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Summary

Citizens Advice first published the energy supplier rating in 2016. It allows consumers to make informed switching decisions and provides accessible information about energy supplier performance. It is published on our website1 and integrated into the results page of our price comparison website (PCW).2

Earlier this year we began a review of the rating design. We used workshops with suppliers and other interested stakeholders to identify ways that we could improve the rating, including increasing the number of suppliers in the rating, and changing the data used to score some areas of performance.

We then published a consultation on our detailed proposals for changes. We issued a request for information (RFI) to all suppliers with more than 50,000 customer accounts, to gather the data we would need for these proposed changes. This allowed us to assess how viable our proposed metrics were, by understanding the range of performance levels and robustness of the data. We have now made some decisions on the next steps for the project, based on the responses to this consultation and the data from the RFI.

The key decisions we have made are:

- to reduce the threshold for automatic inclusion to 50,000 customer accounts and introduce a route for voluntary inclusion for smaller suppliers
- to score billing performance according to both bill accuracy and timeliness of bills and annual statements
- to score customer service according to telephone waiting times, and keep alternative contact methods under review
- to retain the current methodology for complaints data
- to allow white labels to be scored separately to their parent supplier for some metrics, on a case-by-case basis

We are also proposing three new changes to the rating, based on consultation responses:

- to include further voluntary industry schemes, and adjust the weighting to accommodate this change

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2[https://energycompare.citizensadvice.org.uk/](https://energycompare.citizensadvice.org.uk/)
- to include information on fuel mix in the rating tool on our website (but not score it in the rating itself)
- to adjust the way that the switching metric is calculated

We are now seeking feedback on these new proposals.

Our decisions (and the new proposals, if adopted) would mean that the design of the rating would be as follows from March 2018.

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
<th>Metric</th>
<th>Data source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints</td>
<td>35%</td>
<td>Existing complaints ratio</td>
<td>OSE, consumer service, EHU</td>
</tr>
<tr>
<td>Billing</td>
<td>20%</td>
<td>Accuracy of bills</td>
<td>RFI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timeliness of bills</td>
<td>RFI</td>
</tr>
<tr>
<td>Customer service</td>
<td>20%</td>
<td>Average call centre waiting time</td>
<td>RFI</td>
</tr>
<tr>
<td>Switching</td>
<td>15%</td>
<td>Switches completed in 21 days</td>
<td>RFI</td>
</tr>
<tr>
<td>Customer commitments</td>
<td>10%</td>
<td>Membership of the switch guarantee, and other voluntary schemes</td>
<td>Publicly available</td>
</tr>
</tbody>
</table>
Consultation and RFI

We received 16 responses to the consultation. The breakdown of responses is shown below.

<table>
<thead>
<tr>
<th>Respondent type</th>
<th>Number of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers currently in the rating</td>
<td>10</td>
</tr>
<tr>
<td>Suppliers currently outside the rating</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
</tr>
</tbody>
</table>

These responses have been published in full with this decision. We've summarised key points alongside the decisions we've made about the rating.

We received 27 responses to our RFI. We have included an analysis of this data where appropriate to demonstrate why we have made certain decisions. Thanks to all those suppliers who responded to the consultation and RFI.

Decisions

Timeline for changes to the rating

We are keen to increase the scope of the rating as soon as possible to meet the needs of consumers in a market where the number of suppliers is growing rapidly. We originally proposed making changes to the rating design from December 2017.

Stakeholder views

A majority of respondents disagreed with our proposed timeline, and felt that Q1 2018 was a more appropriate point to introduce the changes.

Decision

We will introduce changes to the rating design from March 2018. Based on supplier feedback we think that this is sufficient time to finalise and issue new RFIs for the rating. To achieve this deadline we will spend November finalising the new requests with suppliers, and issue the new RFI in early December. This will be due in late February, and the new rating will be published in late March.
Scope of the rating

We proposed that the rating be expanded to automatically include all suppliers with more than 50,000 customer accounts. This would allow consumers to make more informed choices by expanding the market coverage of the rating.

Stakeholder views

Almost all respondents agreed with our proposal. Some argued we should reduce the threshold further, or include all suppliers, regardless of size.

Other points raised included that we should:

- ensure that the data we use is robust and comparable across suppliers of different sizes
- consider introducing a minimum length of time in the market before entering the rating
- be mindful of the additional burden for smaller suppliers

Decision

We have decided to proceed with our proposal to reduce the threshold to 50,000 customers. We currently believe that this will increase the number of suppliers in the rating to around 30 suppliers and more than 99% market coverage. This will achieve our aim of providing better information for consumers about supplier performance, particularly when making switching decisions.

