

Dermot Nolan
Chief Executive
Ofgem
9 Millbank
London
SW1P 3GE

22 November 2016

Dear Dermot

Open letter – Customer satisfaction with EDF Energy's complaints handling

I am responding to your request to publicly respond to your September 22 letter in which you request an update on how we have, and will continue to, improve the complaints handling experience for our customers, and specifically how we will ensure that our communication with complainants improves.

We are pleased that Ofgem has recognised that EDF Energy was the only supplier to improve its overall complaints handling satisfaction score and that we had a drop in consumers reporting that they were very dissatisfied. EDF Energy aims to deliver a great service to its customers and Ofgem's input to helping us achieve this is welcome. We are also grateful for the time your team spent with us recently as we finalised our plans for 2017.

As Ofgem is aware, EDF Energy takes complaint handling very seriously.

At the beginning of 2015 we implemented an extensive Complaints Improvement Programme with the aim of significantly improving our customer experience. Building on the solid focus we already had in this area, the Programme utilised insights from Ofgem's 2014 research, the associated independent audit and our own satisfaction research to identify the additional steps needed to both address problems before they become complaints and when they do ensure that the complaint is well managed.

The Programme has the following goals:

- Complaint management is focused on positive customer outcomes, closing the 'resolution gap'
- Senior Management take accountability for identifying, addressing and preventing future complaints

- Our people handle complaints brilliantly
- We have a systematic complaints Root Cause approach that identifies and delivers the business changes required to prevent complaints arising

In 2015, our team focussed on better understanding complaints and delivering the key foundations for improvement. These changes included better guidance, training and mentoring for our service advisors, a revised operating model to facilitate “difficult” cases being referred to a specialist Customer Solutions Team, better management focus on complaints, improvements to our Complaints Management System, and a systematic approach to root cause rectification.

These efforts have delivered significant improvements, including:

- An increased proportion of complainants who were very satisfied (17% in 2016 compared with 10% in 2014)
- A 53% fall in directly recorded complaints, from 5,341 to 2,533 complaints per 100,000 (comparing Quarter 4 2014 with Quarter 2 2016)
- Achieving our best ever score in Quarter 2 2016 in the Citizen’s Advice league table.

While Ofgem’s survey reflects many of the findings from our own work, there are important differences, in particular regarding the size of resolution gap. Our survey results are obtained on a rolling quarterly basis and show a better performance compared to the Ofgem survey. For example, our own quarterly satisfaction results has 56% of customers as satisfied in Quarter 4 2015 compared with the Ofgem figure of 32% (being either very satisfied or quite satisfied in the 2015/16 survey).

Our research experts advise us that these differences are not a result of the questions asked (the questions we use are a subset of Ofgem’s questions), but rather that the time lag between the original making of the complaint and the Ofgem survey interview is likely to lead to a ‘response bias’. Ofgem’s team is aware of our concerns and our offer to help Ofgem improve any further surveys.

EDF Energy will continue to seek better performance throughout 2017. Our focus will be on:

- Further refinements to our operating model, including better feedback loops and additional specialist units
- Further improvements to our Complaints management System
- Strengthened quality assurance arrangements
- Targeted training in resolution gap topics
- Further improvement to complaint open and closure communications, and enhancements to our suite of automatic communications

We hope that this gives you the assurance that you need. We will continue to concentrate all of our efforts on the customer experience around the complaints process and will build on the improvements your survey has demonstrated, working towards being the best in the industry.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Paul Delamare on 0207 7522187, or myself.

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

Yours sincerely,

with my very best regards

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

Vincent de Rivaz