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23 October 2019

Dear Thomas,

Consultation on new customer service metrics and other updates

Thank you for the opportunity to comment on Citizens Advice's minded-to proposals for new customer service metrics and other updates within its supplier performance star rating tool. We welcome Citizens Advice' review of the star rating to ensure it remains relevant to consumers and representative of supplier performance. We have responded to the specific consultation questions in Annex 1, and we would highlight the following key points.

Breadth of Customer Contact Channels Included

While we agree with incorporating email and social media channels into the customer service metric, we believe that webchat should also be included in the rating. In Quarter 3 of 2019 email made up c. 6% of our customer contacts and social media less than 1%. Webchat however made up c. 19% of all ScottishPower customer contacts over the same period and our expectation is that this will continue to grow. This indicates strongly that chat options are a growing communication channel and one which is favoured by our consumers.

We believe Chat should be included in the metric to ensure that the Supplier Rating remains representative of consumer choice and reflects the level of service offered by different suppliers. We acknowledge that webchat may not be as prevalent amongst other suppliers as email, however, for many consumers it is their preferred channel and important in their decision making about which supplier to choose. We believe Citizens Advice should include webchat as a non-mandatory metric for those suppliers who offer it.

Weightings of Customer Contact Options

We have concerns regarding the proposed weightings for different channels within the customer servicing rating as we do not believe these are representative of ScottishPower customer behaviour and preferred engagement methods.

We think it is important that the weightings of each channel included takes account of the proportion of customers choosing that option for each supplier, given the potential for these proportions to vary significantly across different suppliers. Citizens Advice has already taken

this into account to some extent, in the decision that where a supplier does not have a presence on social media then it should not be included.

Average Speed to Answer Star Rating thresholds

We would like to take this opportunity to reiterate the feedback we provided in the February 2019 RFI about the current thresholds for the Average Speed of Answer element of the rating, and would welcome a move to review the thresholds as part of this consultation. In particular, we would make the following points in relation to the rating thresholds which we believe should be reviewed by Citizens advice to ensure they provide consumers with a fair reflection of supplier performance.

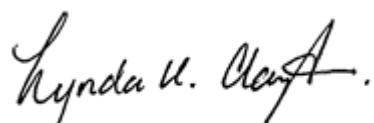
- We do not believe a 5 star rating, based on the current scoring thresholds, to be achievable in an operationally efficient manner for a call centre of ScottishPower's size. A 5 star rating requires average call wait times to be less than 30 seconds. To achieve this level of performance, on average, would mean significant periods where advisors are waiting in an idle status for new calls to arrive and the cost and operational inefficiency associated with this does not allow for an optimum call centre operating model.
- The range of the thresholds varies significantly across different ratings – only a 30 second range for 5 star rating, 60 seconds for 4 stars, but a range of 90 seconds for 3 stars (90 to 179 seconds). Effectively, the customers of one supplier could wait double the amount of time that customers of a second supplier wait, while both achieve 3 stars. We do not believe this is reflective of the customer's expectations and would urge Citizens Advice to revisit these threshold ranges.

Implementation Timescales

In order to reduce the number of times the Supplier Rating is changed, we believe Citizens Advice should make all the proposed changes in this consultation at the same time. Making multiple changes across subsequent quarters could lead to confusion in assessing relative supplier performance over time, and also in comparing across suppliers.

We would be happy to discuss any of the points included in our response if it would be helpful.

Yours sincerely,



Lynda Clayton
Customer Services Director
ScottishPower Energy Retail

**Consultation on new customer service metrics and other updates – ScottishPower
Response**

Q1 Do you agree with our proposal to include email as a customer service metric?

We agree that the customer service metric should be updated to reflect changing consumer preferences - in particular the increased prevalence of digital methods of communication. It is our experience however that of the digital channels available, namely email, social media and webchat, email use among our customers is becoming increasingly less prevalent and it now comprises only a small portion of our overall contact volumes.