While we would like to maximise membership of the rating as much as possible, we consider that 50,000 customer accounts is a point at which it is proportional for us to require suppliers to provide this data. This is an important consideration when using our statutory information request powers. We are

\[3\] Consumers, Estate Agents and Redress Act 2007, Section 24, part 5.
continuing to explore what information we can publish on suppliers below this threshold.

The timeline for including new suppliers as they pass this threshold is set out below (figure 2). We will work to make suppliers aware of the rating requirements well in advance, as they approach the 50,000 customer threshold.

**Figure 2. Timeline for supplier joining the rating**

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier passes 50,000 threshold</td>
<td>Supplier passes 50,000 threshold</td>
<td>Supplier must collect required information from following quarter onwards</td>
<td>Supplier included for first time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To achieve this, we will need to change the data we use to rate supplier performance on billing and customer service. These decisions are set out later in this document.

**Voluntary inclusion in the rating**

We proposed that we would allow suppliers with fewer than 50,000 customer accounts to voluntarily join the supplier rating. This was to address feedback from suppliers who wanted to join before this became a mandatory requirement. We set out that this would be subject to meeting certain criteria on minimum size, signposting to third parties, and having referral pathways from the consumer service.

**Stakeholder views**

Most respondents agreed with our proposal to include suppliers voluntarily. Those who disagreed were concerned that:

- smaller supplier service levels may vary considerably as they grow
- suppliers may choose to leave the rating depending on their performance

Respondents generally agreed with our proposed criteria, and emphasised the need for robust and consistent data.
Decision

We have decided to allow suppliers to voluntarily join the rating. This will be subject to meeting the following criteria from the start of the quarter that they would begin to be rated:

- putting in place referral pathways from the consumer service to the supplier
- meeting minimum standards for signposting to Citizens Advice and OSE
- having a minimum of 10,000 customer accounts

Suppliers joining voluntarily will also need to agree to remain part of the rating for at least a year. Those that fail to continue to provide data will be considered non-compliant. To protect the integrity of the rating we reserve the right to exclude suppliers at our discretion.

Improving information on smaller suppliers

We asked stakeholders what other information we could publish about suppliers with fewer than 50,000 customer accounts. We want to provide as much information as possible about all suppliers, but acknowledge that smaller and newer suppliers may not be suitable for inclusion in the full rating.

Stakeholder views

There were a range of ideas from respondents on what we could publish, including:

- a clear explanation of why the supplier isn't rated
- complaints data for all suppliers
- any specialisms (eg meter type, geographical focus)
- whether the supplier meets best practice on information/signposting
- more information about their service (eg online account management)
- data on customer satisfaction from surveys

Decision and next steps

We remain keen to publish performance information about all suppliers. We are considering what information this could include, and in what format. This work will continue separate to this rating review.
**Billing metric**

Expanding the rating to more suppliers means we can no longer rely on survey data to rate suppliers performance on billing.

Poor quality billing remains a key issue for consumers, and can lead consumers into debt. Consumers need accurate and timely bills to avoid payment problems.

In our consultation we proposed to measure supplier performance in relation to billing in two main areas:

- **Bill accuracy**, for which we proposed three possible metrics:
  1. The proportion of consumers who had not received an accurate bill for more than a year
  2. The proportion of consumers who had not received an accurate bill for more than six months
  3. The proportion of traditional meter consumers who had not received an accurate bill for more than a year, and the proportion of smart meter customers who had not received one for six months.

- **Bill timeliness**, for which we proposed two possible metrics:
  1. The percentage of all bills which are sent within 15 working days of their scheduled date.\(^5\)
  2. The percentage of final bills sent within six weeks.\(^6\)

We asked stakeholders whether they felt we should use one of these measures, or a combination of two.

**Stakeholder views**

A large majority of respondents agreed that both accuracy and timeliness were suitable metrics for assessing billing performance.

Some respondents argued that these measures were more important for customers paying on receipt of bills than those paying by direct debit. Alongside these measures, some respondents felt that we should continue to include clarity of bills as a metric.

\(^4\) Defined as any bill reflecting an actual meter reading.
\(^5\) This is current industry good practice as included in the Billing Code.
\(^6\) In line with SLC 27.17.
When asked whether we should use accuracy, timeliness, or both measures in the design the majority of respondents supported using both measures.

