An Overall Customer Satisfaction score for GB energy suppliers

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Abstract

An Overall Customer Satisfaction (OCS) score is proposed, to inform customers about suppliers' performance and enable customers to engage more effectively in the market. It is the average of ratings published by Ofgem, the Consumers' Association, Citizens Advice and consumer review site Trustpilot. The index is calculated for over 30 energy suppliers from 2018 to 2020. Medium suppliers score highest, but Large suppliers markedly improved, albeit from a low level. Small suppliers have more variable scores. Suppliers scoring less than 60 have not survived. Medium suppliers with high OCS scores have been offering lower rather than higher tariffs.

Key words: customer satisfaction, retail energy market, Trustpilot

JEL classifications: L15, L51, L94

1. Introduction

There are many Price Comparison Websites (PCWs) in the UK, but how easy is it for customers to know whether energy suppliers provide good customer satisfaction? Ofgem reports suppliers' customer complaint figures. Various consumer organisations, and a few of the PCWs, have offered ratings of quality of service or satisfaction of some suppliers. Nonetheless, with a peak of some 80 UK domestic suppliers (including 'White Label' brands), and with frequent entries to and exits from the market, most customers are unfamiliar with most suppliers, are probably not familiar with these ratings, and might well be confused by their variety.

Over time, suppliers will variously establish reputations with respect to price and customer service. But how long will that take, and can this reputation and learning process be speeded up or facilitated?

This paper proposes the construction, publication and promotion of an Overall Customer Satisfaction (OCS) score that ranks, on an ongoing basis, the aggregate level of customer satisfaction of the main domestic energy suppliers. This is measured as an average of the ratings presently produced by four major organisations: Ofgem (complaint figures), the Consumers' Association (publishers of Which? Magazine), Citizens Advice, and consumer review site Trustpilot. The ratings of each of these organisations are individually valuable at present, but they each focus on just one or a few aspects potentially relevant to customer satisfaction, they each have limitations as well as advantages, they have different methodologies, and the differences between them may be confusing. So a combination of these ratings, that can be presented in a simple and appealing way, would seem to have additional value.

Section 2 notes some recent policy concerns expressed by Ofgem and the Competition and Markets Authority (CMA), and their aim to increase customer engagement. It also reviews some of the relevant economic literature, and provides some recent evidence of variation in quality of

service, and of lack of knowledge about suppliers, and asks how to enable more informed choices. Section 3 proposes the OCS score, explains the ratings presently provided by the four organisations just mentioned, and calculates the correlation between these four ratings. Section 4 calculates the OCS scores for some 30 energy suppliers, and tracks it over the last two years. Section 5 explores the relationship between OCS score and size of supplier, and default tariff price. Section 6 concludes. Appendix 1 contains a more extensive summary of the literature on customer preferences and switching, Appendix 2 provides further details of the four component ratings, Appendix 3 explores in more detail the relationship between OCS score and default tariff price.

2. Recent policy concerns and available evidence

2.1 Recent policy concerns

In 2008, Ofgem became concerned that retail competition in the domestic (residential) energy sector was not working well because many customers were not responding to the availability of lower prices. It assumed this was because customers were baffled by the variety of choices available. To simplify choice it introduced a non-discrimination condition, and later a ban on "complex" tariffs.[1] In 2016 the Competition and Markets Authority (CMA) found that these restrictions had made some customers worse off, and had had an Adverse Effect on Competition (AEC) "through reducing retail suppliers' ability to compete and innovate in designing tariff structures to meet customer demand" (CMA 2016 para 177). The CMA recommended that Ofgem remove most of the restrictions, which it did.

The CMA also argued that "price is the factor to which customers attach greatest weight in choosing a supplier and/or tariff" (para 8.30). It considered that customer service was important, but was likely to be "a 'hygiene factor' - customers are likely to require a minimum standard (accuracy of bills), beyond which it ceases to become a relevant discriminating factor in the choice of supplier" (para 8.17). The CMA found evidence that "the customer service provided by the Six Large Energy Firms may be relatively poor" (para 2.169). To measure customers' perception of customer service, the CMA used the concept of Net Promoter Score (NPS): the difference between the percentage of customers that would recommend the supplier and the percentage that would not. It found "no clear relationship between the cheapest supplier and customer service, as approximated by the NPS score, except that the smaller suppliers [those then smaller than the Six Large Energy Firms], which generally offer cheaper tariffs, receive consistently higher NPS scores" (para 9.106).

The CMA was therefore surprised that customers with the Six Large Energy Firms did not move to substantially lower priced suppliers. It identified this as "weak customer response", and proposed as one remedy that Ofgem explore methods to increase customer engagement. Ofgem now routinely identifies the market cheapest annual average tariff, and the cheapest tariff basket (the average of the ten cheapest offers). There is much media focus on the savings available by

[1] In the UK, a "tariff" simply indicates the price (or price structure) of a product as freely set by the retail supplier; it does not (as in the US) denote a price set by a regulator.

switching supplier. Price Comparison Websites (PCWs), used by 71% of energy customers[2], routinely cite annual savings of several hundred pounds, even after the introduction of the default tariff cap. Ofgem has carried out trials to increase customer engagement, including by providing personalised estimates of annual savings from specifically negotiated deals, and by making available a customer helpline (Ofgem (2019b). In these tariff comparisons and engagement trials, there is little or no reference to quality of customer service provided by the various suppliers.[3]

2.2 The economic literature

Appendix One reviews the now-extensive economic literature on the determinants of customer switching in markets generally, and in retail energy markets in particular. Waddams Price and Zhu (2016) provide recent analysis, summary and discussion, including good coverage of the behavioural economics literature, and other products and countries.

Briefly, customers are more likely to switch electricity supplier the higher the prospective gains and the lower the prosective search costs and switching costs. But there is also evidence of inattention and of pyschological factors: "certain individuals could characteristically be 'switchers', while other consumers may be more predisposed to consumer inertia" (Harold et al 2020), also He and Reiner 2017). Hortaçsu et al (2017 p 196) find significant search frictions and incumbent brand loyalty in the Texas residential electricity market, where "both sources of inertia are larger in neighborhoods with lower income, lower education levels, and more senior citizens." These differences declined over time. *Ofgem's Consumer Survey 2019* shows, inter alia, that some customer types are more engaged than others, that customers cite various reasons for not engaging, and that there has been an increase in perceived risk of switching in recent years, particularly because costs might subsequently go up or the new supplier might default (Ofgem 2020).

In Australia, Mountain and Rizio (2019) found that the typical remainer left $281 per year on the table, but switchers left only $45 less, calling into question the common view of a market bifurcated between switchers and remainers. Mountain and Burns (2020) found that the "loyalty tax" paid by remainers varied by type of retailer (including size and how well established).

In many of these papers, it is assumed that electricity is a homogeneous product. In contrast, Appendix 1 indicates the increasing product and tariff variation. Deller et al (2017b/2021) find that "consumers do not regard energy as a homogeneous product … [so] forcing consumers to switch to a particular supplier may reduce utility for at least some consumers" (p 16).

2.3 Variation in quality of customer service

[2] Accent for Ofgem and Citizens Advice, *Consumer Perceptions of the Energy Market Report*, Q2 2020, September 2020, slide 36.

[3] In one case about 25% of customers switched compared to a benchmark of 5%. But what if any information was provided about the quality of service or reputation of the proposed supplier? Over time, did customers that switched continue to prefer their new supplier? What about the remaining 75% of customers? And is it really appropriate, and conducive to future investment and innovation, for a regulator to embark on a sustained campaign to persuade customers to leave their present supplier?

