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Dear Dermot

Open letter – customer satisfaction with SSE’s complaints handling

Thank you for your letter of 22 September detailing the results of the recent survey of complaint handling satisfaction across the industry.

I welcome Ofgem’s continued focus on this key area and I am encouraged that we have broadly maintained our performance and scored higher than average in all 11 areas of Perception measured on page 6 of the *Ofgem: Satisfaction with supplier complaint handling 2015/16, SSE Domestic – Summary Report*. Nevertheless, I agree there is still more we can do and your report provides very useful insight into the areas where customers feel we could do better and where we can take action.

Since the last survey we have been working hard at SSE to improve the way we look after our customers and in particular, how we engage with them when they complain. We strive to lead the industry in complaint handling and ensure all of our customers are treated fairly. Our complaint handling performance is regularly discussed at our Treating Customers Fairly (TCF) Management Panel meetings and Ofgem’s reports have been shared with Panel members.

I am keen that SSE leads by example to raise industry standards. This year, since the survey was undertaken, we have invested in a number of initiatives to improve customer service, which I hope will not only lead to an improvement in overall customer satisfaction but could also help to reduce the level of SSE’s complaints overall.

Complaints

Improving performance on Third Party complaints

I am strongly of the view that no customer should feel the need to contact an independent third party for help with their complaint. This has been an area of particular focus for us over the last year.

The results of our work has meant we have achieved a reduction in our points by more than half in the quarterly Citizens Advice Supplier Performance Report ("the Report")¹, while leading the industry in signposting customers to Ombudsman Services: Energy after six weeks rather than the industry standard minimum of eight.

This work been supported by an internal campaign which focuses on the overarching messages of staff empowerment and taking personal responsibility in resolving complaints. Earlier this year, we achieved a score of 22.5 for the period between April – June 2016 and we will look to maintain a leading position in the report.

Addressing the "resolution gap"

The report identifies that we had made an improvement in our "resolution gap" and achieved the best performance in this area when compared to other suppliers, as highlighted in figure 28 of the Quadrangle report. This is an area that we have placed increased focus on this year, and I am committed to reducing the gap further. There are occasions when it can be difficult to get back in touch with customers after taking steps that we believe will resolve their complaint. Our advisors have to make a number of attempts to contact the customer before they are allowed to close the complaint. We recognise that a number of 'no contact' complaint scenarios may result in reopened complaints and contribute to customers having a different perception, impacting the resolution gap measure. We are currently piloting a new approach for dealing with these scenarios and the initial results are encouraging, we have therefore widened the scope of this pilot and will continue to learn lessons in this area.

Continuous Improvement

Through our dedicated Continuous Improvement Hub on complaints ("the Hub"), we are continuing to review our internal processes to ensure that customers receive the best possible service throughout their journey. Forthcoming work will include:

- Unique complaint reference numbers - the introduction of the reference number is designed to provide customers with reassurance that their complaint has been recorded, as well as ensuring that the complaint is easily located by any member of staff if the customer calls in to check on progress.
- We have also engaged an independent research company to undertake mystery shopping. They will work with some of our own customers to test and rate our service on many of the same areas covered within Ofgem's report, giving us additional insight into what we could do better.

¹ Citizens Advice, formerly Consumer Futures, has published performance data on major suppliers' complaint handling since 2010. The latest data can be found here: <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/citizens-advice-consumer-work/supplier-performance/energy-supplier-performance>



Staff Empowerment

It is important that staff are empowered and personally invested in ensuring that customer complaints are resolved in an appropriate way. Therefore a key focus of our work has been to improve the sense of ownership and responsibility from our staff, which I hope will in turn lead to a better outcome for customers.

Initiatives in this area include:

- Internal campaigns to remind our staff of the importance of accurately identifying dissatisfaction to help prioritise key complaints.
- A review of staff empowerment to make goodwill payments
- The introduction of additional and upgraded software tools to enable our staff to better respond to the needs of our customers and ensure that they are in a position to resolve a customer enquiry at the first point of contact.
- Further development of our 'Askme' network which provides a support network operating around all of our sites. Our 'Askme' representatives provide a range of expertise for frontline staff to receive extra support for handling more complex complaints. These networks also have the benefit of sharing learning between staff. This support network acts alongside our Centre of Excellence to look after those complaints with extra complexity and where a bit more time may be needed. The specialist staff within the Centre of Excellence are empowered to resolve complex complaints without undue delay and will provide progress updates on issues that may take a bit longer to resolve.
- The introduction of the "High5" platform, which is a scheme to recognise and reward the performance of all staff who demonstrate best practice in service and complaint handling. This is helpful in reinforcing the message that the service we provide for our customers is central to everything we do.