We also asked which of the options should be used to measure performance in these areas. On bill accuracy, a large majority of respondents said that we should use a single measure for all meter types that aligned with licence requirements.⁷

Some respondents argued that the different demographics, payment types and metering technologies of different suppliers could influence performance on this metric. Some also argued that despite suppliers taking all reasonable steps to obtain a meter reading, disengaged customers still might not provide these.

Other views raised in regards to billing accuracy were that:

- we need to carefully frame what ‘accurate bills’ mean
- bills reflecting a reading may not be accurate, because other aspects such as the tariff could be wrong
- the relevance of the metric may decrease as smart meters roll out.
- we should use alternative measures - for example, looking at the percentage of bills cancelled/rebilled, or assessing the methods available to provide readings to the supplier

On bill timeliness, most respondents preferred a measure based on the timeliness of all bills, rather than just final bills. They generally felt that timeliness of final bills is less relevant to a consumer when they are choosing a new supplier. Some respondents were concerned that any measure of timeliness needed to be sensitive to different billing frequencies.

Some other views in regards to bill timeliness were:

- some bills may be generated at the point that a reading is provided, rather than according to a schedule
- consistent measurement was needed across suppliers, in regards to billing and read dates
- timeliness is more representative on supplier performance than accuracy (which requires the consumer to take action too), and is therefore a more appropriate measure

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⁷ SLC 21B requires suppliers to take all reasonable steps to provide a bill reflecting a meter read at least once a year.
RFI data - accuracy of bills

We asked suppliers for data on the number of credit customers who had gone more than 12 months without a bill reflecting a meter reading. The range and median supplier performance, as a percentage of customers who have received an accurate bill, is shown below (figure 3).

We identified that suppliers with very few billed customers for more than a year had more volatile performance - perhaps as a function of having fewer customers to report on. We analysed the impact of restricting the data to suppliers with more than 5,000 customer accounts in their reporting. This removed:

- 6 suppliers in Q1, 4 below the median, two above
- 4 suppliers in Q2, 3 below the median, one above

Figure 3. The range and median performance of suppliers, showing the percentage of customers that received a bill reflecting a meter reading in the past year

We also asked suppliers for similar data with a six month threshold for the accurate bill. This was broken down by traditional and smart meters (figure 4). This data was used to assess the second and third options for this measure set out in the consultation. Due to the current stage of the smart meter rollout only 16 suppliers were able to share data on smart meters.
Figure 4. The range and median performance of suppliers, showing the percentage of customers that received a bill reflecting a meter reading in the past six months

RFI data - timeliness of bills

We asked suppliers for data on the number of final bills sent later than six weeks and the number of bills sent 15 working days after they were scheduled (figure 5).

The data on final bills showed that performance was volatile across the quarters reported. The data on performance for all bills was more stable (a single outlier increased the range in Q1 considerably). The range and median performance needs to remain reasonably consistent to allow for a fair and stable scoring regime.
Decision and next steps

We have decided to take forward both accuracy and timeliness as measures of billing performance. We think that this approach captures two key aspects of billing which impact on consumers. Each of these will contribute half of the total billing score.

For bill accuracy we will measure the proportion of consumers who have not received an bill reflecting a meter reading for more than a year. We consider this is a fair measure, as it aligns to a common minimum standard which applies to all billed customers, regardless of meter type or demographics.

The smart meter rollout promises consumers an end to estimated bills. This will change consumer expectations on billing, and we would expect to change this measure in future to include a stricter standard for smart meters (eg 6 months rather than a year without a bill reflecting a meter reading). We will review this metric as the rollout progresses, and all suppliers begin installing smart meters.

For bill timeliness we will measure performance based on the Billing Code requirement of sending bills and statements within 15 working days of their scheduled date. This captures the experience of all billed customers. This measure can also include prepay customer experience, by including timeliness of annual statements (see below for full decision on prepayment). Timeliness of final bills will not be assessed. The RFI data indicated that this measure will be less stable than one based on all bills. We agree with respondents who felt that
final bills are less relevant to consumers, as they are only sent when they leave the supplier.

There may be some suppliers who come into the scope of the rating with only a very small number of customers (or none at all) that have been supplied for more than a year. These suppliers will either not be able to respond to our RFI on bill accuracy, or might do so with data on very small numbers of customers, which could produce unrepresentative results (as shown by our RFI analysis).