Ofgem prescribes numerous Guaranteed and Overall Standards of Service, and publishes several measures of service quality. Suppliers differ greatly in these and other respects. For example, among 15 large and medium suppliers in Q4 2019 there was a 14-fold difference in the number of complaints per ten thousand customers (from 16 to 221), and among 30 small suppliers the range was from zero to over 1000.

The Six Large Energy Firms noted that the CMA's survey found that customers trusted their own supplier much more than they trusted other suppliers (CMA 2016 para 2.170). Perhaps most customers knew little if anything about other suppliers.

As explained shortly, although various organisations provide rankings of customer service, there is not necessarily consistency between these rankings. Nor is there a simple relationship between customer service and size of supplier or type or price of product. Some of the new suppliers have been very highly rated by customer organisations and by customers themselves. Others have not been – indeed, Ofgem has prohibited some newer suppliers from signing new customers until their quality of service improves.[4]

There are also differences in risk. Over two dozen new suppliers have gone out of business in the last few years, including one fifth of those offering the lowest prices. In particular, "over 2015 to 2017 on average, four of the 10 cheapest suppliers have exited the market".[5] This has been a worry and inconvenience to their customers. Moreover, in addition to the variety of products and customer service from known suppliers, a significant number of suppliers are as yet too new to be rated in terms of quality of service.

2.3 Are customers informed about available suppliers?

Tariffs and customer service in the domestic energy market are thus far from homogeneous, and vary considerably. Given that there are now over 50 licensed suppliers in the domestic market (perhaps about 70 if White Label products are included), and in mid-2018 there were more, how much do customers know about them?

Over 10,000 interviewees were asked whether they had heard of named utilities and whether they had a positive, negative or neutral opinion about them.[6] Most interviewees had heard of the six Large energy suppliers. Over half had heard of another half dozen suppliers. About a quarter of interviewees had heard of another eight suppliers. But only about 15% of interviewees had heard of another half dozen suppliers, making about 26 suppliers in total. Moreover, the fraction of interviewees sufficiently knowledegeable and confident to be able to say they had a positive opinion of any of these suppliers was only about 20% for Large suppliers, 12% for Medium suppliers, and 5% for the Small suppliers that were recognised. It thus seems that less than a tenth of interviewees would have heard of the other three to four dozen suppliers in the market,

[4] For example, Iresa in June 2018, Economy Energy in January 2019, and Solarplicity in February 2019.
[5] Kate Hill, "One fifth of suppliers offering cheapest tariff have exited", *Cornwall Insight*, Issue 168, 30 January 2020.
[6] YouGov Ratings data collected between June 2018 and June 2019 from 10,534 interviews, available at https://yougov.co.uk/ratings/utilities/popularity/energy-utilities/all

and a negligible proportion of these interviewees (2% or less) would have a positive opinion of such suppliers.

Consequently, uncertainty about the implications of any particular choice of supplier is likely to be a very relevant factor for many customers. This is consistent with Ofgem's finding that 70% of customers agreed that "I would be wary of using an energy supplier I have never heard of".[7] This unawareness seems conducive to limited engagement and/or to choices that customers might later regret. It is also consistent with Hortaçsu et al (2017) finding that "when they do search, households attach a brand advantage to the incumbent". In addition, Neudegg (2020) provides tangible recent evidence of strong customer preference for larger and more familiar supplier brands, and of some learning over time.[8]

2.4 How to enable more informed choices?

How best to enable and encourage customers to make more informed and confident choices in the market, including to stay as well as to switch?

Ofgem's website comments that "Customers on default tariffs are potentially missing out on significant savings on their bills". It also advises customers to "Weigh up your options. You may want to consider a number of factors when comparing suppliers and tariffs – from cheaper tariffs and customer satisfaction scores, to green energy tariffs or fixed deals with no exit fee." What customer satisfaction scores are available?

Ofgem requires suppliers over a certain size to report on complaints, and many different consumer and other organizations each have their own preferred measures and methodologies, and rank varying numbers of energy suppliers on a wide variety of criteria. Examples from Ofgem itself, the Consumers Association (publisher of Which? magazine), Citizens Advice and consumer review site Trustpilot are discussed below.

So which of these customer satisfaction scores should customers consult? All the evaluations have merits but the scores are not necessarily mutually consistent. Some suppliers rank highly on some criteria and lower on others. Which criteria are more important? To which customer satisfaction scores should customers have most regard? There is no consensus here.

It might be asked, if non-price customer satisfaction is important, why does it not feature more prominently in the market? The answer is that it is increasingly doing so. Those suppliers ranked highly by Consumers Association and Citizens Advice advertise this to the market. And the leading PCWs have begun to introduce their own supplier ranking measures too, as noted below,

[7] Table 395 in Ofgem 2019 Consumer Survey Data Tables.

[8] The head of regulation at Uswitch, the largest PCW, shows that for Uswitch customers considering a price offer in one of the top five positions, this was about two to three times as likely to be converted to an actual switch if the supplier was Medium size rather than Small, and about three to four times as likely to be converted if the supplier was Large rather than Small (slide 19). For any given percentage of the time that a supplier's offer was within £10 of the best saving available, the share of switches going to a Large supplier was about twice that going to a Small supplier (slide 20). Over time, preference for the Large suppliers was slightly lower in 2019 than in 2018, whereas for Medium suppliers it was slightly higher, as those brands became better known; it was almost unchanged for Small suppliers (slides 21-23).

or to advise or warn customers about customer service issues. So the market is beginning to respond to a customer need.

Will competition between these measures (and organisations) tend, over time, to lead to the emergence of preferred rating systems? Perhaps, to the extent that PCWs will presumably seek to identify the concerns and service qualities most relevant to their customers, and recommend suppliers or warn their customers accordingly. However, PCWs also tend to review and favour those suppliers that pay them commission to switch customers, or with whom they have exclusive tariff deals, or with whom they are building up a business relationship. Will they have an interest in extending the scope of their ratings to include new suppliers that might not wish to pursue such commissions and relationships? PCWs and auto-switching ("flipping" or "concierge") sites are likely to be more interested in repeatedly switching a customer than in finding that customer a more satisfactory supplier that will not necessitate further switching. PCWs are also conscious that introducing uncertainty about suppliers may discourage some customers from switching at all.[9] Finally, it is unclear how far and how fast such competition between rating systems might bear on less commercial consumer organisations, including Ofgem, that may have statutory obligations or other considerations in deciding what factors to measure.

2.5 The advantages of a simple index of customer satisfaction

It therefore seems worth proposing the use of presently available indices to facilitate more widespread and understandable information about suppliers, in order to identify and publicise those suppliers that seem to be providing greatest (or least) customer satisfaction. The advantages of a combined index would be several-fold:

- It would provide a relatively comprehensive index of customer satisfaction with energy suppliers, independent of any one evaluating entity, that would evolve gradually over time in the light of successive ratings.
- It would facilitate more informed customer choice – and more informed advising of customers – for example where the customer is unsure whether to trust a low-priced offer or a new type of tariff, or whether to move to or from a particular supplier.
- It could thereby encourage some less engaged or less confident customers to engage more actively in the market, and to switch more frequently and/or with more confidence. At the same time, it could enable other customers, who prefer not to engage in the market frequently or at all, to switch to a better supplier on a (hopefully) once-and-for-all basis.
- It would promote competition by helping to establish and disseminate reputations for customer satisfaction (or its absence) more effectively than would otherwise be the case, and hence encourage customer loyalty where merited.

