



Making a positive difference  
for energy consumers

Consumers and their  
representatives, energy  
suppliers, telecommunication  
companies and other interested  
parties

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### **Telephone services – our expectations of suppliers operating in the domestic energy market**

We want domestic consumers to be able to access their energy supplier's telephone services easily and without incurring high call charges. We have conducted an initial assessment of the practical and financial accessibility of domestic suppliers' telephone services and identified actions that will help to improve accessibility. We found that:

- One domestic supplier does not list a telephone number anywhere on their website, but otherwise contact numbers are available on suppliers' websites and are positioned not more than two clicks from website homepages.
- Most suppliers offer telephone services that are free from landlines and/or low cost numbers, but there are two suppliers who use high cost business rate numbers.
- There are a number of online directories operated by third parties that direct consumers to supplier helplines via high cost numbers.

The remainder of this letter sets out our findings in detail and the actions we consider are needed to improve the accessibility of domestic suppliers' telephone services.

Yours faithfully,

A handwritten signature in black ink that reads "J Blagrove". The signature is written in a cursive, flowing style.

**Jonathan Blagrove**  
**Senior Manager – Consumers and Sustainability**

Consumers want and need to contact their energy supplier for various reasons. They may want to report a fault with their meter, query their bill or arrange an appointment for a meter read. They may want to make this contact in a variety of ways - via email; online through instant messaging services; via social media or by post. For many though, their preference will be to contact their supplier by phone. For customers without internet access, with certain disabilities or for those with urgent queries, phone contact will be essential.<sup>1</sup>

We want to ensure that consumers can access telephone services easily and without incurring high call charges. Where telephone services are provided in this way, consumers are enabled to engage with their supplier and the energy market. They can more easily raise concerns, seek clarity, access advice and generally manage their energy account over the phone.

Parliamentarians and consumer representatives have raised concerns and posed challenges to domestic suppliers in this area. The All party Parliamentary Inquiry into Hunger and Food Poverty<sup>2</sup> recently raised concern around the cost of calling, especially for pay-as-you-go (PAYG) mobile consumers. They recommended that suppliers should only use Freephone or low cost geographic telephone numbers and should cease using high cost numbers.<sup>3</sup> Meanwhile Citizens Advice has called for domestic suppliers to provide a 24 hour helpline for all prepayment meter customers that is free from landlines and mobiles.<sup>4</sup>

Given the importance of telephone service provision and in light of the issues raised, we have conducted an initial assessment of telephone service provision in the domestic sector. Our assessment has focused on the practical and financial accessibility of telephone services. We have used this assessment to inform the development of key principles to underpin domestic suppliers' telephone service offerings to help improve accessibility. Alongside these principles, we have drawn up a list of actions that we consider are needed to improve telephone service accessibility for domestic customers. In the rest of this letter we set out our key principles; our assessment of current provision; and next steps.

## **Locating and engaging with telephone services**

**Key principles:** *Telephone numbers should be easy to find and prominently displayed on suppliers' websites, annual statements and bills. Telephone services should be accessible to all consumers, including those with special communication needs.*

Telephone numbers should be easy to find. Consumers should not have to look into the small-print on their annual statement or bill simply to find a phone number. Phone numbers should also be easy to locate and prominently displayed on supplier websites. We recognise the benefits of being able to identify phone numbers intuitively, and can also see that hosting a telephone number several clicks away from the homepage is likely to make it more difficult to find.

Some consumers have special communication needs. For example, consumers who are deaf or hard of hearing may need to access alternative telephone provision such as a text relay service. We want suppliers to consider how best to cater for consumers with special

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<sup>1</sup> Ofgem Consumer First Panel: Research to inform Ofgem's review of the Guaranteed and Overall Standards of Performance (GOSP). Some panellists, especially the elderly, valued being able to make contact via the more traditional methods such as the phone, and were more likely to have a preference for talking to a 'real person'. Most panellists said that they would query a billing issue on the phone.  
Ofgem, 2014.

<https://www.ofgem.gov.uk/ofgem-publications/88555/1207328301gosppanelreportfinal.pdf>

<sup>2</sup> <http://foodpovertyinquiry.org/>

<sup>3</sup> As defined in Table 2 of this letter.

