

Dermot Nolan
Chief Executive
The Office of Gas and Electricity Markets
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1 September 2015

Dear Dermot

Open letter – EDF Energy – customer satisfaction with suppliers' complaints handling

Thank you for your letter of 10 August, in which you request an update on how we have embedded the improvements to our complaint handling processes for both our domestic and business customers. EDF Energy takes complaint handling issues very seriously and is committed to making the improvements we both want to see. We are pleased that you are encouraged by our positive actions so far, and we are happy to provide you with further detailed information on the changes we have made.

At the beginning of 2015, we established a Complaints Improvement Programme, taking a holistic approach for both our domestic and business customers. This built on the focus we already had on complaints and enabled us to oversee the development and implementation of planned improvements identified through Ofgem's research, the independent audit carried out in late 2014 and our own ongoing customer research. The Programme's strategic aim is to ensure that EDF Energy's management and handling of complaints is recognised as exemplary by our customers, our people and our stakeholders.

Our continued commitment to delivering an improved customer experience is demonstrated by the manner in which we have allocated significant resource, at all levels, to this Programme across our Customers business. For activity focussed on domestic customers, we have seconded one of our senior customer service managers to head the Programme, along with five senior individuals assigned to lead each of the five work streams. Each of these work streams is well resourced and the programme is further supported by a specialist team of customer service advisors. This is, of course, in addition to our existing customer service advisors, all of whom are trained and able to manage customers' contacts and complaints.

For activity focussed on business customers, we have established a project team of business experts with the capacity to initiate and implement change and improvements appropriate for business customers within their current teams in line with the approach taken by the programme for domestic customers.

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The Programme's goals are common for both our domestic and business customers and were agreed by the Customers MD, working closely with senior staff, to ensure that there is clarity within the whole business on the importance of this Programme to EDF Energy and its customers. The key goals are:

- Complaint management is focused on positive customer outcomes, closing the 'resolution gap'
- Ensure our people are trained, supported and trusted to deal with complaints compliantly
- Deliver a systematic complaints Root Cause approach that identifies and delivers the business changes required to prevent complaints arising

We will send more detail on the specific objectives of the Programme and on the work of the individual work streams to Ofgem officials shortly.

We were pleased to host a visit with your colleagues from the Consumer Affairs Team to our Exeter offices in April 2015. We provided a detailed overview of the five work streams within our Complaints Improvement Programme, and also took them through the strategy and progress we have made to date. We trust that we were able to demonstrate our focus and continued effort in this area, and our drive to 'be the best in the industry' around complaints management.

We have arranged a further visit to the Exeter offices on 28th September for colleagues from your management team, and will again take them through the objectives and progress of our Complaints Improvement Programme.

While it is important to acknowledge that we are in the early stages of our improvement programme, progress has been positive to date. We have witnessed increased customer satisfaction levels as a result of deploying a 'pilot' Middle Office function dedicated to managing complex complaints and our Root Cause work has had a positive impact on the levels of complaints received during 2015.

As part of the Middle Office pilot, all domestic customers receive an individual feedback survey once the complaint has been resolved. Whilst we understand the pilot has been only operating for a relatively short period the results are very encouraging. Over 85% of customers recorded their most recent contact with a score of 7 or above out of 10, with more than 50% of customers scoring their experience as 10 out of 10.

We've seen an improvement in our standing in the Citizen's Advice complaints 'league table' which compares suppliers' complaints performance, moving from 4th place in September 2014, up to 2nd place in the latest Quarter 1 report published in July 2015. This is due to a reduction of 26% in high level domestic complaints (complaints made to the Energy

¹ <https://edit.citizensadvice.org.uk/about-us/how-citizens-advice-works/citizens-advice-consumer-work/supplier-performance/energy-supplier-performance/>

Ombudsman and Citizens Advice Consumer Service) in 2015 compared to the same time in 2014.

We have also seen the total number of domestic complaints received in the first half of 2015 fall by 33% when compared with the same period last year.

We've also had further recognition that our customer service performance is improving, and were identified as one of the top 10 most improved organisations in the July 2015 UK Customer Satisfaction Index (UKCSI). We also achieved the highest customer satisfaction score for a major energy supplier – our score of 75 out of 100 means we have improved by 5.6 points since last year. We scored higher than any other major energy supplier in terms of professionalism, quality and efficiency, ease of doing business, problem solving and customer loyalty. The index also showed our customers are more likely to recommend us and we achieved the highest trust rating.

However, we do not underestimate the ongoing challenge to achieve our aim of offering a complaints handling approach which meets the needs of our customers and is viewed as exemplary by external stakeholders. We look forward to continuing to work transparently and openly with Ofgem in order to ensure that not only do we share our successes but also Ofgem understands and is aware of those areas where, despite significant effort being deployed, progress may take more time to show improvement.

I can provide my full assurance that we remain committed to improving the customer journey in relation to complaints resolution and I look forward to continuing our positive relationship in this area. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Paul Delamare on 02077522187, or myself.

I confirm that we will be publishing this response and your original letter on our website, and that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "V. Rivaz".

Vincent de Rivaz