[9] One large PCW notes that even small tweaks in the presentation of information (for example, the colours used) can make a difference to customer choice, and might either increase or decrease switching.

- It would alert both customers and suppliers to the present state of customer satisfaction, and encourage suppliers to pay greater attention, where necessary, to improving their customer service, or particular aspects of it.
- It could facilitate economic analysis of the market, for example by enabling more systematic study of the trade-off between customer satisfaction and price, and of how far customer choice is influenced by customer service as well as by price.
- It could inform regulatory and government policy, for example by indicating whether customer service is changing over time, or what effect particular measures have had on quality of service, or by enabling regulatory measures to focus, as appropriate, only on suppliers with higher or lower scores.
- In particular, by enhancing the competitive process, and providing better protection for less engaged customers, it could reduce or remove the need for more problematic interventions such as restrictions on tariffs or tariff differentials, or active regulatory encouragement to customers to leave their present suppliers. As the Ofgem website acknowledges, "previous engagement remedies haven't always produced the outcome we were looking for".

3 An Overall Customer Satisfaction (OCS) Score

3.1 The concept of the OCS score

The suggestion here is to create an Overall Customer Satisfaction (OCS) score that would reflect the four most authoritative, systematic and extensive ratings presently available. Specifically, to be included in this OCS rating, a domestic energy supplier should have attracted (or retained) sufficiently many customers to have been required by Ofgem to provide evidence about complaints, and to have been evaluated also by the Consumers Association (publishers of Which? magazine) and by Citizens Advice. In practice, all such suppliers are also evaluated by consumers themselves using the consumer review website Trustpilot.

The proposed OCS score is an equally weighted moving average of the ratings provided by each of these four organisations. It evolves over time as the ratings of each of these organisations evolves. It is like the Poll of Polls, which is updated over time to reflect the latest poll results.[10] In this case, however, the four providers of the constituent ratings remain the same over time.

Other inputs to the OCS score were considered. For example, the Net Promoter Score (NPS) referred to by the CMA is a measure of customer satisfaction with the customer's own supplier. But these scores are not publicly available without subscription, indeed it is not clear whether energy suppliers are scored on a continuing rather than commissioned basis.[11] Ofgem's 2019

[10] The Poll of Polls "shows the average level of support across the six most recently conducted polls. We recalculate this figure every time as new poll of referendum voting intentions is released, thereby providing a constantly updated picture (i.e., a moving average) of how opinion does or does not shift as the campaign progresses. The result is a less erratic picture than the one painted by individual polls." https://whatukthinks.org/eu/introduction-to-the-what-uk-thinks-eu-poll-of-polls/

[11] The Net Promoter Score website https://www.netpromoter.com/nps-benchmarks/ says on 5 May 2020 that "our latest B2C reports cover 23 industries and nearly 190 brands, drawing on brand ratings from more than 65,000 consumers". The 23 industries listed do not include residential energy markets. 2020 benchmark scores are available

consumer engagement survey calculated and published net promoter scores for suppliers, but they were aggregated into three size categories, which provided interesting but limited information.[12] Ofgem did not publish the figures for individual suppliers, unlike other regulators in the UK Regulators Network.[13]

A measure of financial risk could be a useful component of a satisfaction score since customers do care about suppliers taking their money, defaulting and leaving the market. Possible elements might include defaults or late payments (e.g. for the renewable obligation, balancing and settlement code, capacity mechanism, ombudsman fees, contracts for differences, network charges) plus late filing or restatement of accounts. But these would be time-consuming to collect and not easy to represent as a single number, rather than as a set of amber or red lights flashing.

Should a measure of how employees rate their employer be considered for inclusion in an index of customer satisfaction? Customers might prefer to deal with companies whose employees enjoy their job, and enjoyment of their job might lead employees to provide better service. Glassdoor is a site for expressing employee views about companies as employers. The number of reviews is gradually increasing, but there is not yet strong evidence that employee satisfaction is an indication of customer satisfaction.[14]

The OCS score can be presented in a popular way: namely, as a league table, perhaps with different divisions. This enables a simple message to customers: if the supplier is near the top of the league table, or at least in one of the higher divisions – and has established a position there over time - then consumer organisations and consumers themselves generally think highly of it. A customer is more likely to be satisfied with such a supplier. But if the supplier is near the bottom of the league, or in one of the lower divisions, the customer may not get good service, and may be dissatisfied with that supplier.

In addition, being in the league table at all is evidence that the supplier has been around for some time and attracted (or retained) a sufficient number of customers to be feasible to rank. Conversely, if the supplier is not in the table at all, then the customer is taking a risk with a new, small and relatively unknown supplier. Over time, there will be entry and promotions, and exit and demotions, as some suppliers get better or worse, or attract more or less interest as they grow

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for 37 US gas and electric utilities at https://customer.guru/net-promoter-score/industry/utilities-gas-and-electric The same site also lists the "last known" NPS for British Gas Services at a remarkable +69, a value dating from April 2015, over five years ago.

[12] The six Large suppliers had 22% promoters and 38% detractors, giving an NPS of –15. For Medium suppliers the corresponding figures were 40% and 23% making an NPS of +17, and for Small suppliers 29% and 35% making an NPS of –16. So customers with Medium suppliers tended to recommend them, customers with Large and Small suppliers tended not to. https://www.ofgem.gov.uk/data-portal/likelihood-recommend-energy-supplier-and-net-promoter-score See also Ofgem's Consumer Survey 2019 and underlying Consumer Engagement Survey 2019 Data Tables.

[13] https://www.ukrn.org.uk/wp-content/uploads/2020/01/UKRN-Moving-forward-together.pdf

[14] As of 5 May 2020, 22 energy suppliers each had more than 20 reviews and the median number of reviews for these suppliers was 75. But as of March 2019, the correlation between the Glassdoor rating and the OCS score as then calculated was barely significant. There was a slightly stronger correlation between Glassdoor rating and TrustScores, but there was not such correlation for companies in other sectors explored.

or decline. Suppliers that have maintained a good OCS score over time would seem more reliable.

The OCS score does not address customer satisfaction directly. However, it reveals the general experience and views of customers and customer organisations. Regardless of the product or tariff, a supplier near the top of the league has been able to score well on a variety of customer criteria, and seems more likely to take good care of a customer than a supplier near the bottom, or than a new or small supplier that does not yet feature in the list.

No one evaluation or approach can represent the whole of the relevant information about an energy supplier. The proposed four component sets of rankings are publicly available and from organisations that are all well-established. They seem to have the largest and most systematic appraisals of customer satisfaction, yet all are quite different one from another. Between them, the ratings of these four organisations – Ofgem (complaints figures), the Consumers Association (Which?), Citizens Advice and consumers on Trustpilot - provide a balance of objectivity and subjectivity; a balance of what statutory organisations, customer organisations and customers themselves think is important; and a balance of periodicity of updating: annually, quarterly and effectively daily.[15]

3.2 The ratings provided by the four constituent organisations

Ofgem requires companies above a certain size to provide it with details of the number of complaints ("expressions of dissatisfaction") each quarter, and what proportions of those complaints are resolved within 24 hours and 3 months. Smaller companies can volunteer to provide the same statistics, and some do. Ofgem publishes these statistics quarterly, about six weeks after the end of each quarter. Coverage varies and is presently about 40 companies. The complaints and their resolution are self-assessed by companies, and there is a concern that different companies may interpret "expressions of dissatisfaction" and "resolved" in different ways. The present paper combines the three quarterly statistics in a specified way to calculate an Ofgem complaint score as a percentage.

