Alexander Belsham-Harris,
Citizens Advice,
200 Aldergate Street,
London,
EC1A 4HD

21st August 2017

Dear Alexander,

Energy supplier rating Consultation

Thank you for the invitation to respond to the above consultation. Bristol Energy is an independent supplier of electricity and gas with a business model that has a regional focus on the South West of England, although we supply customers across Great Britain.

Executive Summary

Bristol Energy welcomes the review of the energy supplier rating that Citizen's Advice has undertaken, and share the view that the more suppliers that are included the better. However, we are concerned that to achieve the reduction in the threshold, Citizen's advice is proposing to drop GfK consumer panel. This we believe is the most important metric as it assesses customer satisfaction, whereas some of the measure propose, such as call waiting time measure quantity, but not quality of service.

Given the perceived wisdom is that new suppliers need to gain customers quickly to gain a level of economies of scale we believe several suppliers are well on their way to exceeding the 150,000-customer threshold in the next 12 months and will become part of the scheme without the need to lower the threshold. We therefore feel losing the GfK Consumer Panel is too high a price to gaining more suppliers into the scheme.

If Citizen's Advice do decide to go ahead with the change, then Bristol Energy would come into the scheme earlier than we had planned to do so, and will not be in a position to report all of the metrics for Q317 as resources are already stretched. We will not commit resource to the RFI, until Citizen's Advice confirm what needs to be collated, which you do not intend to do until Mid-September for data that needs to be collected from October 1st, a time frame that is not achievable. We strongly feel that a more sensible time frame for introduction of the new RFI is needed.

We have answered your specific questions below, expanding our response where necessary.

Q1. Do you agree with our aim to introduce changes from December 2017?

Citizen's advice is planning to make a decision on its proposals in September which will give suppliers very little time to make system changes required to ensure they are collecting the relevant data from 1st October to be able to report on Q317 in December. Like many other suppliers, we are resource constrained and by October we will not even have found the available resource to assess what needs to change, never mind implement the changes required. Currently we have been working on the assumption that we will be required to supply data once we reach 150,000 customers. This is likely to happen in the next 12 months and is already planned for. We would therefore propose that the changes which require new data from suppliers commences from April

2018, with the first report for Q218.

Q2. Do you support our proposed threshold for mandatory inclusion in the rating of 50,000 customers?

Whilst we see the benefit in including more suppliers within the Energy Supplier rating, we believe this will happen organically as new suppliers win market share and exceed the current threshold. We believe that sacrificing the independent GFK Consumer panel to achieve this aim is a risk to the integrity of the data, especially as several of the proposed new metric which suppliers will be asked to provide are open to subjectivity or are measures of actions taken rather than customer satisfaction. For example, the time waiting for a call to be answered may vary depending on how hard a supplier tries to resolve an issue on first contact. Having a call answered quickly, by someone who cannot resolve your query is of little use, whereas waiting a little longer, but having the issue resolved is something customers value.

If Citizen's advice wishes to proceed, then it should keep the threshold at 150,000, but allow suppliers to voluntarily provide data before a hard threshold crossing. This has the benefit for Citizen's Advice in increasing the number of suppliers involved, whilst allowing suppliers to work towards providing data at some point before being mandated.

Q3. Do you support voluntary inclusion in the rating, and the proposed requirements for suppliers wishing to join?

As stated above we support the principle of suppliers being able to be voluntarily included, but the mandated threshold should remain at 150,000 and the Consumer panel kept for all suppliers above the threshold with other data reported where provided from other sources. The realities of the economics of entering the energy retail market means no supplier cannot stay below 50,000 customers' threshold for long. It is generally acknowledged that to break even, suppliers need to have customer numbers well North of this and quickly. (Although White label suppliers may be able to exist longer below this level depending on their arrangements with their host supplier.)

Q4. Do you have a view on how we could improve the information we provide to consumers about suppliers with fewer than 50,000 customers who do not voluntarily join?

Currently, smaller suppliers are unable to join the scheme, so it is unfair of Citizen's advice not to acknowledge their presence to customers. However, If Citizen's advice provides an ability to voluntarily join the rating, then a supplier who chooses not to do so risks being overlooked by customers because of their absence, and therefore has a commercial driver to join voluntarily. We therefore take the current way Citizen's advice deals with the issue is sufficient, although it could be to the customer's benefit if each supplier was allowed a short paragraph to explain who they were.

Q5. Do you agree that the accuracy of bills is a suitable metric for assessing bill performance? Do you have a view on which of the options for measuring bill accuracy is the most appropriate?

We agree that bill accuracy is an important measure of billing performance, although point out that there is not a 100% correlation between using actual reads and accuracy. We believe that the target of one read in 12 months is unlikely to show real differentiation between suppliers and option 2 is likely to be more useful to customers. We do not support the hybrid approach as this is more difficult to report as it requires a link to be

made between billing frequency and type of metering, which will for many customers over the next year be transitional.

However, as most suppliers will concur, customers on Direct Debit or PPM are less likely to provide customer own reads as they are less engaged with their bill. Therefore, a supplier with a greater proportion of customers on Direct Debit/PPM is likely to show less favourably than one with a high number of customers who pay on receipt of bill, typically a big6 supplier.

Q6. Do you consider that timely bills are a suitable metric for assessing billing performance? Do you have a view on whether it is more appropriate to measure timeliness of all bills, or just final bills?

