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***Complaints handling agreed upon  
procedures report to First Utility  
Limited***

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**First Utility  
Limited**

13 January 2017



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# 1. *Background, Scope and Approach*

## 1.1. *Background*

In September 2016, Ofgem published their latest consumer research report, 'Customer satisfaction with energy supplier complaints handling 2016'. The stated aim of this research was to measure domestic and micro-business complainants' satisfaction with the way their complaints had been handled by their supplier. This included establishing the extent to which satisfaction levels have changed since 2014, identifying the key drivers of satisfaction and dissatisfaction, and identifying evidence of good practice and potential areas for improvement.

The research was carried out by Quadrangle in February – April 2016, based on complaints made to suppliers from 1 November – 31 December 2015. The research participants included the six largest suppliers (domestic and micro-business complainants) and three largest medium-sized suppliers (domestic complainants only).

On 22 September 2016, First Utility ('First Utility Limited') received an open letter from Ofgem stating the results of the research and the specific results for First Utility. The letter highlighted that First Utility's overall performance was well below average (of the nine suppliers surveyed), **with 80% of customers surveyed saying that they were 'quite' or 'very' dissatisfied**. Following the letter, First Utility received from Ofgem a key drivers analysis ('KDA') report titled 'First Utility Domestic – Summary Report' on 23 September 2016. This provided an overview of the key research findings and a summary of findings for First Utility Domestic. The results for First Utility indicated that there were issues throughout the complaints process, from registration of the issue through to resolution. Compared to the industry average significantly more of First Utility's consumers surveyed:

- Found it difficult to register their complaint;
- Reported that First Utility did not set out resolution timescales or inform them 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;
- Felt they had to chase First Utility to find out what was happening with their complaint; and/or
- Reported that they were not directed to the complaints procedure online or offered the policy in the post.

In the 22 September 2016 open letter from Ofgem, First Utility was asked to undertake an independent audit of their existing complaints handling procedure. In particular, Ofgem asked that the audit explore:

- Ease of registering the complaint;
- Keeping the complainant informed as to 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 the complaint policy and third parties to assist in resolution.

## 1.2. Terms of reference

First Utility engaged PwC ('PricewaterhouseCoopers LLP') to perform a set of 'Agreed upon procedures' in respect of their complaints handling procedures for the purpose of fulfilling the requirement from Ofgem for an independent audit. These procedures were agreed with First Utility and have been performed in accordance with the International Standard on Related Services ('ISRS') 4400 'Engagements to perform agreed-upon procedures regarding financial information'. The procedures were provided to Ofgem by First Utility for comment.

Our work covered the complaints handling processes for First Utility's domestic customers that have been in place since April 2016<sup>1</sup>. The procedures were drafted taking into account the following requirements and sources of information:

1. 'The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008';
2. The 'Standards of Conduct';
3. The open letter and summary report sent to First Utility by Ofgem that sets out the findings of the research, specific to First Utility, carried out by Quadrangle<sup>2</sup>; and
4. PwC's Complaints Handling Assessment Framework (covering Policy, Process and Systems, Employee conduct, Monitoring and Governance).

This report has been prepared solely for First Utility's exclusive use and solely for the purpose of assessing First Utility's complaint handling procedure against the 2008 Complaints Handling Standards ('CHS'), Standard of Conduct ('SoC') and Priority areas of concern highlighted in the KDA issued by Ofgem, and as set out in our agreement with First Utility, dated 14 November 2016.

### Limitations of our work

The scope of our work was limited solely to those procedures set out in section 1.3 (page 5) and did not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the effectiveness of the company's complaints handling response. We do not express such assurance. Had we performed additional procedures, or had we performed an audit or review of the the company's complaints handling response, in accordance with generally accepted auditing standards, other matters might have come to our attention that we would have reported to First Utility. This report therefore relates only to the company's complaints handling procedures and does not extend to any financial statements of the company taken as a whole.

<sup>1</sup>First Utility implemented a new complaints handling system, 'Complaint Management Tool' or 'CMT system', on 18 April 2016 and our work has focused on the case handling that has been in operation since this date. We were informed by First Utility that a number of process enhancement activities have been deployed in parallel with the new system going live and since.

<sup>2</sup>Research carried out by Quadrangle in February-April 2016, based on a random sample of 247 domestic complainants who had logged a complaint with First Utility between 1 November and 31 December 2015.

### *1.3. Approach to our work*

Complaints received by First Utility are handled by a number of 1<sup>st</sup> and 2<sup>nd</sup> line teams. These are largely based in Coventry and comprise of the Customer First team (1<sup>st</sup> line team handling all initial customer contact), the Resolution Centre (dedicated complaint handling 2<sup>nd</sup> line team) and specialist complaint handling teams dealing with complaints received into the Executive team and via third parties such as the energy Ombudsman and Citizens Advice.

We executed the procedures agreed with First Utility at the First Utility Coventry customer service centre during October and November 2016.