Therefore, while we are supportive of the inclusion of email within the customer service metric we believe it is important that other digital options (where offered) are also included in the customer service metric and the weighting given to each ensures that the metric is representative of a supplier's performance in this area. This ensures that consumers are able to make informed choices from the information within the star rating. As noted above, our customers are moving away from using email as a form of contact (only c. 6% used this method during Quarter 3 2019) and we believe it important that the weightings reflect customer preference. We have provided further details of our proposals in later questions in this annex, and in particular our response to Question 15.

Q2 Do you agree with our proposal to use % response time within a certain number of days as our measure of supplier performance?

With regards to contacts via email, we agree that percentage response within a number of days is an appropriate measure of supplier performance. We believe response time should be measured over working days as opposed to calendar days to ensure account is taken of supplier business hours.

Q3 Do you agree with our proposal to measure response time to subsequent emails from consumers, following supplier responses, and to exclude response time to secondary messages?

We agree that response time is a more suitable measure than issue resolution time. The substantive response time is measured for every email we receive, including emails we term "secondary". We agree with excluding the response time to secondary emails in the metric

Q4 Please share any relevant research you are aware of on customer expectations of email response time

We do not have any relevant research to provide.

Q5 Do you have further comments on our proposal to include email as a customer service metric?

As we have noted in our response to Question 1, email is becoming less and less popular as a choice for our customers. During Quarter 3 2019, email accounted for c.6% of our customers contacts, while webchat accounted for c.19%. While we are comfortable with the inclusion of email within the customer service metric, we believe other digital options must also be included (each with appropriate weightings) to ensure customers are provided with the full picture of supplier contact performance. We have provided more detail on our views and proposals in our response to Question 15.

Q6 Do you agree with our proposal to include social media as a customer service metric?

Similarly to email we agree that social media should be included as a customer service metric to ensure the star rating reflects changing customer preference for contacting suppliers. Again we would highlight that we believe it is important that other digital options (where offered) are also included in the customer service metric and the weighting given to each ensures that the metric is representative of a supplier's performance in this area to ensure consumers are able to make informed choices from the information within the star rating. We would highlight that in Quarter 3 2019 we received less than 1% of our overall contacts via social media and think the weighting proposed by Citizens Advice for social media (20% of the customer service metric) could misrepresent supplier performance in this area. We have provided further details of our proposals in our response to Question 15.

Q7 Do you agree with our proposal to measure Facebook and Twitter contacts, and only to measure direct messages?

We agree that Facebook and Twitter should be included as they are currently the most popular social media channels. We also agree with the proposal to include direct messages only as we appreciate that basing the metric on public contact would be extremely complex. We would however highlight the potential risk that only including private messages may encourage some suppliers to focus on resolving private rather than public contact which could impact the industry reputationally.

We believe that response time to social media contacts should take account of supplier business hours and suggest that contacts received outwith business hours are measured from the start of the next working day.

Q8 Do you agree with our proposal not to make social media a mandatory contact channel, but to penalise suppliers who have a presence on social media but do not respond to customer queries via this channel?

We generally agree with the approach proposed of including social media within the customer service metric, namely that if a supplier has a presence on social media then it should be included in the measure of customer service.

We do not however agree with the proposal to allow an exception where a supplier has a social media presence but it is clearly marked as for marketing purposes only. If a supplier views social media as an appropriate channel to engage with consumers for marketing, then we believe it should offer the option to respond to customer queries and should be included in the customer service metric.

Q9 Do you agree with our proposal to change the wording around "answered substantively" in our information request?

We agree with the change from "respond to" to "answered substantively" which excludes automated responses or messages which do not address the issue. We note the proposal to include within "answered substantively" cases where a supplier effectively migrates a consumer over to a more suitable contact channel where the issue can be resolved. While we understand the complexities of monitoring resolution times in these queries, we would highlight a potential risk that some suppliers may move contacts away from the social media channel prematurely in order to record the interaction as "answered substantively". We suggest that Citizens Advice be mindful of this, and use other qualitative information to support identification of this issues if it were to materialise.

