

Ofgem's customer complaints – Is anyone listening?

Stephen Littlechild

Utility Week 31 July 2020

Ofgem's website publishes an extensive and interesting set of quarterly customer complaint statistics for 44 energy suppliers. The websites of many individual suppliers publish their own statistics. But are the Ofgem and company websites mutually consistent? How soundly based are the statistics anyway? And is their collection and publication a worthwhile and cost-effective activity?

As of February 2020, Ofgem published three main statistics for 44 companies (including for a few very small companies that had volunteered to participate). These statistics are the number of complaints per 100,000 (or 10,000) customers, and the proportions of these complaints that are resolved within 24 hours and 8 weeks. The companies submit quarterly statistics to Ofgem and to Citizens Advice by the end of the month following each quarter.

Consistency of publication

Ofgem's *Guidance* (January 2018) says "We think it's reasonable to expect that quarterly complaints data is published on suppliers' websites within one week of submitting it to Ofgem and Citizens Advice". Are companies meeting this expectation?

Because of the Covid-19 crisis, Ofgem has given suppliers an extension until end July 2020 to submit Q1 2020 data. So the latest complaints data on the Ofgem website is for Q4 2019. What is on the suppliers' websites? The situation is constantly changing, but the following Table indicates the position as of 5pm on 31 July 2020.

Publication of Ofgem complaint statistics on energy supplier websites	
This Year	
Q2 2020	EDF, EON, BG, SSE, SP, Shell, PurePlanet, Gulf, GreenEnergyUK (this Q only); Spark
Q1 2020	Npower, Octopus, Bulb, E, UtilityWarehouse, Green Network, Igloo, iSupply, Yorkshire
Last Year	
Q4 2019	Utilita, Tonik, Robin Hood, Together, Good, Zog, Goeffortless
Q3 2019	Ecotricity, Orbit
Q2 2019	GreenStar
Q1 2019	Ovo, Avro
Sometime	
Q4 2018	PFP
Q3 2018	Boost
Q3 2016	Daligas
Never	
	So, Utility Point, Foxglove/Outfox, Zebra, ESB (year 2018), Enstroga, Nabuh (year 2018-19), Entice.
	Not accessible: Bristol

Ten companies have already posted not only their Q1 2020 complaints data but also their Q2 2020 data. This includes Spark Energy, not listed by Ofgem. A further nine companies have posted their Q1 2020 data. And seven companies have posted statistics for Q4 2019. All these 25 companies are

compliant, or more than compliant, with Ofgem's expectation. And a further three companies listed by Ofgem (Engie, Gnergy, and Cooperative Energy) no longer list complaints separately because of their acquisition by other suppliers.

What of the remaining companies? Two companies (Ecotricity and Orbit) have managed to publish data until Q3 2019, and Green Star has managed Q2 2019. Ovo and Avro are a full year (arguably 18 months) behind at Q1 2019. PFP is even further back at Q4 2018, and Ovo's other PPM subsidiary Boost Energy has only reached Q3 2018. Daligas, bless it, has not got beyond Q3 2016. Bristol Energy's complaints link is broken (and has been for some time) so nothing is available there.

This leaves eight companies that have nothing at all to say on their websites about their quarterly complaints record – or if they have, I couldn't find it. These are Entice, Enstroga, ESB (year 2018), Foxglove/Outfox, Nabuh (year 2018-19), So, Utility Point and Zebra. There are, of course, numerous smaller companies that have no present obligation to post complaints data on their websites, and have not done so.

There are other discrepancies too. A casual examination of about a dozen company websites revealed about a dozen discrepancies between the Ofgem data and the company data for 2019. A few were trivial (rounding up versus rounding down) but others were significant (in one case, resolution rates of 98% on the supplier's site, 42% and 43% on the Ofgem site).