Our work comprised interviews with both management and staff responsible for handling complaints across the 1<sup>st</sup> and 2<sup>nd</sup> line teams, review of key documents, walkthrough of the end-to-end complaints handling process and detailed testing of a sample of 55 customer complaints that had been marked as resolved by First Utility since 18 April 2016. The evidence we reviewed, in the context of the agreed upon procedures, included:

- The First Utility complaints handling policies, procedures and work instructions;
- Checklists and summary reports used in the internal quality assurance work performed by First Utility over their complaints handling activity;
- Case records present on the CMT system, supplemented by listening to the recordings of the customer calls related to the sample of 55 cases we selected for detailed testing;
- Other management information and KPIs that are used by First Utility to monitor their complaints handling performance; and
- Materials that are used in the training of staff members that are responsible for complaints handling.

Following the completion of the onsite fieldwork, we have worked constructively with First Utility management to share our findings so that they are able to prepare an action plan in the timescales required. We have received full access and cooperation from First Utility during both our fieldwork and the communication of our findings.

#### 1.4. Agreed upon procedures

# Procedures	
<b>Complaints handling performance data</b>	
<b>1</b>	<p>Obtain an extract of all complaints cases that have been recorded on the First Utility CMT system over the period from 18 April to 31 October 2016. Using our own data analysis techniques and tools, independently categorise this data to:</p> <ul style="list-style-type: none"> <li>- Identify the overall numbers of complaints by fuel, meter type / product, age of the complaint / time to resolve, root cause category, stage of complaint; and</li> <li>- Identify potential data quality anomalies that may require follow-up by First Utility, such as where case records / fields are potentially incomplete or erroneous.</li> </ul> <p>We will report this data graphically and report observations and use this population to select the sample of 55 resolved cases for further testing (see procedure 5 below).</p>
<b>Policies</b>	
<b>2</b>	<p>Inspect the First Utility Complaints Handling Policy to check that it includes policies on:</p> <ul style="list-style-type: none"> <li>- How the company defines, captures and actions a customer complaint*;</li> <li>- How a complaint can be expected to be processed, the customer interaction in this process and the communication that can be expected;</li> <li>- How the company defines a resolved complaint and the customer's involvement in this;</li> <li>- Dealing with repeat or re-opened complaints cases; and</li> <li>- Explanation of the deadlock process, 8 week communication and sign-posting to the Ombudsman.</li> </ul> <p>We will report any exceptions that we identify.</p> <p><i>* Throughout this work, we have interpreted a customer complaint as being any 'Expression of Dissatisfaction with the service received', which is consistent with the 2008 Complaints Handling Standard.</i></p>
<b>3</b>	<p>Inspect the First Utility website and confirm by inspection that:</p> <ul style="list-style-type: none"> <li>- The latest approved version of the Complaints Handling Policy is present on the website;</li> <li>- The policy is clearly sign-posted from the homepage and is navigable to in 'one click';</li> <li>- Sufficient supporting information is provided regarding the methods of contact to enable a customer to register a complaint; and</li> <li>- The management team responsible for managing complaints are identified.</li> </ul> <p>We will report any exceptions that we identify.</p>
<b>Processes and workflows</b>	
<b>4</b>	<p>Walkthrough and understand the process followed by First Utility to capture, assess and resolve customer complaints. For each main class of complaint (resolved at 1<sup>st</sup> line, resolved by 2<sup>nd</sup> line dedicated member resolution team, executive and Ombudsman), follow one resolved case from 'cradle to grave' to examine:</p> <ul style="list-style-type: none"> <li>- Whether work instructions available to agents provide clear guidance on the process that should be followed to record and resolve a complaint;</li> <li>- Whether a single accountable member of staff is identified / assigned to manage the complaint;</li> <li>- If the CMT system supports complaints processing with data validation controls, embedded work flows and, where appropriate, prompts for communication (e.g. 8 week letters);</li> <li>- Whether the agents are required to identify the underlying root causes of the complaint, rather than the symptoms;</li> <li>- If the work instructions and CMT system require the agents to keep records of the contact and the actions agreed with the customer for resolution; and</li> <li>- If the work instructions and CMT system support effective handover to other teams within First Utility and track actions through to delivery.</li> </ul> <p>We will report any exceptions that we identify.</p>