As a result we have decided that suppliers will only be included in the accuracy measure once they have supplied more than 5,000 credit customers for more than a year. Until then, these suppliers will be scored according to bill timeliness only.

We have set this de minimis customer numbers at a level that is as low as possible while providing robust data. If you have any views about this de minimis threshold please let us know.

**Prepayment**

Some suppliers in the rating focus on prepayment customers. We identified a risk that some of our billing proposals might not be suitable for suppliers with a large proportion of prepayment customers.

We set out two options for how the rating should deal with these suppliers.

1. Replace all or part of the billing score with a score related to performance on Guaranteed Standards for prepay disconnection.
2. Score all suppliers on billing performance only.

**Stakeholder views**

Only 11 out of 16 respondents answered this question. A narrow majority of them agreed that Guaranteed Standards were a fair measure of prepayment performance. Suppliers with more customers on prepay generally disagreed with using this option.

Respondents views included that:

- prepayment and billing should be separate categories
- Guaranteed Standards was a narrow performance measure, and only relevant when things went wrong
• Metering is often outsourced by smaller suppliers, who may have little control over service levels which determine Guaranteed Standards performance.

Respondents to this question generally disagreed that we should score all suppliers based on billing only. They felt that this would not be representative of the prepay experience. Those that agreed with this option felt that it would provide the most consistency in the comparison between suppliers and pointed out that the majority of customers (and switches) are not prepay.

**RFI data**

Our RFI asked suppliers how many prepay and credit customers they had, to help us understand the impacts of our proposals across suppliers.

This showed that only one supplier had no credit customers at all. Five suppliers had no/very few prepayment customers.

**Figure 6. Table showing how many suppliers have which proportion of customers on credit**

<table>
<thead>
<tr>
<th>Proportion of customers on credit</th>
<th>Number of suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 20%</td>
<td>2</td>
</tr>
<tr>
<td>20 - 40%</td>
<td>1</td>
</tr>
<tr>
<td>40 - 60%</td>
<td>0</td>
</tr>
<tr>
<td>60 - 80%</td>
<td>2</td>
</tr>
<tr>
<td>80 - 100%</td>
<td>19</td>
</tr>
</tbody>
</table>

**Decision**

We have decided not to use Guaranteed Standards data as a measure. As it only applies to disconnections, we do not think that this is representative of the general prepay experience.

We will not include a separate prepay criteria. We think it is important that the scoring should be as consistent as possible across all suppliers. The RFI data
showed that the rating will include a number of suppliers with no prepay customers. As such it is not possible to score all suppliers against a separate prepay criteria.

To provide some consistency across all suppliers, including those with no billed customers, we will include annual statements in the bill timeliness measure. Any supplier with fewer than 5,000 billed customers will be exempt from the accuracy score in accordance with the de minimis threshold set out previously.  

As suppliers will only have to send annual statements after the customer has been with them a year this will also introduce a one year minimum operation period for any supplier that offers prepay only (unless they choose to send statements more frequently).

Our proposals on expanding the scoring for voluntary commitments (see below for details) to include the PPM principles also mean that the rating takes greater account of the prepay customer experience.

**Customer service**

We proposed using call waiting times to score supplier performance on customer service. We also proposed an option to allow other contact methods (email and webchat) to be scored if they made up more than 25% of a supplier’s contacts.

**Stakeholder views**

Most respondents agreed that telephone is a key contact route for consumers and that it was suitable to include in the rating. Half of respondents agreed with our proposed metric of average waiting time.

Concerns regarding this metric were that:

- Telephone services are less important to certain customer types.
- Suppliers might ‘game’ the metric to make their performance appear better.
- It could be more advantageous to larger suppliers, who may use telephone services more.
- Sales lines should not be included - although there may be cases where sales are made in the course of customer service calls.

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8 This is a threshold of 5,000 customers that have been billed for more than a year.
There were varying views on whether the time spent in an Interactive Voice Response (IVR) system should be included in the metric or not.

There was a general view across all respondents that other contact methods are growing in importance. Respondents also generally agreed that we should include additional contact methods in the rating. However, there was less support for the proposed thresholds for including these methods. Respondents were concerned that:

- we should include a wider range of alternative methods beyond webchat and email
- there are practical challenges to scoring these contact methods, and that benchmarks of good performance could be hard to define currently
- self-serve is an area of growing importance which is difficult to measure as a metric

Respondents also generally argued that the quality of contact with consumers was at least as important as the waiting time to speak to the supplier.

