to improve consumer service across energy suppliers.

5. Which customer service areas are appropriate for performance reporting approach under the OS?

In our view, as suppliers are already obliged to report complaints statistics, the GOSP can be abolished and included within suppliers' complaints policies. The statistics for complaints could then be improved by increasing the amount of information published about suppliers' performance. The presentation of an increased amount of information might assist consumers to differentiate amongst the suppliers to ensure that suppliers' long-term performance is recognised in the marketplace.

6. Are the current levels of compensation under the GS still appropriate? Should they be different for different customer groups?

We do not think that the current levels of compensation are still appropriate. The amounts cited do not bear any relation to the financial loss or inconvenience a consumer, SME or large business may experience as a result of the loss of energy to their premises.

7. What is the overall consumer awareness of the GOSP? To what extent should consumers be aware of the GS and OS and what is the best way for achieving this?

We have outlined our opinion of the level of awareness and our suggestions on how to improve this above. We suggest that suppliers' complaints policies should absorb or supersede the GSOP and that additional reporting requirements be introduced to improve consumer awareness.

8. What is the best way for suppliers to demonstrate that they meet and where appropriate, exceed the GOSP?

In our view, the provision of increased information for consumers, in a easily comparable format will be the best way for suppliers to demonstrate their performance and for consumers to understand the competitive marketplace. Comparable results enable third party organisations to improve their comparability data and to allow consumers to make decisions on

key performance indicators other than cost. The more data made available, the more the industry will come to understand what is important to consumers to improve service levels.

9. To what extent will each of the current GOSP remain appropriate in light of market developments such as smart metering?

Smart metering will serve to improve customers' awareness of suppliers' performance under the GOSP. The GOSP are outdated now and this will only worsen with the introduction of smart metering. In our view, only a simple, straightforward method to compare the levels of performance generated by suppliers, across a wider range of key performance indicators will serve to improve our industry and awareness amongst consumers of the differences between suppliers.

We are grateful for the opportunity to provide evidence to assist Ofgem in its review. We hope that our reasoning set out above is helpful and we will continue to engage in this exercise in order to help improve this aspect of our industry.

Yours sincerely,

David Forbes
Compliance and Research Officer