<p>5.</p>	<p>From the data set generated in procedure 1, we will haphazardly select a sample of 55 cases that have been resolved since the implementation of the CMT complaints system during 18 April 2016.</p> <p>For this sample of 55 cases, we will report exceptions against the following test questions based on documentation of the case and call records:</p> <ol style="list-style-type: none"> <li>1. Does the agent ask three data protection questions?</li> <li>2. Was the complaint recorded on the correct start date?</li> <li>3. Did the agent correctly identify the root cause, or where insufficient information is available, did the agent correctly identify the next required action?</li> <li>4. Does the agent provide the customer with factually accurate information?</li> <li>5. Does the agent agree the action to be taken and carry this out?</li> <li>6. Does the agent confirm and agree the expected timeframe for the next action?</li> <li>7. Does the agent act courteously in handling the customer's complaint?</li> <li>8. Does the agent speak clearly without jargon?</li> <li>9. Does the customer only deal with one agent or where their complaint is passed on to another agent/team, is the handover effective?</li> <li>10. Does the agent advise the customer of the complaints handling policy on the website or offer to send?</li> <li>11. Are all required actions completed before the complaint is closed as resolved?</li> <li>12. Does the agent confirm with the customer that the complaint has been resolved to their satisfaction?</li> <li>13. Is there evidence that the customer has been signposted to the redress scheme (Ombudsman) where their complaint has not been resolved within 8 weeks or they do not accept the resolution offered?</li> <li>14. Does the case record include all documentation requirements from the Complaints Handling Standard (2008)?</li> </ol>
<p><b><i>Control environment over complaints handling processes</i></b></p>	
<p>6.</p>	<p>Understand management's oversight and accountability for complaints handling, including:</p> <ul style="list-style-type: none"> <li>- Confirm if accountability for complaints handling is identified from the senior management downwards;</li> <li>- Confirm if management information is produced on a regular basis and provides clear oversight of (a) the complaints handling performance and (b) whether further actions need to be taken in order to improve either the execution of this process, or to remediate common root causes;</li> <li>- Confirm if management information includes a wider assessment of complaint handling performance including information from sources outside First Utility, namely the Energy Ombudsman, Citizens Advice and consumer associations and websites.</li> <li>- Confirm if there is evidence that complaints information is used proactively as a source of continual improvement and actions are proactively integrated into customer service improvements.</li> </ul> <p>We will report any exceptions that we identify.</p>
<p>7.</p>	<p>Understand whether coaching, quality assurance and compliance monitoring has been put in place over the complaints handling process by seeing evidence of:</p> <ul style="list-style-type: none"> <li>- Induction and ongoing training programmes for first and second line complaints handling teams;</li> <li>- Compliance monitoring and quality assurance activity;</li> <li>- Compliance monitoring failures being fed back into performance management, training and improvement programmes.</li> <li>- The 2008 Complaints Handling Standard and the Standards of Conduct being reviewed and assessed in the execution of the compliance monitoring.</li> </ul> <p>We will report any exceptions that we identify.</p>

<b>8.</b>	<p>Inspect evidence that 1<sup>st</sup> and 2<sup>nd</sup> line agent training and communication covers the following factors:</p> <ul style="list-style-type: none"><li>- Compliance with the 2008 Complaints Handling Standards;</li><li>- The behaviours that are expected from the Standards of Conduct ("SoC");</li><li>- The end-to-end complaints handling process and how this should be explained to customers; and</li><li>- Known points of failure / common root causes identified by Management and the action required to quickly resolve these for customers.</li></ul> <p>We will report any exceptions that we identify.</p>
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### 1.5 Sampling Methodology

The sample size for our testing of resolved complaints has been determined using our audit sampling methodology, which is based on statistical sampling. All samples have been selected following a haphazard or random selection method, as detailed below:

- **Haphazard selection:** Sample items are selected without any conscious bias, i.e. without any special reason for including or omitting items from the sample; and
- **Random selection:** This method allows for all items in the population to have an equal chance of being selected. To select randomly, we use random number tables or generators, or random selection offered by sampling software.



## 2. Results

### 2.1. Summary results against the agreed upon procedures

Below we document the results of the procedures we have executed at First Utility and the key exceptions resulting.

#	Procedure	Results
<b>Complaints handling performance data</b>		
1	<p>Obtain an extract of all complaints cases that have been recorded on the First Utility CMT system over the period from 18 April to 31 October 2016. Using our own data analysis techniques and tools, independently categorise this data to:</p> <ul style="list-style-type: none"> <li>- Identify the overall numbers of complaints by fuel, meter type / product, age of the complaint / time to resolve, root cause category, stage of complaint; and</li> <li>- Identify potential data quality anomalies that may require follow-up by First Utility, such as where case records / fields are potentially incomplete or erroneous.</li> </ul> <p>We will report this data graphically and report observations and use this population to select the sample of 55 resolved cases for further testing (see procedure 5 below).</p>	<p>The graphical results of this analysis is documented in <b>Appendix 1</b> (page 13).</p> <p>In addition, we made the following key observations:</p> <ul style="list-style-type: none"> <li>• Since First Utility undertook a training exercise in July 2016, there has been a 35% increase in the proportion of cases resolved within the first 24 hours of the case opening; and there have been significant reductions in the proportion of cases taking up to 4 weeks, 8 weeks and more than 8 weeks to resolve.</li> <li>• The Customer First Team took on average 5 days to resolve a complaint. The Resolution Centre took on average 26 days.</li> </ul>
<b>Policies</b>		
2	<p>Inspect the First Utility Complaints Handling Policy to check that it includes policies on:</p> <ul style="list-style-type: none"> <li>- How the company defines, captures and actions complaints;</li> <li>- How a complaint can be expected to be processed, the customer interaction in this process and the communication that can be expected’;</li> <li>- How the company defines a resolved complaint and the customer’s involvement in this;</li> <li>- Dealing with repeat or re-opened complaints cases; and</li> <li>- Explanation of the deadlock process, 8 week communication and sign-posting to the Ombudsman.</li> </ul> <p>We will report any exceptions that we identify.</p>	<p>The following exceptions were noted:</p> <ul style="list-style-type: none"> <li>• The complaints policy did not define when a complaint can be closed as resolved. A “resolved complaint” is defined in the Complaints Handling Standards (2008) as ‘a consumer complaint in respect of which there remains no outstanding action to be taken by the regulated provider and which has been resolved to the satisfaction of the relevant consumer’.</li> <li>• The complaints policy did not cover how to handle subsequent contacts made in relation to an existing complaint. The Complaints Handling Standards (2008) requires that all details recorded in relation to a subsequent contact must be clearly linked to an existing consumer complaint.</li> </ul>