A majority of our customers are on direct debit and thus the delivery of their monthly bill is one of information than one requiring action. As most bills go out electronically, then many customers do not even look at every bill. For customers who pay on receipt of bill, then we send monthly bills to customers either to the same date in the month if estimated, or to the reading date if the customer provides one within the window. Hence the billing window is not as fixed as you suppose. To this end, we believe it is a poor measure of customer satisfaction.

With regards to final bill, we would suggest that delivery of the final bill when they leave is not a high priority when a customer is looking to start with a new supplier, and delays in final bills can also be caused by the incoming supplier who is responsible for obtaining a reading. We do not believe this is good measure.

We believe the issue is already captured to some extent in the accuracy of bills metric provided Citizen's Advice is clear that the measure is "the proportion of **ALL** customers who received a bill based on a meter read in the past 6 months", and was not "of those the customers who received a bill in the last six months which had one based on an actual read".

Q7. Do you favour using timeliness of bills, accuracy of bills, or both, as a metric of supplier performance on billing? Are there any other metrics that we should have considered?

We do not favour either measure, but of the two we believe accuracy of bills is the better measure, but is most likely to reflects a supplier's progress on smart meter installs, than how good they are at gaining and using actual reads.

We believe that questions to the customer panel about how satisfied they are with their energy bill would be the best measure.

Q8. Do you agree that the Guaranteed Standards are an appropriate measure of supplier performance for prepayment? Is there other data we should consider using?

We are supportive of the use of this measure, but do feel it should be separated from the billing metrics as the issue is quite distinct and unless transparent to a PPM customer serves little purpose. We do not have an issue with it being part of the overall billing score subject to the threshold, but a PPM customer must be able to drill down and see a supplier's performance on this metric separately.

Q9. Do you support option 1? Do you support the proposed threshold?

As mentioned above we support the metric provided it is transparent to customers and not just used to formulate the billing score. We agree with the proposed threshold, although think it could be more granular with 25-50% accounting for 25% of the score.

Q10. Do you support option 2?

As a supplier with less than 25% of our customers on PPM it would not affect our final score, but given PPM customers are more likely to turn to Citizen's Advice for information we believe not including any rating on PPM performance would seem deficient. Whilst recognising the issue it would create around sample size; some form of performance metric should be considered.

Q11. Do you support our focus on telephone support as the key route for consumers to contact their supplier? Do you support our proposed metric in this area (average wait time for telephone services)?

We do not support the proposition that telephone is the key route for consumers. This may be the case for the larger suppliers and their incumbent sticky base, and hence why it appears to be the case in the referenced Ofgem research which only included the 9 largest suppliers. To do so, would be to measure all suppliers the metric preferred by the incumbents with their more conservative customer bases. We are also concerned that larger suppliers may appear more favourably in this metric because the culture in their contact centre is on answering calls rather than resolving issues to the customer's satisfaction at first contact which is why Independents suppliers can score highly in customer satisfaction survey's such as the one by Which?, and larger suppliers fair better in survey's focussing on metrics like call waiting time.

Q12. Do you support the option to include additional contact methods in the scoring for some suppliers? Do you support the proposed threshold for including additional channels?

Bristol Energy is supportive of this approach as it believes that customers should be able to communicate by their preferred method and not the preferred method of the supplier. We offer telephone, email and direct face to face methods of contacting us, as well as responding to contact via social media where appropriate. However, as stated above, the quality of the response is more important to customers than a fast, unhelpful response. On email, it will be important to define what constitutes a response and that it at the very least does not include an auto-acknowledgement.

We believe the 25% threshold is inappropriate and that the scoring should reflect each contact method. So, if a supplier has 60% of its contacts by email, then 60% of the score would be based on its email response times. We would support a minimum threshold of excluding any method, which accounts for less than 5% of contacts.

Q13. Do you agree that changing the weighting of OSE cases would better reflect consumer outcomes? If not, please provide your reasoning.

We support the changing of weightings as proposed as we feel this will better reflect genuine deficiencies in a supplier's service and exclude those which end up with OSE because the customer has an unrealistic expectation of service, or as is often the case, of the level of compensation they should receive.

Q14. Do you agree with our proposed approach to non-compliance with information requests?

For suppliers, such as ourselves who are not currently captured by the energy supplier rating, we feel the implementation date is too soon for us to capture all the information required, except where it is already collected for internal purposes to the same metric.

We believe Citizen's advice should act transparently and keep customers properly informed and make clear that the supplier concerned has not provided the data, rather than misleading them into believing a particular supplier has a poor record in the areas concerned.

If Citizen's Advice does wish to proceed on it proposed basis then it must allow suppliers more time to develop the required reporting, and propose the changes do not commence until the new financial year, 2018/19.

Q15. Do you agree with our proposed approach for white label brands in the supplier rating?

We support this approach, and like the current process of referring the customer to the rating of their host supplier. If a white label wants a separate rating, then we believe they must demonstrate that their customer service is not just a dedicated team, but that it is under the direct management control of the white label company and not the host supplier.

Q16. Do you have any other suggested changes to the supplier rating?

We have no other proposals to make.

I hope you find this response useful. If you have any queries, please do not hesitate to contact me.

Kind regards,

Chris Welby

Chris Welby
Head of Regulation