Q10 Please share any relevant research you are aware of on customer expectations of social media response time.

We do not have any relevant research to provide.

Q11 Do you have any further comments on our proposal to include social media as a service metric in the rating?

As we have noted in our response to Question 6 the volume of social media contact received by ScottishPower is very small at less than 1%. Citizens Advice's proposal for weighting would give social media a 20% share of a supplier's overall customer service score which we believe would be disproportionate for ScottishPower and as such may not provide consumers with a representative view of our customer service offerings and performance. As we note in our response to Question 5 on email, while we are comfortable with the inclusion of social media within the customer service metric, we believe other digital options must also be included (each with appropriate weightings) to ensure customers are provided with the full picture of supplier contact performance. We have provided details of our suggestion in our response to Question 15.

In addition, we wish to share information on how we prioritise our social media responses to ensure that customers in a vulnerable situation who have an urgent query receive a quick response. We use a work distribution tool which, based on key words contained within the post, automatically allocates social media posts to the correct Customer Service team to deal with the specific query. The tool prioritises posts for each team based on words that indicate the customer's circumstances, i.e. when a customer is off supply or vulnerable, the tool automatically prioritises these as the first enquiries to be dealt with.

We believe that this triaging is essential for us to ensure that our most vulnerable customers receive the best outcomes and we will continue to use this method even though there is a risk that this prioritisation could potentially depress our score under the new metric where less urgent contacts are not resolved within the timescales within the rating. If this becomes a significant issue for us we will look to engage further with Citizens Advice to reach a solution.

Q12 Do you agree with our proposal not to include webchat as a customer service metric at this stage, but to keep it under review as part of future iterations of the rating?

We do not agree with the proposal not to include webchat as a customer service metric at this point. Citizens Advice appears to have made this decision due to the low numbers of suppliers offering this service, the quality of data and the challenges in comparing suppliers. As we have shared previously, webchat is already a key channel of communication for ScottishPower customers and continues to grow.

We introduced our Web Chat and In App Chat options during 2018 to provide alternative contact options for customers, and in particular a different digital option to email which delivers a quicker response time. With our webchat options a customer can resolve queries in one contact and in a more real-time manner than by email. An example of this is the moving home scenario, where customers typically need to send up to 3-4 emails to complete the transaction and allow us to finalise their account (e.g. requests for follow up meter reads, forwarding addresses etc.) - often spread across a period of 1-2 weeks.

Our experience is that customers value the quicker response offered by webchat options. As we have noted previously, in Quarter 3 2019 webchat options accounted for c. 19% of all ScottishPower customer contacts and we expect this to grow. Email made up only c. 6% of our customer contacts and social media less than 1%. This indicates strongly that chat options are a growing communication channel and one which is favoured by ScottishPower

consumers and therefore we believe webchat should be included in the customer service metric to ensure that the Supplier Rating remains representative of consumer choice and reflects the level of service offered by different suppliers.

We acknowledge that webchat may not be as prevalent amongst other suppliers as email, however, for many consumers it is their preferred channel and important in their decision making about which supplier to choose. We believe Citizens Advice should include webchat as a non-mandatory metric for those suppliers who offer it. We note the challenges highlighted by Citizens Advice in data quality and comparability, but believe these are challenges that can be overcome quickly with further engagement with those suppliers who offer the service.

We have provided further details of our proposal for weightings of each channel in our response to Question 15.

Q13 Do you have any further comments on webchat as a customer service metric?

As noted above our webchat service continues to grow with more and more customers opting to use this channel. Webchat provides more opportunity to resolve customer queries at the point of first contact than email does and in our experience customer satisfaction with webchat contacts is higher than for email. We strongly recommend that Citizens Advice should include webchat within the customer service rating and would be happy to engage further with Citizens Advice to support this.

Q14 Do you agree with our proposal not to include telephone ring backs and telephone abandonment rates as customer service metrics?