3	<p>Inspect the First Utility website and confirm by inspection that:</p> <ul style="list-style-type: none"> <li>- The latest approved version of the Complaints Handling Policy is present on the website;</li> <li>- The policy is clearly sign-posted from the homepage and is navigable to in ‘one click’;</li> <li>- Sufficient supporting information is provided regarding the methods of contact to enable a customer to register a complaint; and</li> <li>- The management team responsible for managing complaints are identified.</li> </ul> <p>We will report any exceptions that we identify.</p>	No exceptions noted.
<b><i>Processes and workflows</i></b>		
4	<p>Walkthrough and understand the process followed by First Utility to capture, assess and resolve customer complaints. For each main class of complaint (resolved at 1<sup>st</sup> line, resolved by 2<sup>nd</sup> line dedicated member resolution team, executive and Ombudsman), follow one resolved case from ‘cradle to grave’ to examine:</p> <ul style="list-style-type: none"> <li>- Whether work instructions available to agents provide clear guidance on the process that should be followed to record and resolve a complaint;</li> <li>- Whether a single accountable member of staff is identified / assigned to manage the complaint;</li> <li>- If the CMT system supports complaints processing with data validation controls, embedded work flows and, where appropriate, prompts for communication (e.g. 8 week letters);</li> <li>- Whether the agents are required to identify the underlying root causes of the complaint, rather than the symptoms;</li> <li>- If the work instructions and CMT system require the agents to keep records of the contact and the actions agreed with the customer for resolution; and</li> <li>- If the work instructions and CMT system support effective handover to other teams within First Utility and track actions through to delivery.</li> </ul> <p>We will report any exceptions that we identify.</p>	No exceptions noted.

<p>5. From the data set generated in procedure 1, we will haphazardly select a sample of 55 cases that have been resolved since the implementation of the CMT complaints handling system to manage all complaints since 18 April 2016.</p> <p>For this sample of 55 cases, we will report exceptions against the following test questions based on documentation of the case and call records:</p> <ol style="list-style-type: none"> <li>1. Does the agent ask three data protection questions?</li> <li>2. Was the complaint recorded on the correct start date?</li> <li>3. Did the agent correctly identify the root cause, or where insufficient information is available, did the agent correctly identify the next required action?</li> <li>4. Does the agent provide the customer with factually accurate information?</li> <li>5. Does the agent agree the action to be taken and carry this out?</li> <li>6. Does the agent confirm and agree the expected timeframe for the next action?</li> <li>7. Does the agent act courteously in handling the customer’s complaint?</li> <li>8. Does the agent speak clearly without jargon?</li> <li>9. Does the customer only deal with one agent or where their complaint is passed on to another agent/team, is the handover effective?</li> <li>10. Does the agent advise the customer of the complaints handling policy on the website or offer to send?</li> <li>11. Are all required actions completed before the complaint is closed as resolved?</li> <li>12. Does the agent confirm with the customer that the complaint has been resolved to their satisfaction?</li> <li>13. Is there evidence that the customer has been signposted to the redress scheme (Ombudsman) where their complaint has not been resolved within 8 weeks or they do not accept the resolution offered?</li> <li>14. Does the case record include all documentation requirements from the Complaints Handling Standard (2008)?</li> </ol>	<p>The following exceptions were noted:</p> <ol style="list-style-type: none"> <li>1. 1 exception noted.</li> <li>2. 9 exceptions noted.</li> <li>3. 2 exceptions noted.</li> <li>4. 1 exception noted.</li> <li>5. 10 exceptions noted.</li> <li>6. 4 exceptions noted.</li> <li>7. No exceptions noted.</li> <li>8. No exceptions noted.</li> <li>9. 8 exceptions noted.</li> <li>10. No exceptions noted.</li> <li>11. 5 exceptions noted.</li> <li>12. 8 exceptions noted.</li> <li>13. 5 exceptions noted.</li> <li>14. 4 exceptions noted.</li> </ol>
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<b>Control environment over complaints handling processes</b>		
6.	<p>Understand management's oversight and accountability for complaints handling, including:</p> <ul style="list-style-type: none"> <li>- Confirm if accountability for complaints handling is identified from the senior management downwards;</li> <li>- Confirm if management information is produced on a regular basis and provides clear oversight of (a) the complaints handling performance and (b) whether further actions need to be taken in order to improve either the execution of this process, or to remediate common root causes;</li> <li>- Confirm if management information includes a wider assessment of complaint handling performance including information from sources outside First Utility, namely the Energy Ombudsman, Citizens Advice and consumer associations and websites.</li> <li>- Confirm if there is evidence that complaints information is used proactively as a source of continual improvement and actions are proactively integrated into customer service improvements.</li> </ul> <p>We will report any exceptions that we identify.</p>	<p>No exceptions noted.</p>
7.	<p>Understand whether coaching, quality assurance and compliance monitoring has been put in place over the complaints handling process by seeing evidence of:</p> <ul style="list-style-type: none"> <li>- Induction and ongoing training programmes for first and second line complaints handling teams;</li> <li>- Compliance monitoring and quality assurance activity;</li> <li>- Compliance monitoring failures being fed back into performance management, training and improvement programmes.</li> <li>- The 2008 Complaints Handling Standard and the Standards of Conduct being reviewed and assessed in the execution of the compliance monitoring.</li> </ul> <p>We will report any exceptions that we identify.</p>	<p>The following exceptions were noted:</p> <ul style="list-style-type: none"> <li>• A monitoring control is in place to check that all customer commitments (call backs) made to customers are carried out as promised; however a control to monitor agreed tasks (e.g. account put on hold) is not in place.</li> <li>• The checklist used by the quality assurance team to monitor compliance does not cover the following: <ul style="list-style-type: none"> <li>- Whether commitments and tasks made to the customer were carried out; or</li> <li>- Whether handovers met internal policy regarding timeframes and expected customer experience.</li> </ul> </li> <li>• Only one case per agent per month is subject to the quality assurance checks; this may not provide sufficient coverage to identify areas for improvement.</li> </ul>