**RFI data**

We asked suppliers for the number of customer contacts that were made by a range of contact methods (figure 7). Some suppliers included self-serve/website contacts in their responses. These contacts were not considered in this analysis because they are outside of the scope of the metric, which is focusing on two-way communications between the supplier and the consumer.

*Figure 6. The range and median proportion of contacts each contact method makes up for suppliers (Q2 2017). The number of suppliers offering each method is shown in brackets*

This demonstrated that telephone is the only contact method used by all suppliers, and makes up more than half of contacts to all but three suppliers.
Only five suppliers offered a contact channel that would have surpassed our proposed 25% threshold for including a second channel; in all cases this channel was email.

Suppliers also provided information on the average wait time for telephone call centres, email response times and webchat waiting times. Email response times were often provided as a KPI rather than actual performance data. Some suppliers told us that response time data for email was not something they currently collected.

Figure 7. Table showing the range and median response times for a range of contact channels (Q2 2017). The number of suppliers providing data is shown in brackets

<table>
<thead>
<tr>
<th>Method</th>
<th>Minimum</th>
<th>Median</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone (n=24)</td>
<td>11s</td>
<td>118s</td>
<td>1,500s</td>
</tr>
<tr>
<td>Email (n=8)</td>
<td>1.66hrs</td>
<td>38.25hrs</td>
<td>269hrs</td>
</tr>
<tr>
<td>Webchat (n=5)</td>
<td>11s</td>
<td>34s</td>
<td>691s</td>
</tr>
</tbody>
</table>

**Decision and next steps**

We have decided to score suppliers based on telephone performance only. As we set out in our consultation, we think that telephone contact is still a key method for consumers to resolve issues - particularly complicated ones. Ofgem has set out that telephone lines remained essential for customers without internet access, with certain disabilities or for those with urgent queries.\(^9\) RFI data demonstrated that this remains the main route that customers use to contact their supplier.

Waiting time is a key aspect of customer experience of telephone services. We see evidence through our service that consumer issues are made worse where suppliers take long periods of time to answer the phone. In their response, Ombudsman Services: Energy (OSE) made clear that this is also true for the cases they deal with. We think it is a metric that is already widely used in this and other sectors, and is one that consumers easily understand.


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We agree with respondents arguing that the quality of contact is also important. However, this cannot be measured quantitatively without conducting surveys. We consider that the complaints metric will indirectly measure the quality of contacts, as suppliers with better quality customer service should see fewer complaints to third parties.

Our RFI and other information from stakeholders shows that data on alternative contact methods is less consistent across suppliers. The most commonly used secondary channel is email, but the RFI data provided on performance for this channel was poor. Other communication channels are less widely adopted. We think that including other contact methods at this point would reduce the comparability of the rating between suppliers. However, we recognise that consumer preferences are changing and we are keen to include other contact methods in future. We will keep this area under review.

We will now work with suppliers to finalise the RFI to collect this data. One key question we will consider is how we treat the amount of time consumers spend in IVR systems.

Complaints

We set out at a high level a proposal to amend the way that OSE cases are included in our complaints data, including bringing deadlock cases into scope and weighting cases differently according to the outcome of the case.

Stakeholder views

A majority of respondents agreed in principle that this would be more reflective of the consumer impact of supplier complaints handling. However, they also raised a number of practical barriers and implications to these changes, including that:

- there would be an increased time lag between the problem arising for the consumer and being counted in the data, as the OSE case would need to be resolved - this would reduce the timeliness of the data in the rating
- during any transition from one system to another cases could be double counted in different quarters
- complexity in the assurance processes which would be required to ensure that the case classification is robust and in supplier validation processes
There were differing views over the inclusion of deadlock cases. Some respondents felt this would be a fairer reflection of supplier performance, while others argued it could incentivise poor supplier behaviour in relation to the deadlock process. The OSE's response stated that 8 week cases tend to have more relation to complaints handling performance, whereas deadlock cases more often are caused by more fundamental differences between the supplier and the customer over how to resolve a complaint.

**Decision**

We have decided not to proceed with changes to the complaints data at this time. While we think that reflecting these outcomes could be good for suppliers, we think it would add an unacceptable time lag before cases enter the rating. This will make the rating less timely, and could give consumers a false impression about recent complaints handling by the supplier.