<sup>4</sup> [http://www.citizensadvice.org.uk/index/campaigns/current\\_campaigns/fairprepay.htm](http://www.citizensadvice.org.uk/index/campaigns/current_campaigns/fairprepay.htm)

communication needs throughout their customer service operations, including telephone service provision.

### *Our findings*

#### No number displayed

We have identified one domestic supplier (Zog energy) that does not display a telephone number on their website.

#### Website positioning

We note that some domestic suppliers display their number either on their website homepage or one click from the homepage. All other domestic suppliers displaying their phone number(s) online host at least one of these number(s) not more than two clicks away from their homepage.<sup>5</sup> While we recognise that displaying numbers via an intuitive path on websites is key, we think it is encouraging that none of the domestic suppliers place their number more than two clicks away from the homepage. This means there is less risk that their numbers are difficult to locate.

#### Consumers with special communication needs

We have engaged with Ofcom, the Communications Consumer Panel and Rica<sup>6</sup> on the provision of telephone services for consumers with special communication needs. On behalf of the Communications Consumer Panel, Rica is conducting a series of in-depth interviews to look at the needs and experiences of older and disabled customers communicating with large organisations'. We understand that the results from this exercise will be available in the second quarter of 2015.

### *Actions*

- We have contacted the one domestic supplier that does not display a telephone number on their website and expect this omission to be rectified shortly.
- We will continue to monitor supplier compliance with requirements to provide contact details, including telephone numbers, on routine communications such as annual statements and bills.
- We want suppliers to engage with disability groups and the findings from the Consumer Communications Panel to identify good practice for offering telephone services to those with special communication needs.

## **The cost of calling**

**Key principles:** *Suppliers should minimise cost to customers by offering Freephone or low cost geographic numbers. We do not see any justification for supplies using high cost numbers as part of their customer service offering.*

We do not want consumers to be put off from calling their supplier because of concerns over the cost of a call. However, we also recognise that there is a cost associated with receiving telephone calls and employing customer service agents to answer phone enquiries.

#### Freephone numbers

Access to a Freephone number clearly benefits those consumers with a landline wishing to phone their supplier. From June, legislative changes being introduced by Ofcom will see

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<sup>5</sup> As of February 2015.

<sup>6</sup> <http://www.rica.org.uk/>

Freephone numbers become free to call from mobiles as well as landlines.<sup>7</sup> This change will have obvious benefits to all customers of those suppliers offering Freephone numbers where these customers contact their supplier by phone.

#### Low cost geographic numbers

Using a geographic number will minimise call costs where a supplier opts not to offer a Freephone service. These numbers will typically be included within the inclusive element of landline and mobile contract packages.

#### PAYG mobile-only consumers

We recognise that post-June, PAYG mobile-only consumers not served by suppliers offering Freephone numbers will not benefit from being able to make calls to their supplier for free. They will not benefit from calls to suppliers offering low cost geographic numbers being included as part of inclusive minute's packages either, although clearly consumers using such packages do incur an upfront cost that does not fall on PAYG consumers.

Suppliers' will need to review their telephone service offering before June in light of the legislative changes that will impact on Freephone numbers. Suppliers should take this opportunity to review the impact of call costs across their customer base, including for PAYG mobile-only customers.

#### High cost numbers

We cannot see any justification for suppliers using high cost business rate numbers or other high cost numbers and note that the use of these numbers is likely to amount to a breach of existing regulations.<sup>8</sup>

#### Our findings

Table 1 – Prefixes displayed on suppliers' websites<sup>9</sup>

<b>Supplier</b>	<b>Freephone (0800 or 0808)</b>	<b>Geographic (01, 02, or 03)</b>	<b>Business rate (0843 or 0844)</b>	<b>Business rate (0845)</b>
British Gas	X			
Better Energy		X		
Co-operative energy	X	X		
Daligas	X			
Ebico	X	X		

<sup>7</sup>Simplifying non-geographic numbers – final statement.  
Ofcom, January 2014.