Which? magazine, published by the Consumers' Association charity, compares energy suppliers annually, reflecting the views expressed by a sample of around 8000 customers interviewed each September, and publishes the results in the following January. A "customer score" is given as a percentage which "combines customers' overall satisfaction with their likelihood to recommend that supplier". Typical coverage is about 30 suppliers.

Citizens Advice, the operating name of the National Association of Citizens Advice Bureaux, has a statutory remit to publish energy supplier performance data, and to that end is part-funded by Government. On a quarterly basis since Q4 2017, Citizens Advice has rated energy suppliers

[15] It has also been put to me that the proposed approach provides a balance of different approaches: regulatory (Ofgem) seeking to provide rather than interpret "the facts"; professional (Which?) seeking to be impartial and authoritative, using customer interviews according to sampling rules and criteria that the organisation (mindful of its membership) deems important; statutory (Citizens Advice) with ratings criteria oriented to the perceived needs of the customer types that Citizens Advice represents and advises; and crowd-sourced (Trustpilot, similar to Google or Amazon), reflecting what actual customers think and say but perhaps more open to abuse (usually minor and obvious, but occasionally more significant).

from zero to 5 (in the present paper expressed as a percentage) across five different metrics: number of complaints, ease of contacting, clarity and timeliness of bills, ease of switching and customer guarantees. These ratings seek to use objective data rather than subjective customer views, although again there is some concern about suppliers' subjective interpretation. Since Q4 2018 Citizens Advice has rated suppliers with more than 25,000 customers (plus those smaller suppliers that volunteer). The total number of suppliers rated has increased from 28 suppliers in March 2018 to 40 suppliers in March 2020.

Trustpilot is a consumer review website, launched in the UK in 2014. It is an 'open' platform, so that any customer with a purchasing or service experience can leave a review, not only customers invited by the business. Also it has by far the greatest participation by customers of UK energy suppliers. Customers rate the companies from one to five stars and give their views about whatever impresses or concerns them. Trustpilot calculates a time-weighted average of these customer stars to give a single TrustScore for each company, presently from one to five (in this paper the TrustScores are expressed as a percentage). TrustScores are recalculated (and publicly available online) every time a new review is filed, so are constantly evolving. Unfortunately, Trustpilot does not provide access to historical values of the TrustScores or of the number of reviews. Trustpilot covers almost all the energy suppliers, presently about 100 domestic energy suppliers, with in total over 500,000 customer reviews as of August 2020. The number of reviews per company varies from under 10 (for new suppliers) to tens of thousands (for Medium suppliers that have actively invited reviews).

Appendix Two to this paper provides more detail on these four constituent ratings.

3.3 Correlation between the above four components

To what extent are the four proposed components of the OCS score correlated with each other? Table 1 shows the correlation coefficients at the first date measured and two years later, viz 6 May 2018 and 8 May 2020.

Table 1 Correlation coefficients between the component variables of the OCS score

Date	6 May 2018					8 May 2020			
Element of OCS score	Ofgem complaints	Which?	Citizens Advice	Trust Score		Ofgem complaints	Which?	Citizens Advice	Trust Score
Ofgem complaints	1.0					1.0			
Which?	0.38	1.00				0.70	1.00		
Cit Adv	0.26	0.23	1.00			0.19	0.14	1.00	
TrustScore	0.66	0.67	-0.12	1.0		0.64	0.60	0.15	1.0

At both dates, there is a medium to strong positive correlation between TrustScore and Ofgem complaint ratings and between TrustScore and Which? ratings. Initially there is a rather low correlation between Ofgem complaints and Which? ratings but later that correlation is higher. At both dates there is rather weak correlation between Citizens Advice ratings and Which? ratings, and between Citizens Advice and Ofgem complaints ratings. There is little or no correlation between TrustScore and Citizens Advice ratings. There are no significant negative correlations.

These findings suggest that, although there is some correlation between three of the components, it is far from complete. The various ratings are largely measuring different aspects of customer satisfaction, or perhaps aspects of satisfaction for different types of customers.[16] They tend to complement rather than duplicate each other. No single one of them adequately reflects the focus of the others.

4 The Overall Customer Satisfaction score

4.1 The OCS components and overall score

The OCS score weights equally the four component ratings (each expressed out of 100) to give an OCS score out of 100. It has been calculated for 14 separate days across the period 6 May 2018 to 27 August 2020. A company has an OCS score for a particular day if it appears in the latest available rating on that day for all of the four component inputs to the rating. In total, 36 different companies had an OCS score on at least one day. Initially only 21 companies qualified, but from February 2019 onwards between 26 and 30 companies qualified on any particular day. 24 companies had OCS scores for at least half the days, 14 companies on all 14 days.

Looking only at the qualifying companies on the observed days, the four component elements were relatively stable. The median proposed Ofgem complaint score has generally been around the mid 60s, up from 60 to 67 in the last two quarters (largely the covid effect, as fewer complaints were registered, as noted in Appendix 2). The median Which? score rose from 64 to 66 to 67. The median Citizens Advice score varied between 60 and 68, being towards the lower end of this range in the later observations. The median TrustScore rose slightly from high 70s to low 80s.

The median OCS score as a whole was around 60 until Q1 2019 then was in the upper 60s for most of the subsequent period, somewhat higher at 70 in Q2 2020. Even discounting the covid effect at the end, this suggests that customer satisfaction, as expressed by the OCS index, generally increased rather than decreased over this period.

4.2 The OCS score by size of supplier

Figure 1 plots OCS score against approximate size of supplier as of May 2020.[17] The six Large suppliers at the right of the Figure have below average scores. Otherwise, there is no obvious relationship between supplier size and level of OCS score, but the spread of scores is greater for smaller suppliers than for medium suppliers. This suggests that if a customer were to look at only one parameter – size - other than price, and were keen to avoid the risk of poor service, then Medium suppliers that have attracted and kept substantial numbers of customers would seem the best bet; Small suppliers could be better but would be a risk.

[16] To take a small example, Citizens Advice gives marks for supplier adoption of various voluntary schmes related to the Safety Net, PPM principles and the BSI standard on inclusive design. These seem more relevant to some customers than to others, and most customers may be unaware of them.

[17] Approximate size of supplier is based on Ofgem's market share tables as published May 2020, supplemented by information from various other sources including Cornwall Insight Supplier Insight Service Reports, industry contacts and information online.