OSE is considering further refinements to its processes, including introduction of a new case management system. We will continue to liaise with them to see whether this metric could be further refined in future.

**Non-compliance with RFIs**

We think that increasing the number of suppliers, and our reliance on RFIs, means there is more risk that suppliers may fail to provide us with the information required to produce the rating. To counter this we proposed that suppliers who fail to provide information within the required timescales will score zero in the relevant category.

**Stakeholder views**

Stakeholders mostly agreed with our proposal on non-compliance. Those that disagreed felt that this could be confusing for consumers trying to understand a supplier’s performance.

Some respondents argued that this should be a last resort and that the process leading to this should be clearer - for example, Citizens Advice should set a minimum response period for RFIs.

**Decision**

Suppliers have a legal duty to respond to RFIs. We will refer any failures to comply to Ofgem, who can take enforcement action.\(^\text{10}\) However we recognise

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\(^\text{10}\) Consumers, Estate Agents and Redress Act 2007, Section 25.
that enforcement action can be a lengthy process, and would only proceed in line with Ofgem’s enforcement guidelines.\textsuperscript{11}

As such we remain of the view that there may be circumstances in which we have to apply a score of zero to non-compliant suppliers. We think that this is ensures good outcomes to consumers by increasing the likelihood that suppliers comply with our information requests. Publishing incomplete information about suppliers who fail to comply would not enable consumers to make informed choices and could be unfair on compliant suppliers.

In order to avoid non-compliance we will take the following steps.

- We will publish a schedule for the new RFIs so that suppliers are aware when they will be required well in advance.
- We will send reminders of the due dates in advance, and require suppliers to confirm receipt of this message.

Suppliers have a responsibility to take steps to avoid non-compliance. If a supplier has concerns about their ability to comply they should let us know as soon as possible. Where there are exceptional circumstances we may decide that a supplier should not be penalised for failing to provide information.

In addition to suppliers not responding, we are also keen to ensure the quality of data provided. We will take steps to check data provided against other sources industry data available to us.

**White labels**

We currently apply the same score to white labels as their parent supplier. In our consultation we proposed that we would consider requests to score some aspects of the rating differently for white labels. Permission would be on a case-by-case basis.

**Stakeholder views**

Around half of respondents agreed with our proposed approach. Those who agreed said that:

- there should be demonstrably different service offerings, including management of customer service
- the white labels should meet the same mandatory and voluntary thresholds as other suppliers

\textsuperscript{11} \url{https://www.ofgem.gov.uk/publications-and-updates/enforcement-guidelines}
Those that disagreed had a range of views, including that:

- suppliers could ‘game’ the system to maximise their performance, by choosing whether to remove their white label or not.
- white labels should be scored the same as their parent supplier as they provide most of the service.
- white labels should always be scored separately to the parent supplier, regardless of service offering.

**Decision**

We have decided to proceed with our case-by-case basis approach. The white label brand will need to meet the same conditions as those for voluntary membership of the rating, in order to ensure that there is robust data. Suppliers will need to demonstrate that the customer experience is likely to be different in the area that they want to be scored separately - for example, where there is a separate call centre for the white label.

If a white label does not meet the requirements for voluntary inclusion, a supplier can request that their white label data is not included in RFIs. For clarity-in doing so a supplier cannot remove themselves from the scope of the rating by doing this. The threshold for mandatory inclusion of 50,000 is based on total customer base (inclusive of white label brands).

It will not be possible to be scored differently for complaints handling. Parent suppliers are responsible for complaints handling. This is in line with Ofgem and OSE’s approaches to complaints data. Therefore white labels will always have the same complaints score as their parent supplier.

**Other changes to the rating**

We asked stakeholders to let us know if there were any other changes they wanted us to make to the rating.

**Stakeholder views**

Respondents made a number of suggestions for changes to the rating. Popular suggestions were to include:

- more voluntary codes and schemes in the rating (beyond the Energy Switch Guarantee) - examples included the Safety Net, PPM Principles, and the Billing Code
- additional scores for suppliers that offer Warm Home Discount.
● information on renewable supply/environmental performance.

Other suggestions included that:

● Historic performance should be published so that consumers can see how this has changed over time.
● Innovative offerings (bundles, discounts etc) could be included in the information part of the supplier rating table.
● Smart meter rollout progress should be included.
● Changing the rating publication schedule to allow more timely scoring.