<http://stakeholders.ofcom.org.uk/consultations/simplifying-non-geo-no/final-statement>

<sup>8</sup> Regulation 41 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 prohibits customer helplines levying any more than basic rate call charges to post-contract consumers. Basic rate numbers have been defined by the Department for Business Innovation and Skills (BIS) as being geographic (01, 02, 03) numbers, Freephone (0800, 0808) numbers and mobile (07) numbers.  
BIS, 2013. *Implementing Guidance*.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/310044/bis-13-1368-consumer-contracts-information-cancellation-and-additional-payments-regulations-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310044/bis-13-1368-consumer-contracts-information-cancellation-and-additional-payments-regulations-guidance.pdf)

<sup>9</sup> As of February 2015.

Economy Energy		X	X	
Ecotricity		X		
EDF	X	X		
Eon		X		
Extra Energy	X			
First utility		X		
Flow energy	X	X		
GnErgy		X		
Good energy	X			
Green Energy	X	X		
Green Star	X	X		
isupply energy		X		
LoCO2		X		X
M&S Energy	X			
Npower	X	X		
Oink Energy		X		
Ovo	X	X		
Sainsbury's Energy	X	X		
Scottish Power	X	X		
Spark		X		
SSE	X			
Utilita		X		
Utility warehouse	X			
Woodland trust	X	X		
Zog energy	No number displayed			

Table 2 – Prefix cost range<sup>10</sup>

Prefix	Cost for landline (per minute)	Cost for mobile (per minute)
Geographic (01, 02 and 03)	Up to 9p (and typically included in inclusive call packages)	8-40p (and typically included in inclusive call packages)
Freephone (0800, 0808)	Free	7-40p
Business rate (0843, 0844)	1-13p	5-41p
Business rate (0845)	1-12p	5-40p

<sup>10</sup> <http://consumers.ofcom.org.uk/phone/how-much-does-a-phone-call-really-cost/>

## High cost business rate numbers

Table 1 identifies two domestic suppliers (Economy Energy and LoCO2) that currently display high cost business rate numbers on their websites. All other domestic suppliers' offer either a Freephone number and/or a low cost geographic number(s).

## Online directories

We have identified multiple online directories that appear on the first page of an online search when using a variety of search descriptions to find a domestic supplier's phone number. Some of these directories provide a high cost number to consumers wishing to contact their supplier. On calling the number customers are usually redirected to a suppliers' telephone number, but they incur high call charges as a result of using the number provided by the online directory. We have received complaints from local groups representing older people whose constituents have used these high cost numbers without realising that Freephone or low cost numbers provided directly by their supplier were available.

## Online-only discounts

Some suppliers offer discounted tariffs to online-only customers who have opted to receive paperless billing. We have identified two domestic suppliers who offer discounts to online-only customers which are subject to those customers not using telephone contact services/only using telephone contact services for specific purposes.

We recognise the financial benefits to individual customers taking up one of these tariffs alongside the potential dis-benefits of customers being dissuaded from using telephone services. We are yet to identify any instances where discounts have actually been withdrawn by these suppliers due to customers on these tariffs using telephone services/using telephone services for certain purposes.

## Actions

- We have contacted the two domestic suppliers displaying high cost business rate numbers on their websites and will be following up with them in the second quarter of 2015. We expect these numbers to be phased out of use during the second quarter of 2015.<sup>11</sup>
- We want to see domestic suppliers take any action they can to curb the impact of online directories that transfer customers to supplier phone lines using high cost numbers without making it clear that customers are paying additional and unnecessary costs. We will work with suppliers, the Advertising Standards Authority and other agencies to tackle this issue in the second quarter of 2015.
- We will monitor suppliers' responses to the legislative changes that will see 0800 and 0808 numbers become free to call from mobiles in June. Following these changes we will consider whether work should be done to investigate the feasibility of all domestic suppliers offering Freephone numbers as standard.
- We will discuss the use of tariffs incorporating discounting where telephone service use is restricted with suppliers in the second quarter of 2015. We will use the outputs from these discussions to inform any future work to further quantify the benefits and drawbacks of these tariffs.

## Conclusion

We have developed key principles to underpin telephone service provision in the domestic sector that will improve accessibility. Our initial assessment of current provision has identified some positive trends but also uncovered a limited number of issues with individual suppliers. We have also identified opportunities for suppliers to improve their

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<sup>11</sup> LoCO2 have already confirmed that they will be phasing out their high cost business rate number shortly.

telephone service offering collectively. We will work with suppliers in the second quarter of 2015 to agree suitable actions and timetables in each case.