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Open letter – customer satisfaction with E.ON's complaints handling

Thank you for your open letter of 22 September 2016 and the insights provided in the Quadrangle research report.

I appreciate your concerns around the overall level of satisfaction with complaints handling across the industry but, whilst by no means being complacent, I am pleased that E.ON has made significant improvements in a number of areas for our customers. We are successfully making progress against our objectives both to reduce the number of complaints and to manage complaints through to full resolution in the shortest possible time.

We will use the insight provided, particularly that in the 'Ofgem: Satisfaction with supplier complaint handling 2015/2016. E.ON– Summary Report' (the E.ON report), to continue to raise our standards and improve the experience we give to our customers.

Encouraging research results

I was pleased to read that *"E.ON domestic complainants are significantly more likely than average to be very satisfied with how their complaint was handled"* (E.ON Report, page 6).

We have worked hard to seek to reduce the resolution gap between E.ON and our customers in the last two years, and have seen, what Quadrangle comments to be, a significant shift and decrease in this gap, from 49% down to 38%: better than the industry average (2016 Quadrangle research report, figure 34). However, as it is not the lowest in the industry, we accept we still have scope for further movement and improvement.

As I outlined in my previous letters on complaints, following your 2014 report, we now conduct our own research through an independent market research agency using the 2014 GfK survey

methodology. The latest survey, carried out using April complaints data, suggests that our resolution gap is down to 32% and approaching current best in class for the industry, according to Ofgem's 2016 figures.

We also saw a corresponding significant increase in customers considering their complaints to be resolved – although, here again, we accept there is room for further improvement (2016 Quadrangle research report, page 16).

We know that the time it takes to fully resolve a complaint is one of the key determining factors of customer satisfaction and therefore it was pleasing to see that, of all the suppliers, we resolved the highest percentage of complaints on the same day, within two days, within one week, up to one month and up to two months (2016 Quadrangle research report, figure 32).

Energy Ombudsman Services recently shared data with us showing that we had the best results out of the seven largest suppliers for case outcomes that are 'maintained' (i.e. when the Ombudsman agrees with the resolution we have offered). We use Ombudsman case maintained as one of our key KPIs as to whether the outcomes we provide to our customers are fair outcomes.

Whilst we welcome that the report highlights key improvements we have made, there was one issue that I would like to bring to your attention. There was a methodological change in the 2016 survey conducted by Quadrangle, compared to the previous work GfK conducted in 2014. Most notably, the fieldwork for the 2016 research was conducted up to six weeks later than previous work. This may result in a situation where some customers may not recall the outcome of their complaint over this longer time period, and therefore they may be more likely to answer questions differently compared to 2014. While the 2016 analysis stands very well in its own right, this change makes it more difficult for us to attribute the movements in key measures to either our improved business practices, or simply the methodological change. If at all possible, we would welcome that future surveys provide the ability to track variations over time in a robust manner.

Our plans to make further improvements

Despite encouraging factors within these results, we recognise that we must continue to focus on the complaints experience for our customers. We have plans in place which will address key areas for improvement highlighted by the research.

We are creating a multi-skilled Centre of Excellence for domestic complaints to seek to improve customer satisfaction, including making it much easier for customers to deal with one person. The Resolution Managers will be all on one site, working together and this change gives us the opportunity to provide extensive training to upskill them further.

In our training for all Resolution Managers (domestic and microbusiness) we will emphasise the following:

- Giving an expected resolution date and explaining how long each step will take;
- Getting back to customers when agreed and providing regular updates;
- Directing customers to our complaints handling procedure on our website and offering to send copies of it free of charge;

- Asking customers for their preferred contact methods and using these for future contact;
- Providing an explanation of the problem as part of resolution of the complaint; and
- Having great conversations that demonstrate helpfulness and that we're taking the complaint seriously.

We carried out an extensive communication campaign on the importance of ensuring that we and our customers agree when a complaint has been resolved. We now conduct regular quarterly internal checks on the resolution gap and put actions in place to address any gaps to ensure we tell customers that we have recorded their complaint and ask them to confirm that it has been resolved. This approach will allow us to continue reducing the resolution gap.

We have recently trialled a new tool to help frontline colleagues take the right steps to resolve customer complaints on the spot. The trial showed an improvement in first time resolution and faster resolution time. The next step is to look at how we can further develop and roll out the tool to improve the time it takes to resolve complaints.

At the start of this year we introduced independent quality assurance checks, which feed into the coaching we provide to our advisors, enabling us to keep improving the customer experience.

Indicators that we believe do not require change

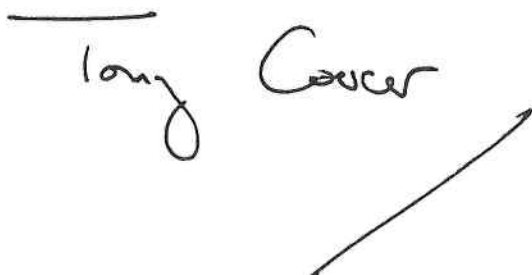
The E.ON report highlights that relatively few customers recalled being given a complaint reference number, but does not indicate whether a customer would want one. We have looked into this matter through independent research. The vast majority of our customers told us they do not want another reference number to remember. At E.ON all complaints are recorded within a customer's account, i.e. they just have to identify themselves in the usual way for our advisor to be able to find the complaint. This simplifies the experience for our customers without the need for an additional reference to remember.

Whenever a complaint cannot be resolved straight away, our customers are connected to a Resolution Manager who will give their name and subsequently own all contacts with the customer through the complaints journey. We do not give named contacts for complaints that are resolved straight away, because they have been resolved and thus ongoing contact is not required (although the details will still be visible on a customer's account).

Looking ahead

We believe that, whilst we clearly have further to travel, the research results do show that E.ON is moving in the right direction for complaints handling. We take on board the insights you have provided and the priorities to improve our customers' satisfaction. We are building those changes into our plans and hope to see further improvements as a result.

Yours sincerely,

A handwritten signature in black ink that reads "Tony Cooper". The signature is written in a cursive style. Below the signature, there is a long, thin, slightly curved line that extends from the left towards the right, ending in a small arrowhead pointing towards the right.

