

Paul Coffey
Chief Executive
npower

BY EMAIL

Date: 22 September 2016

Dear Mr Coffey

Open letter – customer satisfaction with npower’s complaints handling

Today we published the report of our latest survey into customer satisfaction with suppliers’ complaint handling. Simply put the results are unacceptable. The overall level of satisfaction, which had fallen from the 2012 to 2014 waves, has dropped again and the percentage of consumers having a different view to their supplier on the status of their complaint has only marginally improved. Among the most concerning statistics is the significant rise in consumers reporting they are “very dissatisfied”, up 7% and 11% respectively for domestic and microbusiness consumers.

The survey shows that your results are again poor, with only 11% of those surveyed stating they were satisfied with how their complaint was handled. As you know, following an Ofgem enforcement investigation npower paid £26 million in consumer redress due, in part, to failures in complaint handling and resolution between 2011 and 2015.

Due to the fact the survey sample was taken before the end of the enforcement case against you we are not, at this time, asking you to undertake any further actions beyond what we previously agreed. However we expect you to respond publicly to this letter updating on how you are working to give consumers a better experience following the findings from the investigation.

I stress that, in future surveys, should we not see an improvement in your performance we will consider taking further enforcement action against npower.

The survey results

This is the fifth wave of this survey and covers the largest nine suppliers. The survey shows that out of all the suppliers surveyed, your consumers are more likely to be very dissatisfied (67%), compared to the average (45%). The results also show that consumers were being let down throughout your complaints process, from registration of the issue to resolution. Compared to the industry average significantly more of your consumers surveyed:

- found it difficult to register their complaint with you
- reported that you did not inform what steps would be taken to resolve their complaint
- said decisions by complaint handling staff were made not “there and then”
- reported the complaint took longer than two months to resolve
- felt they had to chase you to find out what was happening with their complaint

- had a different view of the complaint to you (of all the suppliers surveyed, you had one of the largest resolution gaps¹ which is a key driver of dissatisfaction)

As well as these procedural issues, and just as concerning, the survey found your customers were much less likely to think that your staff treated them fairly, understood the complaint, took it seriously or were helpful. The impact of your performance was that at the time of the survey, 71% of your domestic consumers surveyed were either planning, in the process or had switched away from you, more than any other supplier surveyed.

Next steps

As stated above we would like you to respond to this letter acknowledging your performance and setting out the progress you have made since the resolution of the enforcement case against you. We would also be happy to meet with you to discuss your improvement plans in greater detail.

Yours sincerely



Dermot Nolan
Chief Executive

¹ Complaints which are flagged as closed by the supplier but the complainants thinks have not been resolved yet expressed as a percentage of all complaints flagged as resolved by the supplier