Customer Engagement

Customer views and opinions are important to us and we will continue to hold regional TCF Customer Forums, where our approach to complaint handling is a regular discussion point. Our Forum Chairs are from a range of energy related charities and consumer organisations such as Citizens Advice, National Energy Action, and Energy Action Scotland. They are also attended by a representative sample of our customer base. In addition to our regional Customer Forums, we have also introduced a number of additional "special interest" forums which have included electric heating and our Welsh language services. We are planning to hold more of these special interest forums, to discuss areas that we know are important to our customers. We hope that by engaging with our customers in this way, we will better understand the issues that are of concern and this in turn will enable us to tackle the root cause areas that could lead to complaints.



Complaints Support Centre

In addition to the work we have done to further empower our staff, we are building on our existing “Centre of Excellence” approach in order to further increase the support available to our front-line employees and make it easier for them to escalate a complaint. All members of my management team in Customer Services understand that it is a priority to make themselves available if a customer needs to speak to them which is why this is one of our Service Guarantee commitments which are published on our website.

We are establishing a dedicated Complaints Support Centre which will offer real-time support and advice for our staff, and will also help customers who may have complex complaints, find themselves in a vulnerable situation, or simply need a bit more help. The Centre will have dedicated complaint handlers who will receive advanced and ongoing training on the importance of:

- giving customers a clear explanation of the problem and agreeing next steps;
- providing timescales for each step and giving an expected resolution date;
- keeping in touch with the customer and providing updates on progress;
- being helpful and taking every complaint seriously; and
- directing customers to our Complaints Handling Statement on our website and offering to send a free copy

We will continue to ensure our employees are empowered to make decisions “there and then”, speeding up the time it takes to resolve complaints and believe the introduction of a dedicated Complaints Support Centre will help us achieve this.

Service

Our service ambition

I want SSE to be recognised and trusted as a consumer-centric company that puts the interests of its customers first. Since the introduction of the Standards of Conduct, SSE has introduced a number of new initiatives to ensure that, in all areas of SSE’s business, our approach puts fairness at its core. The principle of TCF is extremely visible throughout our call centres, and all of our staff have access to help and support “on the floor” to ensure they are delivering a fair outcome for customers.

In addition to improving our approach on fairness, I have also recognised that there is the need to make a tangible financial investment in improving our customer service capabilities. We have therefore established a project dedicated to making material improvements to our service.

The service ambition project includes making the following improvements:

Staff Levels

We have increased our telephony staffing levels with around 500 people being added to further improve the service we provide. This includes ensuring that appropriate time is dedicated to appropriately resolve complaints to the customer's satisfaction.

Prepayment and vulnerable customers – service extension

Prepayment customers are now offered extended opening hours for queries and for assistance with faults and emergencies:

- Saturday- opening hours extended from 8am-2pm to 8am-6pm
- Sunday- now open 10am-4pm, when previously not open at all on Sunday
- Weekdays now open until 10pm

Training

We are committed to providing our people with the skills and knowledge to effectively handle complaints and this year we are enhancing our training programmes and providing more time for training and development. We will use this time to reinforce the areas Ofgem and other stakeholders have identified as priorities for action and to highlight the importance of taking complaints to SSE seriously.

As part of the Service Ambition, we have already revised and improved the training we provide. Refresher training was given to all customer service staff to improve the overall experience; this has been rolled out as part of the staff empowerment work mentioned above. Enhanced training has also been provided to newer staff to ensure that they are equally well equipped to make the right decisions for our customers. The training covers a wide range of subjects from assertiveness to assessing vulnerability. The aim is to ensure that all of our staff are equipped with the right skillset to deliver a consistent level of good service for our customers.

Micro-business Customers

We have also reviewed the insight relating to micro-business customers and over the last year we have introduced additional time-based checks on open complaints and have worked hard to update customers on the progress of their complaint. We will keep analysing the root cause of our complaints and our micro-business and domestic teams will work closely to share best practice.

I will continue to provide my personal support to ensure we deliver improvements in our complaint handling which will be based on:

- Minimising third party contacts
- Staff empowerment
- Customer engagement



I hope the above demonstrates SSE's continued commitment to improve our performance and lead the industry by raising standards of overall customer satisfaction.

If you have any questions regarding this letter or our approach, I would be more than happy to discuss this further with you.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Alistair'.

Alistair Phillips-Davies
Chief Executive