One of the aims of the review preceding Ofgem's *Guidance* was to "reduce discrepancies between the complaints information submitted to us and that published on suppliers' webpages". (para 1.8) If some 40 per cent of participating suppliers are still exhibiting discrepancies in what is published and when, and if there are also numerical discrepancies, this suggests there is some way to go to achieve Ofgem's objective. Admittedly, the expectation about simultaneous publication of quarterly complaints data is not a formal licence obligation. So it may be that Ofgem's interest in the issue, and its powers of persuasion, are limited.

Consistency of recording complaints

Ofgem's other objective was "the need to improve consistency of complaints data recording across suppliers"? Is this important aim being achieved?

Suppliers tell me of their concerns that, with complaint statistics being self-reported, there is great scope for variation in interpretation. A "complaint" is defined as "any expression of dissatisfaction made to an organisation". Can we really be sure that different energy suppliers, however well-meaning, are interpreting this similarly?

Moreover, this has a knock-on effect on the other complaint statistics: the more widely "complaint" is interpreted, to include less serious dissatisfactions, the more likely it is to be soon resolved, hence to increase the percentage of complaints resolved within 24 hours. There are other ambiguities too: for example, does "resolved" mean agreement on a course of action during an initial phone call, if so resolved within the 24 hours, or does it mean actually implementing the course of action, which might take days, weeks or even months?

Consider some concrete examples. One supplier reports the following commonly expressed views:

- "You've annoyed me by offering a smart meter and I think they cause health issues"
- "I didn't like the colour of your website"
- "You need better staff: the person who emailed me made a spelling mistake"

- "I don't like that you increased my direct debit because I was in debt"
- "I don't like that you suggested increasing my direct debit because I'm in debt"
- "I don't like that you've sent me a final bill after I've left"
- "You bought [supplier] and I don't like being moved to a private company".

Which of these constitute an “expression of dissatisfaction”? And what would count as “resolving” it?

I do not know the answers to all these questions, but I don’t sense that others do either. Nor do I sense much effort to address the questions.

Are these complaint statistics worthwhile?

These concerns about consistency prompt the further question: would it be worthwhile spending time and effort to increase consistency in these complaint statistics? Who is looking at the complaints data? Evidently some companies think publication is relevant to their own and prospective customers, or at least best to comply with Ofgem’s guidance on publication. But others don’t seem to.

Citizens Advice and others refer to the statistics, and I include them as an element of the Overall Customer Service score that I am developing elsewhere. But this attention is only valid if the numbers are indeed comparable across suppliers. Is there evidence that customers themselves find the data useful? Is it therefore important for Ofgem to insist on it and to improve it?

Ofgem’s 2018 *Guidance* argued that “Monitoring complaints is increasingly important as regulation becomes more based on principle rather than prescriptive rules.” But why? Ofgem’s prescriptive rules were a problem because they reflected over-regulation: why is the solution to replace them by more regulation?

Ofgem’s original (pre-2008) policy was to treat the retail energy market as far as possible like any other UK market, subject to general competition policy. Is there any other competitive sector – supermarkets, mobile phones, entertainment, travel etc – where every three months competitors have to report “any expression of dissatisfaction”, and then what proportion of these “expressions of dissatisfaction” are resolved within eight weeks? Why is it that the UK domestic energy sector is the only sector, perhaps in the world, where reporting such information is seen as a necessary and cost-effective means to protect customers and improve competition?

If this information about complaints really is important and comparable, then the obligation to provide it should apply to essentially all suppliers. It should also be effectively monitored to ensure consistency of interpretation and accuracy and timeliness of publication.

But discrepancies and concerns about subjective interpretation persist, and the costs of provision and Ofgem monitoring of these data do not seem trivial. As one supplier told me, “Just to be clear, opening a complaint case off the back of “any expression of dissatisfaction” (that is more often than not resolved in the same phone call), purely for the purposes of OFGEM reporting, is absolutely onerous”. Ultimately, these costs of provision and monitoring have to be borne by customers.

I have not heard it said that Ofgem’s policy here has been so successful that the rest of the UK retail sector should be required to bombard the CMA with quarterly numbers of “expressions of dissatisfaction” and how soon they have been addressed. Is it perhaps time to consider whether this regulatory burden and cost to energy customers could now be substantially reduced?