

# Citizens Advice consultation on updated Star Rating Customer Service Metrics: Together Energy Response

## Introduction

Together Energy is a domestic gas and electricity provider for customers across the UK.

Our core commitment is to invest in the communities that we operate in. We set up in Clydebank as a commitment to creating careers in a post-industrial town and to benefit the community in which we work. People are key to our growth strategy. We recruit almost exclusively from areas of economic and social disadvantage, with the goal of creating careers for life.

We have a strategic partnership with charity Street League who help connect unemployed young people (16-24) who have struggled to gain employment to future careers. Our partnership means we have funded a number of Street League programmes and subsequent tranches of staff throughout the year.

We see our recruitment strategy as integral to our customer service strategy. We recruit for empathy: our staff understand the difficulties our customers can face in managing household bills. The industry grounding of our senior management team helps the growth of our middle managers and the young people across the business. This helps create a balance, and ensures we can best harness the raw, unharnessed potential of our teams.

To ensure that our recruitment strategy does not negatively affect customer service, we over resource. Currently we have what we believe to be an industry leading customer service staff:customer ratio of 1:600.

We have a relationship with the Business School at Strathclyde University which gives us guaranteed places on the access course. This is an opportunity that many of our staff would not otherwise have had, based on their school-leaving qualifications, and literacy and numeracy skills. We invest in this because we believe that improved learners will mean improved conversations for our customers.

We were extremely proud to win an award for our approach to diversity, youth and career development at the 2018 Herald and GenAnalytics Diversity Awards, receiving the prize for Diversity Star Performer for 1-250 employees.

Additionally, we seek to continually invest in the services we offer vulnerable customers. With our partners Warrington Borough Council we are ambitious to significantly alleviate fuel poverty and offer a leading green energy proposition to our customers.

## Executive Summary

Together Energy welcomes the opportunity to respond to Citizens Advice Bureau's *Consultation on new customer service metrics and other updates*.

Together Energy fully supports the objectives of the Citizens Advice star rating to provide consumers an independent and trusted lens on energy supplier performance and customer service.

We welcome the changes that have already been agreed to extend the coverage of the star rating to reach nearly the whole market, and CAB's commitment to support new market entrants and small suppliers to meet their obligations.

We encourage CAB to ensure that it successfully engages a broad range of new market entrants and smaller suppliers with their views of the proposed additional metrics and their ability with the

systems that they have to provide the requested measures. We welcome CAB's transparency on the overall number of suppliers who engaged in the exploratory consultation, however, we would ask that CAB explicitly state the volume of small and medium suppliers engaged in the survey.

Additionally, we would encourage Citizens Advice to review the products in the market (namely email systems, CRM and billing systems, and social media platforms) and the reporting capabilities to help shape any additional metrics requested.

Together Energy has invested heavily in its CRM, billing, telephony, and customer communication systems with market leading providers, all for the sake of our customers. It has taken us three years to do this, and only now would we be confident to fulfil the reporting requirements set out in the consultation. We suspect the suppliers who have not responded do not believe they have the systems to fulfil your reporting requirements, but may very well be providing excellent customer service.

Since our response to CAB's exploratory RFI we have made further investment in a promise management system and email system. Our primary concern in rolling out these products was to develop our proposition and services for vulnerable customers, however in anticipation of CAB's reporting requirements we increased the scope of the investment.

Whilst we are satisfied we could fulfil the requirements set out by CAB in its consultation, we would be concerned if there was a requirement imposed on suppliers, but particularly new market entrants, to provide data that telephony and customer communication systems do not readily offer as there would ultimately be overly burdensome upfront costs for a supplier still trying to grow and find innovative ways to service vulnerable customers within the market.

We do not believe that there is a CRM and Billing system on the market that would support these proposals, and therefore in order to fulfil these reporting requirements suppliers will have to invest in additional systems and design (and limit the design) these systems with CAB's reporting requirements in mind.

We feel it is incumbent on CAB to recognise in any public communication of the new metrics that the additional reporting could add to supplier cost to serve and ultimately increase energy prices for customers. We do not want to have to increase energy prices for our customers due to increased requirements of reporting. There are already significant cost pressures on suppliers with the roll-out of smart, the Faster Switching Programme that doesn't go live for 2 years but we are currently paying for it, to name but a few.

## Emails

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

Together Energy is confident that with the system development and customer journey improvements we have invested in over the last 3 years we can fulfil the reporting requirements that demonstrate our customer service performance.

At Together Energy we pride ourselves at being skilled conversationalists. In our people development strategy we have focused on the quality of the conversations that we have with customers. This also plays to our strengths as a socially-conscious supplier.

