



Making a positive difference
for energy consumers

Ian McCaig
Chief Executive
First Utility

Date: 22 September 2016

Dear Mr McCaig

Open letter – customer satisfaction with First Utility’s complaints handling

Today we published the report of our latest survey into customer satisfaction with suppliers’ complaint handling. Simply put the results are unacceptable. The overall level of satisfaction, which had fallen from the 2012 to 2014 waves, has dropped again and the percentage of consumers having a different view to their supplier on the status of their complaint has only marginally improved. Among the most concerning statistics is the significant rise in consumers reporting they are “very dissatisfied”, up 7% and 11% respectively for domestic and microbusiness consumers.

The survey shows that your results are poor, with only 11% of those surveyed stating they were satisfied with how their complaint was handled. Therefore, I am writing to you to request that you undertake an independent audit of your complaint handling process and report back to us. I also expect you to respond publically to this letter acknowledging your performance and setting out your plan for the independent audit.

The survey results

This is the fifth wave of this survey and covers the largest nine suppliers. The survey shows that medium-sized suppliers are on average performing less well than the overall industry average, with more consumers reporting they are very dissatisfied (59% compared to 45%). For the first time we have disaggregated the results for medium-sized suppliers and this shows your overall performance is well below average, with 80% of consumers surveyed saying they are dissatisfied – the second worst out of all suppliers surveyed.

The results indicate that there are issues throughout your complaints process, from registration of the issue through to resolution. Compared to the industry average significantly more of your consumers surveyed:

- found it difficult to register their complaint with you
- reported you did not set out resolution timescales or inform how long each step of the process would take
- said decisions by complaint handling staff were not made “there and then,” and believed that many complaints took longer than two months to resolve (more than any other supplier)
- felt they had to chase you to find out what was happening with their complaint

- reported that they were not directed to your complaints procedure online or were offered your policy in the post

As well as these procedural issues the survey found your customers surveyed were much less likely than the industry average to think that your staff treated them fairly, understood the complaint, took it seriously or were helpful. The impact of your and other medium-sized suppliers' performance is that, at the time of the survey, 63% of domestic consumers surveyed were either planning, in the process or had switched away as a result of their complaint experience.

Audit

Given the worrying and unacceptable nature of your results we want you to arrange an independent audit of your complaint handling procedure. In particular we expect this audit to explore how well First Utility addresses the key drivers of dissatisfaction which our survey revealed: ease of registering the complaint; keeping the complainant informed as to the progress of their complaint; satisfactorily resolving the complaint and confirming with the complainant that the complaint is closed; and the procedure for referring complainants to both your complaint policy and third parties to assist in resolution. As well as exploring the efficacy of your complaint handling procedures we expect the audit to explore your compliance with both your own complaints policy and the complaints handling regulations.

Next steps

As stated above we would like you to respond to this letter acknowledging your performance and setting out timings for the independent audit. In terms of the audit itself we would expect it to be completed before the end of the year and for the results to be made available to Ofgem for publication on our website. We would also like to meet with you to discuss your results and the independent audit in greater detail.

As you know supplier performance on complaints handling is a priority for Ofgem. In the past we have taken enforcement action on companies who have failed to offer their customers an adequate complaint handling experience. Therefore we expect you to give this letter the attention it deserves and take steps to improve your performance.

Yours sincerely



Dermot Nolan
Chief Executive