



8 November 2019

Re: Open Letter Consultation on the customer satisfaction incentive in RIIO-GD1 and RIIO-GD2 trial period

Dear Michael

Citizens Advice is the statutory watchdog for energy consumers and has been feeding into the GD2 process via consultations and working group membership for the past two years. We are hereby responding to Ofgem's open letter on the customer satisfaction (CSAT) survey and incentive¹, in particular the issues around the connections survey.

We support Ofgem's minded-to position to put the connections survey on hold to allow the new survey to be trialled for 6 months. Although we support this option we consider it as the least worst option of those considered. The majority of data feeding into the CSAT incentive for 2019/20 will still be intact given connections only make up one third of it, and 6 months worth of connections CSAT data will still be used.

We think there is a risk that companies will delay making improvements to the connection customer experience, since they will not be rewarded for them between October 2019 and March 2020. However, a similar risk exists if the averages of three months before and after the trial were used - companies would put more effort in from April 2020. We also understand that there are more connections undertaken in the summer months compared to the winter months.

Thus the data from April to September 2019 that will feed into the incentive does capture the majority of customer experiences.

In any case, we would expect that companies may not be incentivised to perform strongly in the trial period of the new survey, as those results will be used to set the targets for GD2. We hope Ofgem is mindful of that risk and would not only use the trial data for target setting but also consider trends in CSAT scores over the GD1 period. Targets for GD2 should not be allowed to drop below the ones of GD1.

On the question of whether scores should be calculated from an average of all questions, versus based on one key question, several things will have to be considered. We understand that during GDPCR, scores were calculated from an average of all questions which should provide some lessons learnt. It will be important to ascertain whether response rates to all questions are high enough to consistently calculate an average score, and what would happen if a respondent hadn't answered all questions. We are looking forward to seeing that analysis at the Draft Determination Stage.

Yours sincerely

Victoria Pelka