AUPs in respect of First Utility Limited's complaints handling procedures

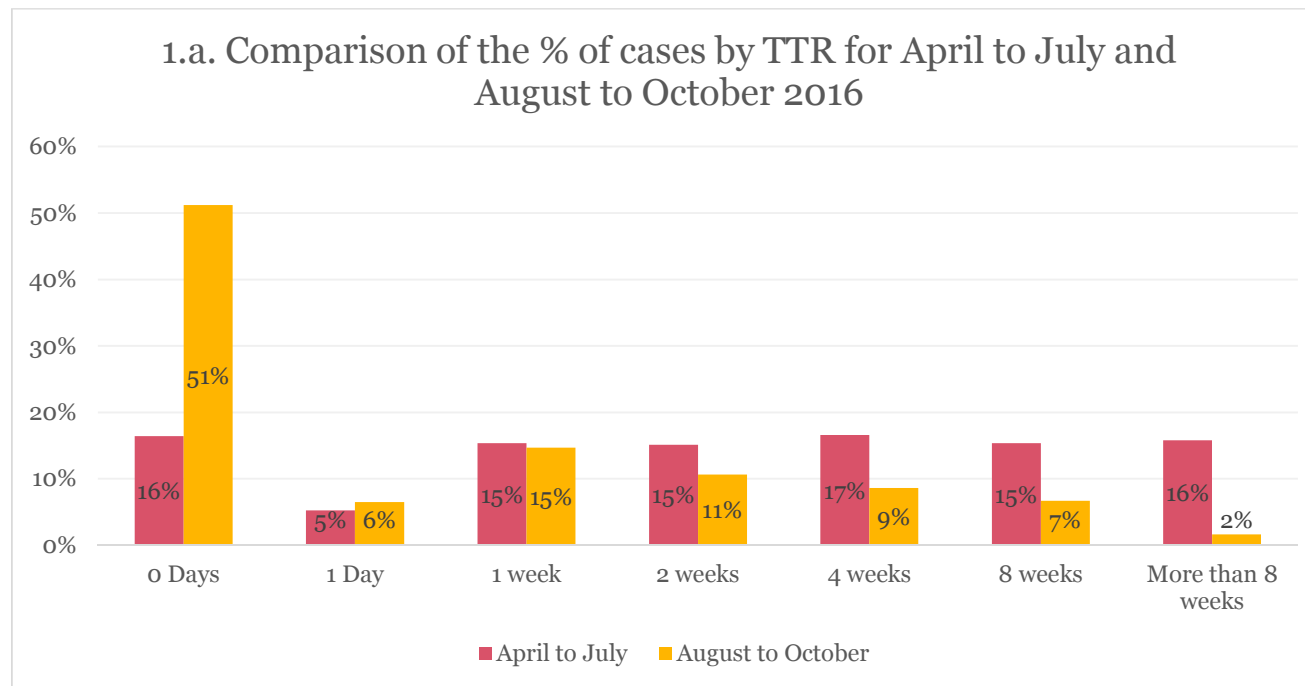
8.	<p>Inspect evidence that 1<sup>st</sup> and 2<sup>nd</sup> line agent training and communication covers the following factors:</p> <ul style="list-style-type: none"><li>- Compliance with the 2008 Complaints Handling Standards;</li><li>- The behaviours that are expected from the Standards of Conduct ('SoC');</li><li>- The end-to-end complaints handling process and how this should be explained to customers; and</li><li>- Known points of failure / common root causes identified by Management and the action required to quickly resolve these for customers.</li></ul> <p>We will report any exceptions that we identify.</p>	No exceptions noted.
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# Appendix 1: The results of our data analysis