Decision

We have decided to propose two further changes to the rating based on the feedback from stakeholders (see below). These are to include additional voluntary commitments and fuel mix disclosure. We are also planning to publish historic performance in the supplier rating.12

Proposals

Voluntary commitments and weighting

We are proposing to include other commitments in the voluntary measures category. Voluntary commitments are an important feature of the energy market and allow suppliers to demonstrate good practice.

Our proposed scoring is as follows:

● 3 stars for membership of the Energy Switch Guarantee
● 1 star each for membership of either the Safety Net13, PPM principles14 or BSI Standard for Inclusive Service Provision (BS 18477)15 - up to a maximum of two stars.

12 This is already available for complaints data at https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation- responses/energy-policy-research/domestic-complaints-handling-performance


14 http://www.energy-uk.org.uk/policy/prepayment-meters.html

We have selected schemes which we think have a high value for consumers, particularly those with certain disabilities, those in vulnerable situations and those who pay by prepayment. We think that the schemes are accessible for all suppliers, and we are proposing a scoring that allows suppliers to achieve a full score without being members of all three schemes.

We have not included the Billing Code, as we recognise that the current audit requirements can be onerous for smaller suppliers. We also think it is inappropriate to include the Warm Home Discount (WHD), which suppliers are mostly obligated to provide. Our PCW already includes labels to show consumers which suppliers offer WHD.

We are keen that in making this change we do not dilute the importance of the Energy Switch Guarantee, which we continue to support as an important tool to increase confidence in the switching process. Therefore as part of this change we are proposing to increase the weighting of this ‘voluntary commitments’ category, from 5% to 10%. We also propose to adjust the weighting of the other measures to account for this increase.

The new design is much more reliant on information from RFIs to suppliers. We think it is prudent to balance this data with information from other sources. We are therefore also proposing to increase the weighting of the complaints category. To accommodate this change we will decrease the weighting of the billing and customer service categories.

Our proposed weighting is:

- Complaints - 35%
- Billing - 20%
- Customer service - 20%
- Switching - 15%
- Voluntary commitments - 10%

We welcome views from stakeholders on this proposal.

**Fuel mix disclosure**

We do not agree with respondents who argue that renewables/environmental benefits should form part of the rating itself. While this is an area some consumers care about a great deal, we think that there are sufficient opportunities for suppliers to make consumers aware of these through their own marketing.
However, we do see some benefit in adding information on the each supplier’s Fuel Mix Disclosure to the rating table (in the ‘pop-up’ that appears when a supplier name is clicked). This information is already published on supplier websites but is not available centrally.

For simplicity we would display this information in a simplified format as follows:

- Renewables - x%,
- Fossil fuels - x%
- Nuclear - x%

**Switching calculation**

We currently calculate the switching metric as the proportion of switches which are completed in 21 days or delayed for valid reasons.

We propose to change this calculation so that we measure the percentage of switches completed within 21 days, as a proportion of all switches which should have been completed in this period (ie excluding those which are delayed for valid reasons). This will not change the information that suppliers are required to provide.

*Figure 8. The current and proposed calculations for switching performance*

<table>
<thead>
<tr>
<th>Current calculation: $(A+B)/C$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed calculation: $A/(C-B)$</td>
</tr>
</tbody>
</table>

Where:

- $A = \text{Switches completed in 21 days}$
- $B = \text{Switches completed in more than 21 days for valid reasons}$
- $C = \text{Total switches completed}$

Changing the calculation will result in a very small adjustment in supplier performance. For example, in Q1 2017 it would have resulted in an average decrease of 0.1%, and a maximum decrease for any one supplier of 0.7%.

We think the new calculation gives a better view of the supplier’s performance. It excludes switches which could never have been completed by the supplier within 21 days, for example where the consumer has asked for the switch to begin at a later date or where there is incomplete information.
The proposed approach also aligns with the calculation used by Energy UK in assessing compliance with the Energy Switch Guarantee.

**Next steps**

We invite responses on our new proposals by 30th November 2017. Please send these to alexander.belsham-harris@citizensadvice.org.uk.

We will work with suppliers to finalise the RFI we will use for the new rating. This will be issued in early December 2017, alongside an update on the decisions we have made on the new rating design.

We will develop a scoring criteria for the new metrics and share this with suppliers ahead of the March 2017 release. The criteria will take account of the average supplier performance, and the range across suppliers, as well as any appropriate industry benchmarks.
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