



Making a positive difference
for energy consumers

The Hon. Charles Wigoder
Chief Executive
Utility Warehouse

BY EMAIL

Date: 22 September 2016

Dear Mr Wigoder

Open letter – customer satisfaction with Utility Warehouse’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. 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 concerning, with 53% of those surveyed stating they were very dissatisfied with how their complaint was handled. Therefore, I am writing to you to request that you undertake an independent audit of your complaint handling process and report back to us. I also expect you to respond publically to this letter acknowledging your performance and setting out your plan for the independent audit.

The survey results

This is the fifth wave of this survey and covers the largest nine suppliers. The survey shows that medium-sized suppliers are on average performing less well than the overall industry average with more consumers reporting they are very dissatisfied (59% compared to 45%). For the first time we have disaggregated the results for medium-sized suppliers and this shows that aspects of your performance are particularly worrying.

In particular, of all suppliers surveyed you had the largest percentage of consumers believing the complaint was still open but you had flagged it as closed – this is a key driver of dissatisfaction. The results also indicated that there are issues throughout your complaints process, from registration of the issue through to resolution. Compared to the industry average significantly more of your consumers surveyed:

- said you did not specify how long each step of the process would take
- reported that you did not regularly update them on the complaint’s progress
- were not informed that they could seek independent advice

The impact of your and other medium-sized suppliers' performance is that, at the time of the survey, 63% of domestic consumers surveyed were planning, in the process or had switched away as a result of their complaint experience.

Audit

Given the worrying and unacceptable nature of your results we want you to arrange an independent audit of your complaint handling procedure. In particular we expect this audit to explore how well Utility Warehouse addresses the key drivers of dissatisfaction which our survey revealed: ease of registering the complaint; keeping the complainant informed as to the 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 your complaint policy and third parties. As well as exploring the efficacy of your complaint handling procedures we expect the audit to explore your compliance with both your own complaints policy and the complaints handling regulations.

Next steps

As stated above we would like you to respond to this letter acknowledging your performance and setting out timings for the independent audit. In terms of the audit itself we would expect it to be completed before the end of the year and for the results to be made available to Ofgem for publication on our website. We would also like to meet with you to discuss your results and the independent audit in greater detail.

As you know supplier performance on complaints handling is a priority for Ofgem. In the past we have taken enforcement action on companies who have failed to offer their customers an adequate compliant handling experience. Therefore we expect you to give this letter the attention it deserves and take steps to improve your performance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dermot Nolan'.

Dermot Nolan
Chief Executive