



Mr Dermot Nolan
Chief Executive
Ofgem

BY EMAIL

30th September 2016

Dear Mr Nolan

Open letter relating to customer satisfaction of npower's complaint handling

Thank you for your letter dated 22nd September 2016 highlighting your latest research into customer satisfaction with suppliers' complaint handling. We are extremely disappointed with the survey results and agree they are unacceptable. This letter outlines the improvements we have made since the research was carried out and also addresses the areas of concern raised in your letter.

Since I took up the role of Chief Executive in October 2015 it became apparent to me that we had serious issues with our complaints and I immediately replaced the senior management team and instigated a recovery plan covering many of our processes and procedures. Since then, we have started to make fundamental changes to how the customer services functions operate.

We have also targeted improvements in the way we address customer levels of dissatisfaction and manage their complaints. Your survey results highlight six key areas which are listed below along with improvements we have made this year.

Making it easy to register a complaint

- We have recruited more staff to handle customer complaints and we are seeing quicker response times in our domestic contact centres with a 54% improvement in August 2016 compared to January 2016.
- We have also completed comprehensive re-training and increased support for our advisors to effectively identify and register customer dissatisfaction.
- In our digital channels for domestic customers, we have increased our opening hours so customers can now contact us via online web chat between 7am and 11pm Monday to Friday and 8am to 8pm on Saturdays which an increasing number of customers are choosing to use.

Being clear on next steps

- At the start of the year, we recognised the need to be clearer about next steps in our conversations with customers and as a result we increased the number of quality checks on our letters and also gave our customer service advisors additional one to one coaching, specifically around complaint handling
- Since we have implemented these improvements, we have seen a reduction of 61% in domestic customers seeking out the Ombudsman Services reflecting an improvement in the time it takes us to resolve each complaint.

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Making decisions promptly

- Our customer advisors have been provided with additional support from managers and specialist advisors to up-skill their knowledge and understanding of the importance of getting things right for customers much quicker.
- We have also introduced more decision making rights for our managers and advisors to increase the number of times we can resolve customer complaints quickly
- It is pleasing to note that the number of customers with complaints that remain unresolved after eight weeks has reduced by 48% from the start of this year

Time taken to resolve the complaint

- While we made considerable improvements in halving the number of customers contacting us to raise a complaint this year compared to 2015, we also recognised that in some instances it was still taking us too long to resolve certain types of complaints.
- We have now re-shaped our organisation and improved our processes so we can better identify and resolve difficult complaints by routing them to specialist teams who have the expertise to address the issue quickly.
- Additionally, when we need to speak to our customers to talk them through the resolution of their complaint, we have updated our SMS messaging to proactively notify customers in advance that we'll be calling.

Keeping customers updated

- For our business customers, we've fully rolled out bespoke case management in instances where the case is complex. We're now also expanding this approach across our domestic customer service teams.
- This year we have reviewed and changed our 'standard template' letters so customers can see at a glance the progress and status of their complaint. We have further embedded this improvement within our teams by helping our advisors with their letter writing skills.
- We have also seen the number of follow up calls into our complaint handling teams by customers reduce by 35% in September, demonstrating that customers are more satisfied with how their complaint is being handled.

Making things clearer for our customers (resolution gap)

- We know in the past, we have complicated things – particularly with industry jargon so we have re-trained our advisors on the importance of using friendly, open – and simpler – language.
- In the last few months, we have seen a 100% improvement in the number of complaints we have successfully resolved over the telephone.
- We have also introduced simpler screens in our billing systems to support better quality conversations with our customers.

Furthermore, we continue to work hard to understand the root causes of our complaints and use this information to ensure we are working on improving those things which will benefit our customers in the best ways.

Our plans for improving the business are on track and are reflected in our customer numbers which have stabilised in our Domestic business since the significant losses suffered last year.

I trust the information above illustrates how seriously we take our commitment to improving the experience for our customers and our commitment to improve our quality of service. I look forward to meeting with you soon.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Paul Coffey', with a long horizontal flourish extending to the right.

Paul Coffey
Chief Executive