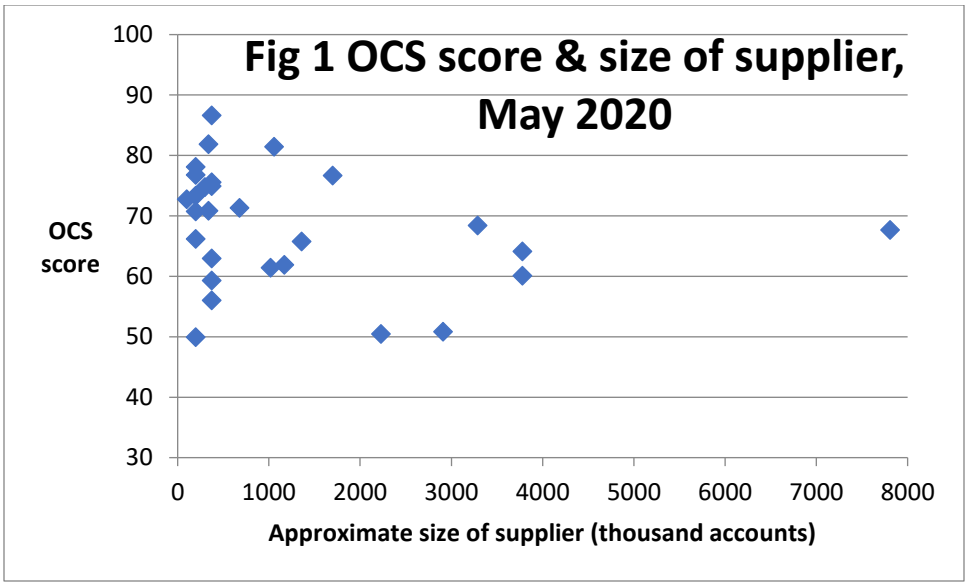
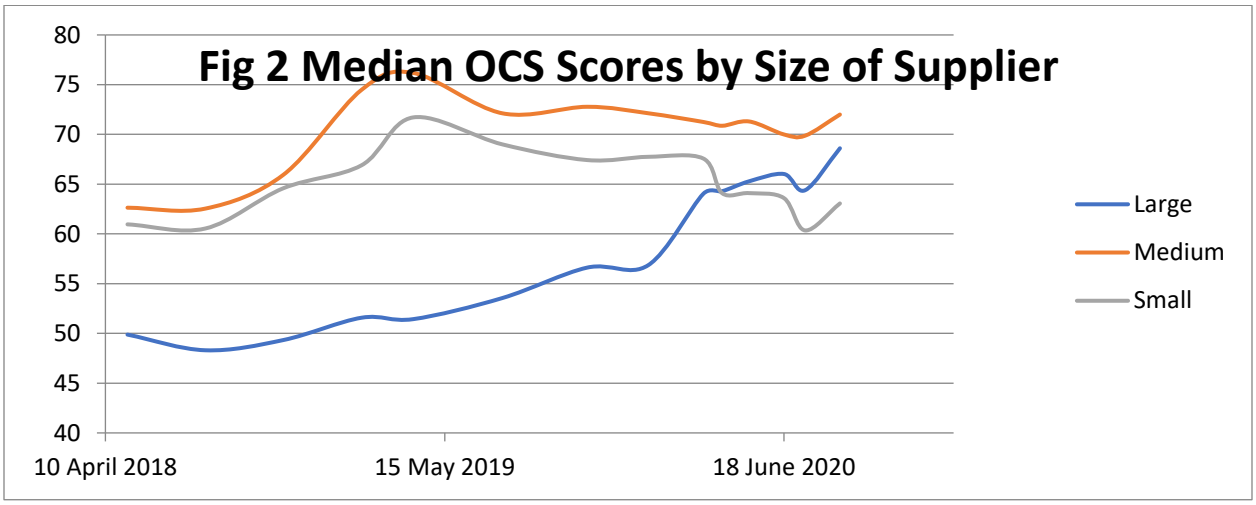
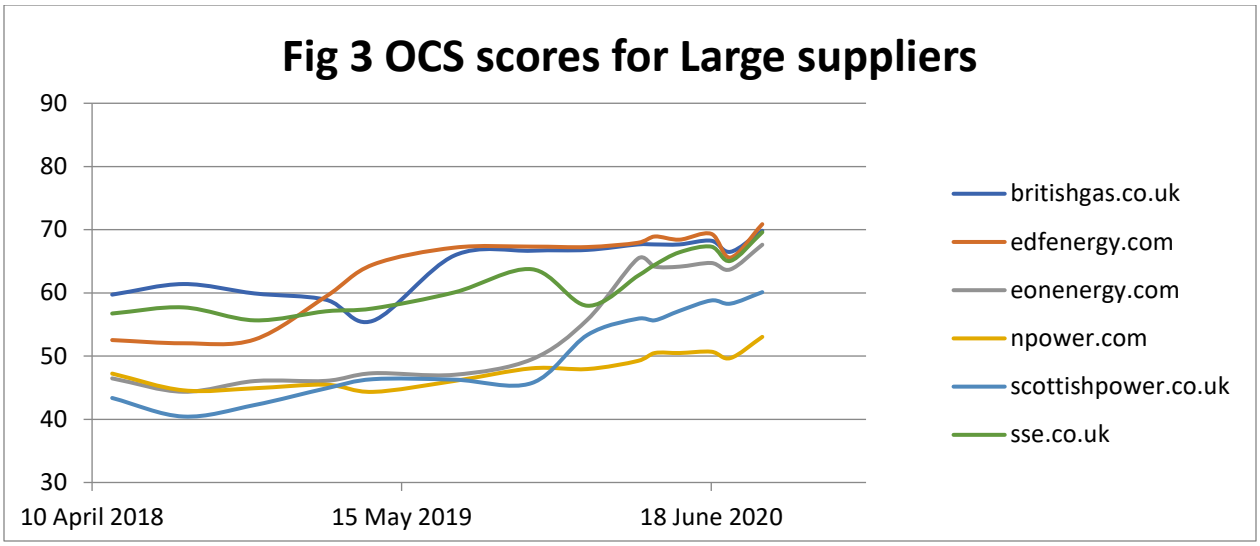


Figure 2 shows the median scores for three different sizes of energy supplier. Throughout the period, the highest median scores were achieved by Medium sized suppliers (with between 500k and 3m customer accounts). Small suppliers (150k – 500k accounts) had somewhat lower median scores. Both sets of medians were slightly declining over the last eighteen months. In contrast, the Large suppliers (the former incumbent suppliers, each with over 3m accounts) had a significantly increasing median score, and by early 2020 had overtaken the Small suppliers.[18] The Q2 2020 covid effect is noticeable in all three sets of scores.

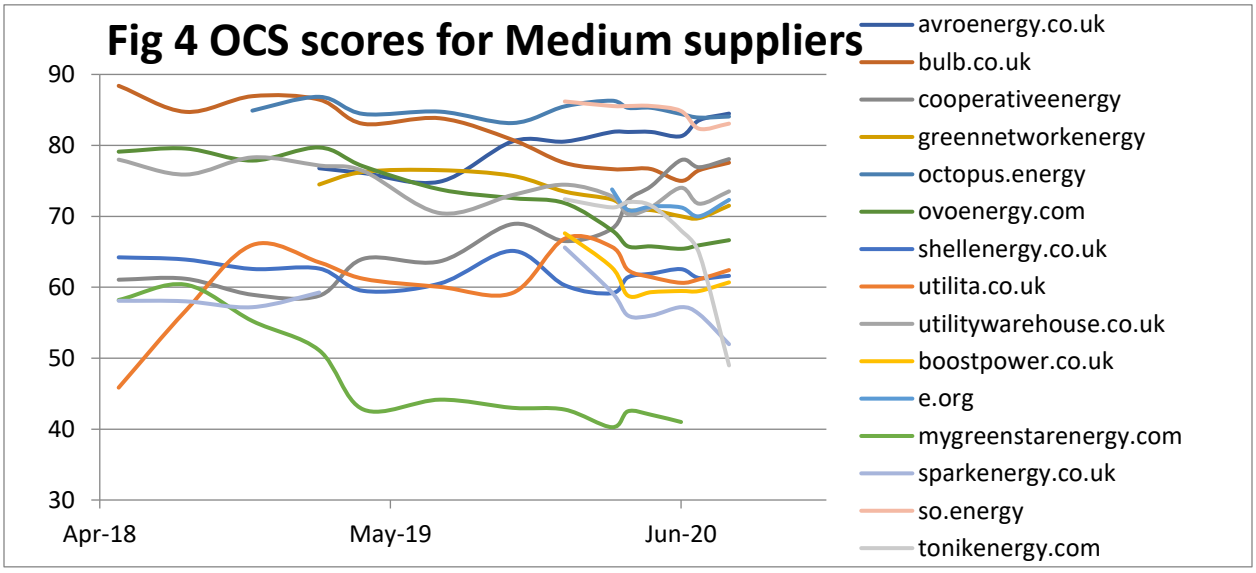


There is also considerable variation within each size group of suppliers. Figures 3 to 5 show the paths of each supplier within each size group taken separately.