Recruiting in some of the most disadvantaged postcodes in Scotland (90% of our staff come from the lowest 10% SIMD postcodes) does mean that employees start with lower literacy skills or an increased potential of learning difficulties when compared to degree-educated graduates.

We believe we can build a customer base who appreciate that social goal, and do not receive a reduced service as we focus on providing our service through conversation in lieu of more technologically reliant methods of communication.

We are concerned that CAB's increased reporting requirements on email, web chat, and social media are the chosen communication skills for a degree-educated and middle-class staff base ultimately suiting the large energy and new market entrants who are headquartered in, and recruit from the economically affluent geographic areas and the technology market and celebrate their degree educated staff base. Thus effectively, acting as a barrier to opportunity within the energy industry for the communities from which we recruit.

Standard email systems like Microsoft Outlook do not support the type of reporting required, and as a consequence have a detrimental impact on small suppliers and the increase the requirement for up-front bespoke system investment that is unique to the energy market.

This conclusion is supported by CAB's own analysis of the data. In the consultation CAB advises that only 19 out of 32 respondents provided good enough data to do any comparative analysis. This would suggest that less than half the market would be able to report on the metrics and meet the objective of 'the data is robust and comparable across suppliers'. Given the assessment that only 19 suppliers could provide comparable data, it seems contradictory to conclude that a 'relatively high quality of data' was received and therefore supporting CAB's minded to decision to include emails as a metric.

It is our view that there is a requirement for a greater review on what systems are available to the suppliers who did not respond and whether consistency really would be achieved across all suppliers, and what the cost impacts would be on suppliers and ultimately customers, prior to extending the CAB metrics.

**Q2: Do you agree with our proposal to use percentage response time (within a certain number of days) as our measure of supplier performance?**

Yes, however, many customers who email request in their email a telephone contact as a response. This measure would effectively require customers to respond using a channel that was not the customers chosen method of response.

Additionally, it would encourage suppliers to auto-respond to emails. However, we agree with CAB's general position that low quality responses will result in increased complaints, thus mitigating the risk.

**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?**

Yes.

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

We would encourage research to extend to how different socio-economic groups of customers prefer to communicate.

Our customers often chose to come in and meet us face to face, as they prefer talking to us.

It is our anecdotal experience that some vulnerable (like over 60) groups prefer telephony and consequently appreciate our focus on that skill-set and the fact that we do not have an IVR.

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

Overall, we are concerned that a shift away from spoken communication to written communication disproportionately favours the customer base and employee base of the larger suppliers. We know that larger suppliers invest in building up their customer portfolios with digitally enabled, direct debit paying, affluent middle-class, as these customer segments prove the lowest cost to serve.

## Social media

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

No.

We believe that the requirement would be detrimental to our recruitment strategy.

This conclusion is supported by CAB's own analysis of the data. In the consultation CAB advises that only 14 out of 32 respondents provided data of high enough quality to do any comparative analysis. This would suggest that standard functionality within social media platforms does not allow for this type of reporting, if less than half the market would be able to report on the metrics and meet the objective of 'the data is robust and comparable across suppliers'. Given the assessment that only 14 suppliers could provide comparable data, it seems contradictory to conclude that a 'relatively high quality of data' was received and that it is easier to report than emails and therefore supporting CAB's minded to decision to include social as a metric.

It is our view that a greater review on what standard reporting functionality within social media platforms are available and whether consistency really would be achieved across all suppliers, and what the cost impacts would be on suppliers and ultimately customers, prior to extending the CAB metrics.

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

We do not agree with the inclusion of social media, however, the proposal would be our preference.

**Q8: Do you agree with our [decision] 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?**

No.

Whilst Together Energy does not use social media or have social media platforms, we think it is reasonable to assume that if a supplier does launch social media they should be able to do so in a phased approach, whereby the initial phase would be to communicate key brand messages externally or news updates, and the secondary phase to increase resources and skill-sets in social media writing (which is different to email). A mandatory measure would be detrimental to such a sensible phased approach.

We believe that customers could benefit from a supplier launching an outbound only social media channel without the expectation that they would be able to respond. The skill set of publishing news articles and replying to responses is different and is effectively different customer services. The two should not be conflated, and therefore suppliers should not be penalised for using social media as an outbound news mechanism but not offering it as an inbound contact service.

Social media is not a skill set readily available within the demographic we recruit from. Inclusion would act as barrier to employment.

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

NA

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

NA

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

NA

## Webchat

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?