## The output from our analysis of the case data held on the First Utility complaints handling system ('CMT')

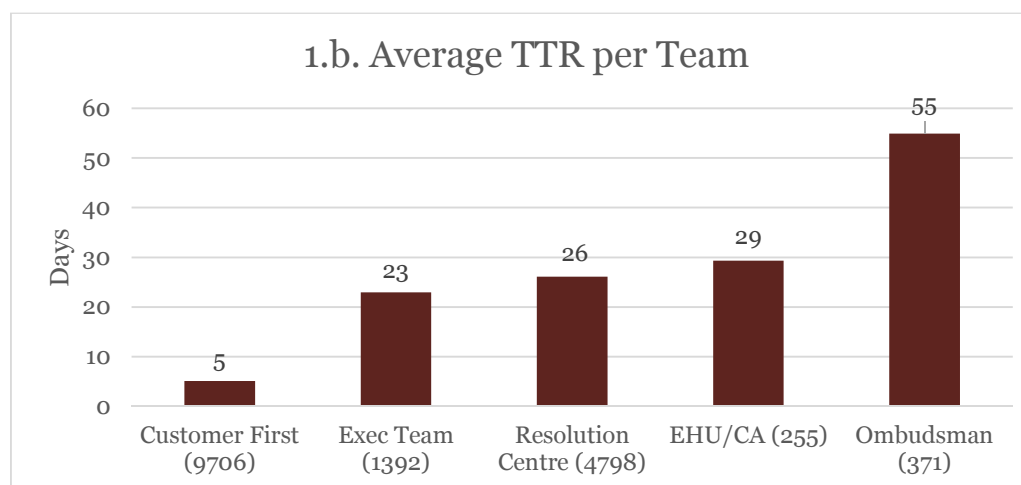
We obtained 'First Utility Data share with PWC 21\_11\_16.xlsx', this is an extract from the CMT system detailing all complaint cases that have been opened and closed within the period 18 April 2016 to 31 October 2016. We have not reviewed the further population of cases that were stored on the legacy system before CMT was implemented in April.

We analysed the case data by calculating the time to resolution ('TTR') and creating the following categories to visualise our results: 0 Days, 1 Day, 1 Week, 2 Weeks, 4 Weeks, 8 Weeks and 8 Weeks or more. As First Utility provided additional training to staff during July 2016 we analysed the number of cases per TTR bracket for April to July and August to October 2016, the results are displayed below:



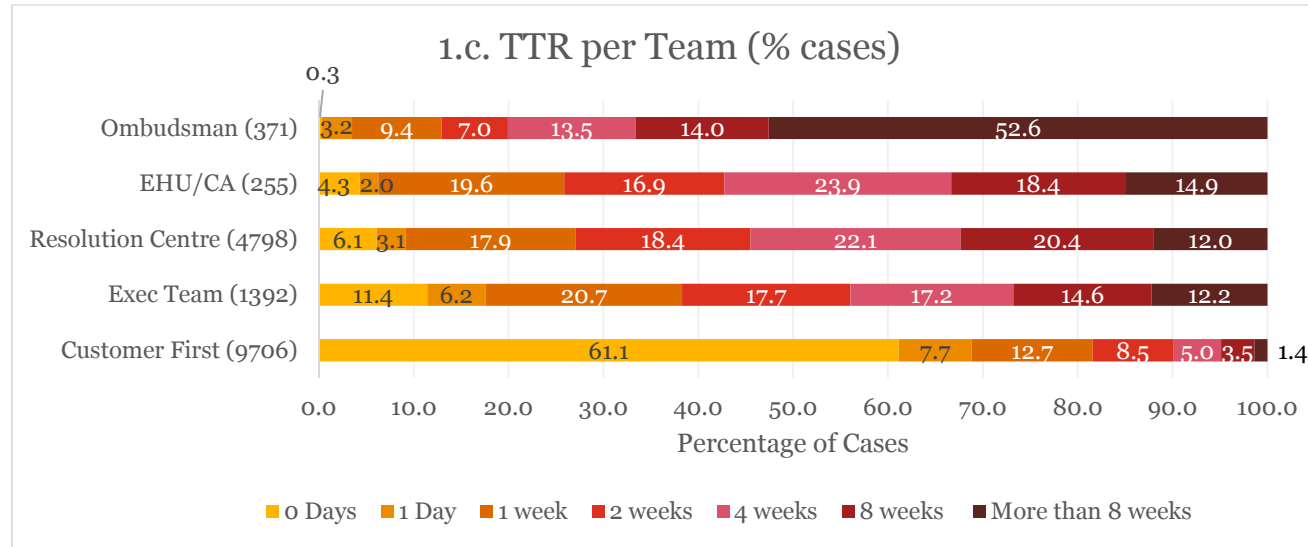
Here we observed that there has been a 35% increase in the proportion of cases resolved within 24 hours of the case opening, since the training exercise in July 2016. There have also been significant reductions in the proportion of cases taking up to 4 weeks, 8 weeks and more than 8 weeks.

We also analysed the average TTR per team, for the whole population between 18 April 2016 and 31 October 2016, the results are displayed in graph 1.b. We observed that the cases handled within the Ombudsman Team are taking the longest average time, of 55 days, to be resolved, these cases are an amalgam of Ombudsman, specialist complaints (Exec, EHU/CA), and complex complaints escalated from first line (Customer First). As expected, the Customer First team has the shortest average time to resolution of 5 days.



Team	Complaint type handled	Number of cases in data set
Customer First	All complaints that can be resolved at first line.	9,706
Exec Team	Primarily handle complaints received into the Executive team. Also handle complaints escalated from first line as required.	1,392
Resolution Centre	Complaints escalated from first line (Customer First).	4,798
EHU/CA Team	Primarily handle complaints received into Early Help Unit, Citizens Advice and County Claims Court. Also handle complaints escalated from first line as required.	255
Ombudsman Team	Primarily handle complaints made to Energy Ombudsman. Also handle specialist complaints (Exec, EHU/CA) and complaints escalated from first line as required.	371

We also analysed the TTR brackets defined for graph 1.a. per team, for the whole population between 18 April 2016 and 31 October 2016, the results are displayed below in graph 1.c. We observed that 52.6% of the cases dealt with by the Ombudsman are taking more than 8 weeks, in contrast 61.1% of the cases dealt with by the Customer First team are resolved on the same day.