[18] Note, however, that the Small and Medium suppliers are not necessarily the same suppliers over time: in the earlier period changes in median score were influenced by frequent entry and exit of suppliers. In addition, two suppliers (So Energy and Tonik Energy) grew significantly during this period and are classed as Small until October 2019 and Medium from January 2020 onwards. Ovo is left as Medium throughout because SSE which it acquired is still scored separately.



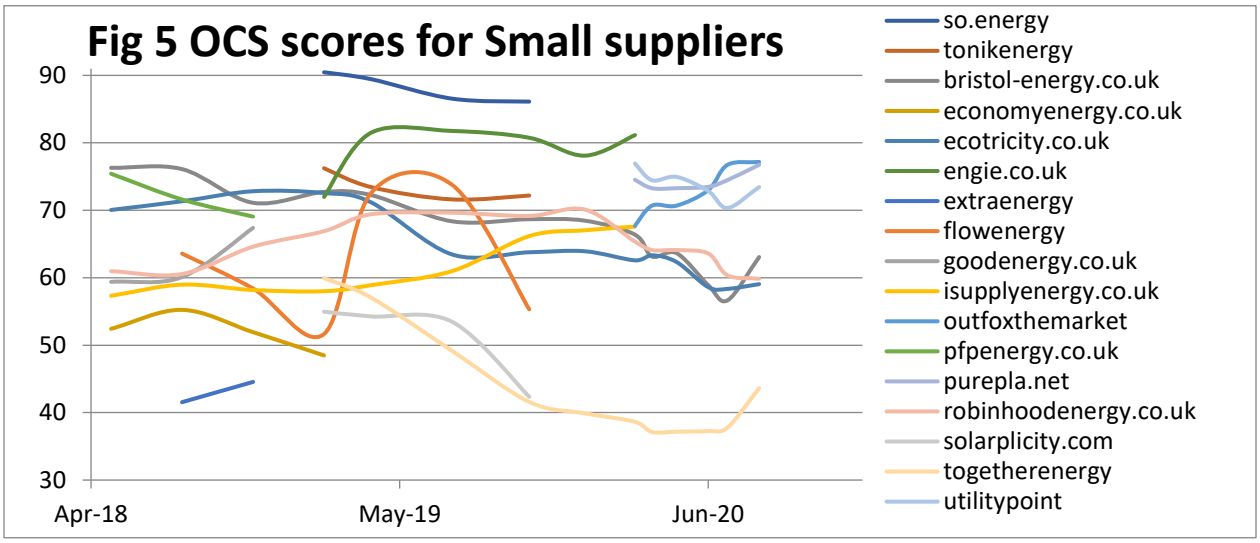
The six Large suppliers have all been in the league since May 2018, and all have improved their OCS scores, albeit with different degrees of urgency and from a relatively low level. Roughly, the range of scores at any time has remained at about 20 percentage points, but the level has increased: from about 40 to 60 in 2018 (median about 50), to about 50 to 70 in 2020 (median upper-60s).



Of the 15 Medium suppliers (500k – 3 m accounts each), eight have been in the league since May 2018, and all but two since February 2019. The different times of their appearance makes comparison over time more difficult, but since July 2019 the mean and median have generally been low 70s. Apart from one company scoring regularly in the 40s, one starting in the 40s and two falling to about 50 at the end, the range was generally about 60 to mid 80s, about 25 percentage points.

Finally, for 17 Small suppliers, the picture is one of greater diversity and unpredictability. The number in the league at any time varies between 6 and 11, with lots of entrances and exits, and

only 3 suppliers in the league for the whole period. There are some large fluctuations in prices for individual suppliers, both up and down, and a wide range of scores, from the high 30s to 90.



Thus, although average satisfaction might suggest a Medium supplier or (as will be seen) price might suggest a Small supplier, size alone is insufficient to give a strong assurance of continued high customer satisfaction. Customers could do better by looking at an explicit measure of customer satisfaction, rather than simply at size of supplier.

One other point emerges from Figures 3 to 5. Any supplier that falls below an OCS score of 60 is unlikely to survive. Thus Large supplier npower, Medium supplier GreenStar, and Small suppliers Extra Energy, Economy Energy, Solarplicity and Flow Energy were all taken over. So too were Small suppliers Bristol Energy and Robin Hood Energy that were on the margin. Spark Energy customers have just been transferred to SSE (both are now Ovo brands). Utilita escaped early from 46 to generally above 60, and Scottish Power has finally increased from 43 to just reach 60. But Ecotricity has now fallen from 70 to 59. Tonik went from over 70 down to 49, and had to leave the market in October 2020. Together Energy from 60 down to 44 is looking vulnerable.

4.3 OCS League Tables

It was suggested above that the OCS scores might be represented in terms of a League. Table 2 shows the OCS League Tables on the first available date (6 May 2918) and the last date (27 August 2020) and at an intermediate date of 22 July 2019. The four Divisions correspond roughly to quartiles, with slight modification for natural breaks. For purposes of the present exposition, Table 2 is also arranged to reflect somewhat the absolute as well as relative positions of the energy suppliers.

On 6 May 2018 there are 21 suppliers with all four component ratings to enable an OCS score. The median score is 61 and the range of scores is considerable: from 43 to 88. The top three Divisions are dominated by new entrants since the market opened. Four of the 16 suppliers in the top three Divisions were classified as Mid-tier suppliers in the 2016 CMA Report, the other dozen are newer and smaller. None of the six Large former incumbent suppliers are in the top

two Divisions and only two are in Division Three. Bulb is top of Division One by some margin, while Scottish Power is bottom of Division Four.

Just over a year later, in July 2019, the number of qualifying suppliers is up to 26, the median is noticeably higher at 67 and the range is about the same, from 44 to 87. 17 suppliers remain from a year or so earlier. Four suppliers have left the League and nine new suppliers have entered.[19] (This turbulence over nearly a year, and the various promotions and relegations of existing companies noted below, are of course greater than would be observed on a monthly basis, say.)

Competition is getting tougher in the middle of the League, as reflected for example in the positioning of Divisions 2 and 3: the scores at the bottom of Division 3 are now around the previous levels of bottom of Division 2. There is also competition at the top: only one of the previous Division 1 suppliers (Bulb) survives in that top Division. Eight suppliers have been demoted, in three cases despite slightly increasing their OCS score.[20] Utilita remains in Division 4 despite increasing its score from 46 to 60.