Yes

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

NA

## Telephone Metrics

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

It is our experience that customers appreciate when they can get through first time with a supplier and with a low average wait time. Customers do not want to go through an IVR. We disagree with other suppliers' claim that redirecting through an IVR (often resulting in an abandoned call within the call system) is a good outcome for the customer. We are able to operate without an IVR because our agents are multi-skilled.

The response rate of 28 out of 32 suppliers suggests that this is an area that could be measured especially around abandonment rates. The response rate is significantly better than emails and social media.

## New Metrics

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

Please see our answers above regarding the inclusion of emails and social media.

We agree with the reference to Ofgem's principle-based goals. Increased alignment between Ofgem, CAB, and Ombudsman Services would improve the industry.

However, setting prescriptive metrics on how to measure communication channels outwith those required by regulation on complaints (telephony and email) serves to reduce rather than enhance innovation.

We agree with CAB's reference to research that shows telephony is the favoured communication channel of vulnerable customers. This is supported by research carried out by the disability charity Scope on the additional costs for customers who face disability. Many energy companies offer financial incentives to customers to sign up to a tariff that is online only, and require an additional cost to contact them by telephone. Suppliers do this to increase their customer portfolio with lower cost to serve customers. Together Energy, by contrast do not effectively increase prices for vulnerable customers who prefer telephone. Shifting the weighting towards written communication over telephony, encourages such tariffs that exclude the most vulnerable from the best deals, where Scope's research shows these are the customers who most need to benefit from lower prices.

As energy suppliers, we are effectively billing companies. Billing is the most important service that we provide. We do not agree with the proposal to reduce Billing to 15% from 20%.

We would encourage that the 10% offered through customer guarantees is changed to an offboarding metric in line with GSoS so suppliers final bill within 6 weeks and offer credit balances within 10 working days (when those are due within the supplier's refund policy).

## Energy Industry Changes

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

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

We encourage alignment of the CAB score to the Supplier Licence Conditions and the vulnerable customer protections in the licence conditions, rather than a third party metric/audit that comes with additional cost.

Together Energy seeks to innovate heavily in servicing vulnerable customers.

Together Energy strongly supports CAB's principle that customer service metric and performance league table should reflect the suppliers' ability to serve the most vulnerable customers.

A large number of suppliers currently score 0 in 'Customer Guarantees' score. This score is largely driven by additional costs per meter and is dependent on membership to Energy UK. Clearly suppliers who score zero but perform well overall have made the investment decision not to invest in gaining additional CAB league table points, and it is not a reflection of their overall ability to service customers.

Together Energy is of the view that an independent assessment of customer service performance and vulnerable customer protections should not be dependent on the energy supplier increasing their cost to serve. Each regulatory driven increase in cost to serve negatively impacts the energy

supplier brand, and has the potential negative consequence of increasing energy costs for customers.

To be clear we disagree with any of the CAB score being dependent on paying into a third-party scheme.

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

We welcome CAB's intentions and proposals here.

We agree with the issues raised in the current system.

Currently measuring performance on acceptance puts the onus on the supplier to provide resource to do data analysis on monthly SLP reports and remove for example Deadlocks, OTOR, and duplicates. Additionally, the Ombudsman's new launched customer self-serve portal has been developed and released with customer functionality but there are additional phases of development for supplier functionality to enable suppliers to adequately track and reconcile case acceptance from portal to SLP and invoicing. Whilst customer ability to raise complaints has increased, suppliers are required to increase resource and evidence if a complaint is raised OTOR (for example in less than 8 weeks), as the burden of proof lies with suppliers.

Broadly we agree with the approach to change the measure to completion, however we would request a shared document published by CAB and Ombudsman that was open to consultation from suppliers on exactly how this would be implemented with clear definitions of which statuses would be defined as complete and Ombudsman Service commitments on completing cases. A document similar to the scenario-based consultation published by Ombudsman Services on Back-billing would suffice.

Our concern would be that if shared understanding of the definition of completion and scenarios then there would be a risk of an increased bureaucracy in the Ombudsman process around the evidence required to fulfil a complaint and satisfy the criteria of completion.

We would support the ability to dispute cases during the transition period.

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

In principle we agree with this but would welcome further consultation on the proposed details.

Alignment to Ofgem reporting is welcome thus increasing efficiency, and reduces the requirement to develop bespoke reporting for different third-parties.

We would encourage that the 10% offered through customer guarantees is changed to an offboarding metric in line with GSoS so suppliers final bill within 6 weeks and offer credit balances within 10 working days (when those are due within the supplier's refund policy).