Whilst completing our analysis, we also ran some generic high level data profiling over the fields provided. . This type of profiling interrogates the data to identify incomplete fields and inconsistencies within the data. We observed the following issues:

- 331 cases where the complaint start date was before the open date (customer contact point).
- 373 cases with empty entries in the ‘contact reason – why’ and ‘contact reason – what’ fields. This selection includes 11 cases with empty entries in the ‘contact reason – where’ field. This suggests a lack of system validation over the input of contact reasons when recording a case.
- There were 145 different values for the ‘contact reason – why’ field and 43 for the ‘contact reason – what’ field. This suggests further validation or restriction should be applied over data entry.



## Appendix 2: Procedure 5 – test criteria

For procedure 5 we applied the following criteria to determine whether to report an exception or not.

Test	Source	Criteria to accept (no exception noted)	Criteria to reject (exception noted)
1. Does the agent ask three data protection questions?	<ul style="list-style-type: none"> <li>▪ First Utility Internal Policy</li> </ul>	<p>The agent asks three security questions from the following list:</p> <ul style="list-style-type: none"> <li>- Account number;</li> <li>- Name of account holder;</li> <li>- Account postal address; and</li> <li>- Account email address.</li> </ul> <p>NB. Only applicable for complaints made by telephone.</p>	<p>The agent does not ask three security questions from the following list:</p> <ul style="list-style-type: none"> <li>- Account number;</li> <li>- Name of account holder;</li> <li>- Account postal address; and</li> <li>- Account email address.</li> </ul>
2. Was the complaint recorded on the correct start date?	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> </ul>	<p>The start date recorded within the complaint handling system is the date the customer first expressed dissatisfaction.</p> <p>NB. Where subsequent contact is made by the customer in relation to an existing complaint, the start date is recorded as the date of the first complaint contact.</p>	<p>The start date recorded within the complaint handling system is not the date the customer first expressed dissatisfaction.</p>
3. Did the agent correctly identify the root cause? Where insufficient information is available, did the agent correctly identify the next required action?	<ul style="list-style-type: none"> <li>▪ First Utility Internal Policy</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>Either:</p> <ul style="list-style-type: none"> <li>a) The cause identified by the agent on initial contact was consistent with the final resolution required;</li> <li>or</li> <li>b) The agent does not have sufficient information on initial contact to diagnose the root cause and correctly identifies the next required action.</li> </ul>	<p>The cause identified or next required action identified by the agent on initial contact is incorrect based on the information provided to the agent.</p>
4. Does the agent provide the customer with factually accurate information?	<ul style="list-style-type: none"> <li>▪ Standards of Conduct</li> </ul>	<p>The agent does not provide false or misleading information to the customer.</p>	<p>The agent provides false or misleading information to the customer.</p>

<p>5. Does the agent agree the action to be taken and carry this out?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>The agent identifies the next action, agrees this with the customer and there is evidence to confirm the agreed action was carried out.</p>	<p>The agent either:</p> <ul style="list-style-type: none"> <li>- does not identify the next required action;</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- identifies the next required action but does not agree this with the customer;</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- there is no evidence to confirm the agreed action was carried out.</li> </ul>
<p>6. Does the agent confirm and agree the expected timeframe for the next action?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>The agent provides a timeframe for the next action and agrees this with the customer.</p>	<p>The agent does not provide a timeframe for the next required action or the agent provides a timeframe but does not agree this with the customer.</p>
<p>7. Does the agent act courteously in handling the customer’s complaint?</p>	<ul style="list-style-type: none"> <li>▪ Standards of Conduct</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>Some positive indicators and no negative indicators are identified.</p> <p><b>Positive indicators:</b></p> <ul style="list-style-type: none"> <li>- Agent uses phrases such as “Please”, “Thank you”, “Sorry”.</li> <li>- Agent repeats back to the customer what they have heard and receives positive confirmation from the customer.</li> </ul> <p><b>Negative indicators:</b></p> <ul style="list-style-type: none"> <li>- Agent interrupts customer.</li> <li>- Agent raises their voice.</li> </ul>	<p>Any negative indicators are identified.</p> <p><b>Negative indicators:</b></p> <ul style="list-style-type: none"> <li>- Agent interrupts customer.</li> <li>- Agent raises their voice.</li> </ul>
<p>8. Does the agent speak clearly without jargon?</p>	<ul style="list-style-type: none"> <li>▪ Standards of Conduct</li> </ul>	<p>Agent does not use industry terms and acronyms that are not in general use by the public.</p>	<p>Agent uses industry terms and acronyms that are not in general use by the public.</p>