Table 2 OCS League Tables 2018 – 2020

06 May 2018		22 July 2019		27 August 2020	
bulb	88.4				
		so.energy	86.6	avroenergy	84.5
		octopus.energy	84.8	octopus.energy	84.1
		bulb	83.8	so.energy	83.1
Ovo energy	79.1	engie	81.8	cooperativeenergy	78.1
utilitywarehouse	78.0			bulb	77.6
bristol-energy	76.3	greennetworkenergy	76.5	outfoxthemarket	77.2
pfpenergy	75.4	avroenergy	74.9	pureplanet	76.7
		ovoenergy	73.8	utilitywarehouse	73.5
		flowenergy	73.8	utilitypoint	73.4
		tonikenergy	71.6	e	72.3
ecotricity	70.1	utilitywarehouse	70.5	greennetworkenergy	71.5
		robinhoodenergy	69.6	edfenergy	70.9
				britishgas	69.8
		bristol-energy	68.4	sse	69.6
		edfenergy	67.2	eonenergy	67.6
shellenergy	64.2	britishgas	65.9	ovoenergy	66.6
		cooperativeenergy	63.6	bristol-energy	63.1
		ecotricity	63.5	utilita	62.4

[19] PFP (Div 1) and Good Energy (Div 2) were no longer rated by Which? Economy Energy (Div 3) ceased trading in January 2019. Spark Energy (Div 3) ceased trading in November 2018 and was taken over by Ovo, who continued to operate it as a separate brand, but Which? and Citizens Advice no longer rated it separately. New entrants to the OCS league were So Energy, Engie, Octopus Energy and Green Network Energy (Div 1), Avro Energy, Tonik Energy and Flow (Div 2), Together Energy and Solarplicity (Div 3).

[20] Ovo, Bristol Energy and Utility Warehouse down from Div 1 to 2; Ecotricity, Cooperative Energy, GreenStar and Shell down from Div 2 to 3; and SSE down from Div 3 to 4.

cooperativeenergy	61.1
robinhoodenergy	61.0
britishgas	59.7
goodenergy	59.4
mygreenstarenergy	58.2
sparkenergy	58.1
isupplyenergy	57.3
sse	56.7
edfenergy	52.5
economyenergy	52.4

npower	47.2
eonenergy	46.5
utilita	45.8
scottishpower	43.4

isupplyenergy	61.0
shellenergy	60.5
sse	60.1
utilita	60.0

solarplicity	53.5
togetherenergy	49.2
eonenergy	47.0
scottishpower	46.3
npower	46.1
mygreenstarenergy	44.2

shellenergy	61.6
boostpower	60.7
scottishpower	60.1
robinhoodenergy	59.9
ecotricity	59.1
npower	53.0
sparkenergy	52.0
tonikenergy	49.0
togetherenergy	43.6

The five new members of Division 1 are all new to the League since May 2018: does this suggest that small new companies that are attracting rather than losing customers, and that can more easily adapt their systems, are better able to get the highest scores? Maybe, but two other suppliers new to the League are in Division 4, so not all new suppliers are good at this game.

Of the six Large suppliers, EDF's significant increase in OCS score from 53 to 67 propels it from the bottom of Division 3 to the botom of Division 2. Despite British Gas's increase from 60 to 66, it is nonetheless relegated from bottom of Division 2 to top of Division 3. SSE stays in Division 3. The remaining three Large suppliers have no significant change in scores and continue to slumber at the bottom of Division 4.

A further year later, at the end of August 2020, the median score is slightly higher again at 70, reflecting the impact of Covid-19, but the range is about the same, from 44 to 85. Some 27 suppliers now qualify: 21 suppliers remain from the previous year (five having left the League), five new suppliers enter, and one previous supplier (Spark Energy) reenters.[21]

So Energy, Octopus, Bulb and Avro remain in Division 1, with Avro going from the bottom to the top. Cooperative Energy, remarkably, is promoted from Division 3 (boosted not least by now using Octopus Energy complaint performance scores). PurePlanet and Outfox the Market are also into Division 1 as newcomers to the OCS League.

[21] Flow Energy was sold to Cooperative Energy in May 2018. Solarplicity ceased trading in August 2019. Green Star Energy was sold to Shell Energy in November 2019. Engie was sold to Octopus Energy in January 2020, and iSupply was sold to EDF Energy in March 2020. The entrants were Boost Energy, E, Outfox the Market, Pureplanet and Utility Point. For the moment, Cooperative Energy (in partnership with Octopus Energy since August 2019) and SSE (sold to Ovo Energy in January 2020) are treated as separate entities.

Green Network Energy is relegated to Division 2. Utility Warehouse and EDF remain there. British Gas and SSE are promoted from Division 2. UtilityPoint and E are newcomers to the League.

Ovo Energy (whose scores have fallen from 79 to 74 to 67) and Bristol Energy (76, 68, 63) are relegated again, to Division 3; Robin Hood Energy (61, 70, 60) falls even further to Division 4. Shell and Utilita remain in Division 3. E.ON, showing a remarkable increase in score from 47 to 68, is promoted from Division 4 to the top of Division 3. Boostpower is a newcomer.

Scottish Power's increased score from 46 to 60 puts it at the top of Division 4, narrowly missing promotion. Robin Hood and Ecotricity are only just behind. Npower increases from 46 to 63 but is still only in the middle of Division 4, with Spark Energy and Tonik, the latter hit very hard by poor complaints figures. Finally, Together Energy is at the bottom of Division 4 with 44.

Table 2 reflects the OCS League on three particular days over the last two years. Appendix Three presents information in a different way, grouping the suppliers by the Division in which they stood on 27 August 2020 and showing their progress over time to that position. Alternatively, one could explore the subsequent progress from any initial position.

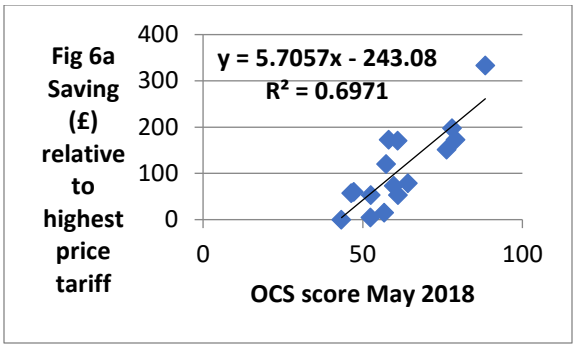
What stands out, perhaps, is the variety of performance patterns observed over the last two years: some suppliers have long records, others short; some are broadly consistent over time, others significantly increase or decrease their performance, yet others have fluctuated. The record of OCS scores thus provides a context of customer satisfaction over time against which a supplier's present position and price offering can be assessed.

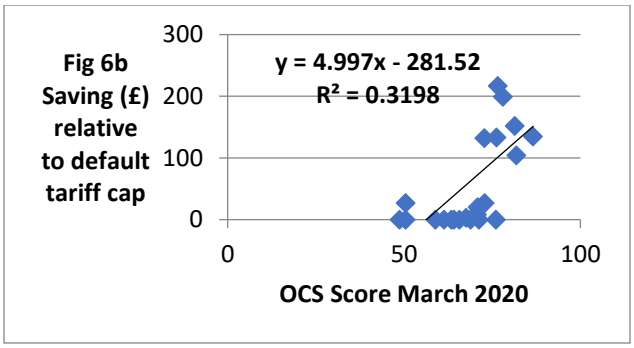
5. OCS score and standard variable tariff prices

Do suppliers that provide higher customer satisfaction typically charge a higher price, because higher customer satisfaction merits a premium? Or is charging a lower price a prerequisite for achieving a high customer satisfaction score? For short-period fixed-price tariffs the emphasis is on price, but what about standard variable tariffs?

Figure 6a shows the scatter diagram and regression line of annual savings (for average annual consumption) available in May 2018 on 16 suppliers' standard variable tariffs, relative to the price of the then-highest standard variable tariff (viz Scottish Power at £1210), graphed against OCS score.[22] There is a statistically significant positive relationship: on average, the saving is £5.71 per year – that is, the tariff is £5.71 lower - per OCS point.