We agree with this proposal.

Q15 Do you agree with our proposal for incorporating the new customer service metrics into the rating?

We have a number of comments about the proposal for incorporating the new customer service metrics within the rating.

Customer contact channels included

As we have highlighted in a number of previous questions, while we agree with incorporating email and social media channels into the customer service metric, we believe that webchat should also be included in the rating.

We believe webchat should be included in the metric to ensure that the Supplier Rating remains representative of consumer choice and reflects the level of service offered by different suppliers. We acknowledge that webchat may not be as prevalent amongst other suppliers as email, however, for many consumers it is their preferred channel and important in their decision making about which supplier to choose. We believe Citizens Advice should include webchat as a non-mandatory metric for those suppliers who offer it.

It is important that suppliers' full customer contact offering is included to ensure suppliers are represented fairly and that consumers are provided with the full information to make informed choices. We believe that this improves the Citizens Advice Supplier Rating by ensuring it is reflective of consumer needs and preferences.

Further, while we recognise that each contact route has unique challenges, inclusion in this way will encourage suppliers to learn from these challenges, and drive improvement and further choice and accessibility for the consumer.

Weighting of customer service channels

We have concerns regarding the proposed weightings for different channels within the customer servicing rating as we do not believe these are representative of ScottishPower customer behaviour and preferred engagement methods.

We think it is important that the weightings of each channel included takes account of the proportion of customers choosing that option for each supplier, given the potential for these proportions to vary significantly across different suppliers. Citizens Advice has already taken this into account to some extent, in the decision that where a supplier does not have a presence on social media then it should not be included. We believe this approach should be extended to take account of all customer contact channels and suggest that these volumes are submitted as part of the regular reporting cycle to allow Citizens Advice to use this to weight the score for each supplier.

In the absence of this data, and to ensure Citizens Advice is not implicitly dictating how a supplier focuses the contact options suppliers should offer, an alternative here would be to weight the digital channels evenly across email, social media and webchat, and where a supplier does not offer a specific option the weighting is split across the remaining channels.

Telephone Metrics – Average Speed of Answer

We would like to take this opportunity to reiterate the feedback we provided in the February 2019 RFI about the current thresholds for the Average Speed of Answer element of the rating and would welcome a move to review the thresholds as part of this consultation. In particular, we would make the following points in relation to the rating thresholds which we believe should be reviewed by Citizens Advice to ensure they provide consumers with a fair reflection of supplier performance.

- We do not believe a 5 star rating, based on the current scoring thresholds, to be achievable in an operationally efficient manner for a call centre of ScottishPower's size. A 5 star rating requires average call wait times to be less than 30 seconds. To achieve this level of performance, on average, would mean significant periods where advisors are waiting in an idle status for new calls to arrive and the cost and operational inefficiency associated with this does not allow for an optimum call centre operating model.
- The range of the thresholds varies significantly across different ratings – only a 30 second range for 5 star rating, 60 seconds for 4 stars, but a range of 90 seconds for 3 stars (90 to 179 seconds). Effectively, the customers of one supplier could wait double the amount of time that customers of a second supplier wait, while both achieve 3 stars. We do not believe this is reflective of the customer's expectations and would urge Citizens Advice to revisit these ranges.

Weighting of the billing metrics

We also have concerns about the reduction in the weighting of the billing element. Providing accurate billing is the core function of an energy retailer and an important driver of customer satisfaction. Indeed, poor accuracy of bills is often what drives the need for customers to get in contact in the first place so it seems counter-intuitive that it should be weighted less than other elements such as complaints and customer service.

Q16 Do you agree with our proposal to include the Energy UK Vulnerability Code of Practice in the rating?

We agree in principle with incorporating the new Energy UK Vulnerability Code of Practice (CoP) into the overall Supplier Rating. As recognised in the consultation document this CoP is very much in the development stage, and there are several factors which need further clarity:

- **Implementation timelines:** Draft timelines from Energy UK indicate that the CoP will be implemented towards the end of Quarter 1 2020. Since the timelines given in the consultation document indicate that the minded-to proposals will take effect in Quarter 1, we would seek confirmation that the changes relating to the CoP will not be implemented until after the launch of the CoP.