AUPs in respect of First Utility Limited's complaints handling procedures

<p>9. Does the customer only deal with one agent or where their complaint is passed on to another agent/team, is the handover effective?</p>	<ul style="list-style-type: none"> <li>▪ Standards of Conduct</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>The customer deals with only one agent who owns the complaint through to resolution or if the complaint is handed over to another agent, a summary of the complaint is provided, the customer is contacted within agreed timeframes and agreed actions are carried out by the new agent.</p>	<p>The customer complaint is handed over to another team/agent and either</p> <ul style="list-style-type: none"> <li>- A summary of the complaint is not provided to the new agent resulting in the customer repeating the explanation of their complaint</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- The customer is not contacted by the new agent within agreed timeframes</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- Incorrect actions are taken by the new agent.</li> </ul>
<p>10. Does the agent advise the customer of the complaints handling policy on the website or offer to send?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> <li>▪ Priority areas from KDA report</li> </ul>	<p>Where a complaint is not resolved by the end of the first working day after the day it was received, the customer is advised of the complaints handling policy.</p> <p>NB. Not applicable where the complaint is closed as resolved before the end of the first working day after it is received.</p>	<p>Where a complaint is not resolved by the end of the first working day after the day it was received, the customer has not been advised of the complaints handling policy.</p>
<p>11. Are all required actions completed before the complaint is closed as resolved?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> </ul>	<p>There is evidence that all required actions have been completed prior to the complaint being closed as resolved.</p>	<p>There is no evidence that all (or there is evidence that only some) required actions have been completed prior to the complaint being closed as resolved.</p>
<p>12. Does the agent confirm with the customer that the complaint has been resolved to their satisfaction?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> </ul>	<p>The agent receives positive confirmation from the customer that their complaint has been resolved to their satisfaction.</p> <p>NB. Not applicable where communication is via email or letter.</p>	<p>The agent does not request or receive positive confirmation from the customer that their complaint has been resolved to their satisfaction.</p>

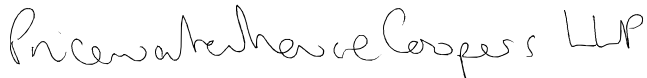
<p>13. Is there evidence that the customer has been signposted to the redress scheme (Ombudsman) where their complaint has not been resolved within 8 weeks or they do not accept the resolution offered?</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> </ul>	<p>There is evidence of a letter being sent signposting the customer to the Ombudsman if the time from the date the complaint was received to the date the complaint was closed is equal to or greater than 8 weeks, or the customer does not accept the resolution offered.</p> <p>NB. Not applicable where the number of days from the date the complaint was received to the date the complaint was closed is less than 8 weeks.</p>	<p>There is no evidence of a letter being sent signposting the customer to the Ombudsman if the time from the date the complaint was received to the date the complaint was closed is equal to or greater than 8 weeks, or the customer does not accept the resolution offered.</p>
<p>14. Does the case record include all documentation requirements from the Complaint Handling Standards (2008)</p>	<ul style="list-style-type: none"> <li>▪ Complaint Handling Standards (2008)</li> </ul>	<p>The case record includes:</p> <ul style="list-style-type: none"> <li>- The date the complaint was received;</li> <li>- Whether the complaint was made orally or in writing;</li> <li>- Identity and contact details of complainant;</li> <li>- Account details;</li> <li>- A summary of the complaint;</li> <li>- A summary of any advice given or action taken/agreed;</li> <li>- Whether the complaint is resolved and the basis for this; and</li> <li>- The method for future communication</li> <li>- Details of any subsequent contact (where applicable);</li> <li>- Where the complaint has not become a resolved complaint by the end of the working day after the complaint was received:                             <ul style="list-style-type: none"> <li>▪ The steps taken to resolve the complaint;</li> <li>▪ The date the complaint becomes resolved;</li> <li>▪ The date the specified time period expired; and</li> <li>▪ The date the consumer was signposted to the Ombudsman.</li> </ul> </li> </ul>	<p>The case record does not include:</p> <ul style="list-style-type: none"> <li>- The date the complaint was received;</li> <li>- Whether the complaint was made orally or in writing;</li> <li>- Identity and contact details of complainant;</li> <li>- Account details;</li> <li>- A summary of the complaint;</li> <li>- A summary of any advice given or action taken/agreed;</li> <li>- Whether the complaint is resolved and the basis for this; and</li> <li>- The method for future communication</li> <li>- Details of any subsequent contact (where applicable);</li> <li>- Where the complaint has not become a resolved complaint by the end of the working day after the complaint was received:                             <ul style="list-style-type: none"> <li>▪ The steps taken to resolve the complaint;</li> <li>▪ The date the complaint becomes resolved;</li> <li>▪ The date the specified time period expired; and</li> <li>▪ The date the consumer was signposted to the Ombudsman.</li> </ul> </li> </ul>

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# ***Appendix 3: Statement of responsibility***

We have performed a set of 'Agreed upon procedures' in respect of First Utility's complaint handling procedures. The procedures performed are those set out in our agreement with First Utility (dated 14 November 2016) and stated in section 1.3 (page 5) of this report. These procedures have been agreed with First Utility and are solely for the purpose of assessing First Utility's complaint handling procedures against the key elements of the 2008 Complaints Handling Standards ('CHS'), Standard of Conduct ('SoC') and Priority areas of concern highlighted in the KDA report issued by Ofgem.

As stated within our agreement, we understand First Utility is required to provide a copy of this report to Ofgem for publication on their website with the purpose of demonstrating that First Utility has fulfilled its obligation to obtain an independent audit of its complaint handling procedure. We consent to publication of this report on the First Utility and Ofgem external websites in pdf format, on the basis that we accept no duty, liability or responsibility to any party other than First Utility for any use of or reliance on this report.



**PricewaterhouseCoopers LLP**

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