In addition, in order to reduce the number of times the Supplier Rating is changed, which will aid comparisons by consumers and other interested stakeholders from one quarter to the next, we believe Citizens Advice should make all the proposed changes in this consultation at the same time. Making multiple changes across subsequent quarters could lead to confusion in assessing relative supplier performance.

- **Scoring and weighting:** We note that Citizens advice will make a decision on the weighting of the CoP in the overall Supplier Rating depending on the content and the governance structure of the CoP. We note that the Energy UK Commission for Customers in Vulnerable Circumstances recommended that Citizens Advice *“should ensure compliance with the new Vulnerability Code of Conduct, to be developed by Energy UK, has a significant weighting in the calculations used to inform the energy supplier rating tool”*. We believe that as a minimum this means that the weighting should be equivalent to the current weighting for the Energy Switch Guarantee which has 60% of the overall Customer Commitment potential weighting. We also assume from the consultation that the existing inclusion of the Safety Net and PPM Principles would be removed and replaced by the CoP, however it would be helpful to clarify this.
- **Performance:** The consultation notes the requirement for *“regular oversight by a governance board on key KPIs”* and we agree that this governance is an important part of the CoP to ensure that suppliers signed up to the Code are delivering the appropriate level of service to customers in vulnerable circumstances. We assume however that where Energy UK informs Citizens Advice that a supplier is a signatory to the CoP, then this should be sufficient for that supplier to be awarded the weighting associated with the CoP in the Supplier Rating tool, and Citizen advice will not be taking any other action to assess supplier performance.

Q17: Do you have any comments on the broader role of the Company Commitments element of the star rating?

We think it is important that the commitments included under this part of the star rating remain relevant and provide consumers with appropriate information on supplier performance to allow them to make informed choices. As noted above, we believe it is important therefore that the Safety Net and PPM Principles are removed when the new CoP is introduced given the Code will cover the same areas.

Q18: Do you have any comments on the opportunity to dispute the reports from the Energy Ombudsman in the star rating processes?

We welcome Citizens Advice and the Ombudsman identifying that cases could be duplicated in the transition phase of moving from using Ombudsman data at the 'Case Accepted' stage to 'Completion' status. We agree that analysing data over two quarters and removing duplicates is correct as the Ombudsman process can be a long-drawn out affair for some consumers, therefore it is imperative companies are not penalised unnecessarily during this transition phase.

To ensure a full understanding of when the signposting data is being used to exclude deadlocked cases, we request clarification of what 'Completion' status is. The word itself could suggest it is when a case is fully resolved and all remedy points of the OSE decision have been implemented. ScottishPower interpreted it this way, however, from recent discussions with both Citizens Advice and Ombudsman, it has been explained that 'Completion' status is when the decision has been accepted by the customer (whether that be via a full OSE investigation or by Facilitated Complaint Resolution (FCR)), and importantly, prior to the supplier implementing the decision. We ask that this understanding is included on any supporting documentation provided for the rating when the new measures are implemented.

Q19: Do you have any comments on the proposal to align the star rating measure of switching timeliness with Ofgem's proposals?

We agree in principal to Citizens Advice altering the way in which they measure switching to align with the changes Ofgem are proposing for phase 2 of the new Guaranteed Standards for switching. As recognised in the consultation these changes have not been confirmed and therefore we assume any changes will not be made until after Ofgem has implemented the new standards. As we have stated in response to Question 16, in order to reduce the number of times the Supplier Rating is changed, which will aid comparisons by consumers and other interested stakeholders from one quarter to the next, we believe Citizens Advice should make all the proposed changes in this consultation at the same time. Making multiple changes across subsequent quarters could lead to confusion in assessing relative supplier performance.

ScottishPower
October 2019