[22] Here and below, tariff and savings figures from Cornwall Insight, *Domestic Tariff Report* (monthly) using data from Comparison Technologies. The comparison excludes renewable suppliers (Ecotricity, Good Energy) and those suppliers that focus on PPM customers (Utilita, E, Spark Energy and Boost Energy). Such suppliers had different costs and were later either exempt from the default tariff cap or subject to a different tariff cap.





There is a fairly continuous range of savings against the highest tariff: 3 suppliers offered £20 or less, 6 suppliers offered between £20 and £100, and 7 offered over £100 saving (median £173). There is also a striking (albeit not statistically significant) contrast between the OCS scores of these three groups of suppliers: those offering negligible savings have median OCS score 52 and those offering intermediate savings have median OCS score 56, while those offering £100 saving or more have much higher median OCS score 76.

A statistically significant linear relationship still held in late February 2019, with savings now calculated relative to the then newly announced much higher level of the price cap (on standard variable tariffs) due to be implemented on 1 April 2019. OCS scores were slightly higher now, and on average, incremental savings to customers were slightly lower at £4.99 per percentage point on the OCS score.[23]

However, this relationship seems not to hold thereafter, presumably as the tariff cap took effect. There no longer seems to be a broadly linear relationship between OCS score and tariff savings or price. Instead, as explained in Appendix 3, there has been increased polarisation of standard variable tariff prices at or near the cap, and the disappearance of 'intermediate' tariffs and savings. consequent savings. Figure 6b illustrates with the situation in August 2020.

Whereas many new entrants have focused on offering the lowest prices via fixed price tariffs, some suppliers have seen merit in offering significant savings on standard variable (default) tariffs on a continuing basis – that is, in rewarding customer loyalty, rather than in imposing a 'loyalty tax'. Four suppliers (Avro Energy, Bulb Energy, Octopus Energy and So Energy) have done so on all occasions examined here throughout 2019 and 2020, and have been in Division of the OCS league since joining it. This seems an important and encouraging new development, that counters some of the allegations and concerns about 'loyalty taxes'. It would be interesting, as a referee suggests, to measure the relationship between a supplier's market share and its prices and OCS score. The development also perhaps parallels the similar recent finding in Australia, that the 'middle tier' of retailers may reward customer loyalty (Mountain and Burns 2020).

6. Conclusions

[23] The regression equation was y = 4.989x – 226.77, R^2 = 0.6367. Thus, for example, suppliers E.ON, nPower and Scottish Power, with OCS scores averaging 45, were pricing their standard variable tariffs at the projected cap level, whereas suppliers Bulb, Octopus and So Energy, with OCS scores averaging 88, were offering savings averaging £225 relative to the cap, consistent with the regression prediction of (88-45) x £4.99 = £215.

Customers care about the way they are treated by energy suppliers, as well as about price. There is no lack of Price Comparison Websites, and there is a broadly agreed basis for comparing prices, but the same cannot be said of non-price considerations. This paper has proposed an Overall Customer Satisfaction (OCS) score based on the ratings by four independent and quite different organisations: Ofgem (complaints statistics), Which?, Citizens Advice, and customers themselves on Trustpilot. OCS scores have been calculated for up to 30 suppliers at 14 dates from May 2018 to August 2020.

In general, the Large former incumbent suppliers have improved their OCS scores, but from low starting points. Some Medium and Smaller suppliers have attained and maintained relatively high scores but others have not. Size of supplier alone is not sufficient to indicate the level of customer satisfaction. The OCS league provides a straightforward way to advise customers of which suppliers seem to be providing the most customer satisfaction across the board. This should be helpful to customers in considering whether to change supplier, or whether to stay with the present supplier, which is an equally valid choice. The OCS score should also be helpful to those seeking to understand and appraise the functioning of the retail energy market.

Perhaps, in future, higher customer satisfaction will command a somewhat higher standard variable tariff price. For the moment, however, a small but important group of substantial suppliers provides leadership in terms of both high customer satisfaction and low standard variable tariff price. This suggests that regulatory focus should not be limited to encouraging "less engaged" customers to keep changing supplier. There is also merit in enabling and encouraging suppliers to build customer loyalty by offering both good customer service and good prices without customers having to keep shopping around or changing tariff.

Regulatory and consumer organisations, and/or Price Comparison Websites, might therefore wish to consider facilitating publication of something like the Overall Customer Satisfaction score on an ongoing basis, or encouraging reference to it to complement their own valuations and services. Such an indication of performance, and the evaluations that underly it, are not only a reflection of competition, they can also stimulate the competitive process.

Acknowledgements

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Appendix One Review of the economic literature

There is now a substantial economic literature on the determinants of customer switching in markets generally. Early examples include Stigler (1961), Klemperer (1987, 1995), Brennan (2007), and for references in marketing see Jones et al (2002).

The University of East Anglia (UEA) Centre for Competition Policy (CCP) has carried out much valuable research on choice of energy supplier in the UK. Longer-term savings are the main drivers of switching behaviour in the UK residential gas market (Giulietti et al 2005) and similarly in electricity (Flores and Waddams Price 2013, also Hviid and Waddams Price 2012, and Waddams Price and Zhu 2013). There is evidence of the importance of customer inattention as well as complexity (Wilson and Waddams Price 2010, Sitzia et al 2012, also Wilson 2012). Waddams Price et al (2013) suggest that policies that identify potential gains and give consumers confidence in their estimates are likely to improve consumer activity. Waddams Price and Zhu (2016) provide more recent analysis and argument with good coverage of the behavioural economics literature, also extending to other products and countries. Rutter et al (2018) analyse the relationship between branding and consumer switching behaviour among the UK's Big Six electricity providers.

Using customer surveys in Sweden, Ek and Söderholm (2008) find that households are more likely to switch electricity supplier the higher the prospective gains and the lower the prosective search costs. Juliusson et al (2007) find evidence of loss aversion and concern about price volatility. Gamble et al (2009) find that a negative attitude towards switching supplier (of electricity, landline telecoms and home insurance) increased with loyalty and information search costs but decreased with expected economic benefits. In Denmark, Yang (2014) suggests that good relationship management by suppliers is crucial for retaining and attracting consumers. Schleich et al (2018) find that, in the EU, internal switching of tariffs within an existing supplier and external switching between suppliers are not related to the same factors.

In Australia, Mountain and Rizio (2019) found that the typical remainer left $281 per year (20% of their bill) on the table. However, after controlling for various factors, switchers leave only $45 less on the table, which calls into question the common view of a market bifurcated between switchers and remainers. Mountain and Burns (2020) find that the perceived “loyalty tax” paid by remainers varies by type of retailer, and “the middle tier of retailers impose the lowest loyalty tax, in fact for many consumers they may reward loyalty”.

Psychological factors have been noted. He and Reiner (2017) show how UK consumers’ attitudes and perceptions are associated with different switching propensities, and that few demographic factors affect this other than educational attainment and tariff payment patterns. Harold et al (2020) find that the probability of switching energy supplier is higher if a customer has switched in at least one other market, confirming the results of Waddams Price and Zhu (2016) and providing “some evidence that certain individuals could characteristically be ‘switchers’, while other consumers may be more predisposed to consumer inertia”.

Hortaçsu et al (2017) find significant search frictions and incumbent brand loyalty in the Texas residential electricity market. They find that “both sources of inertia are larger in neighborhoods

with lower income, lower education levels, and more senior citizens." (p 196) They also find that these differences declines over time. They conjecture that a hypothetical low-cost intervention – for example, adding to the monthly bill a flyer encouraging the customer to switch – could reduce inertia and increase customer benefits. Ofgem (2019b) has reported on a number of trials of such interventions; the outcomes suggest that simply adding a flyer has little effect but that more proactive measures can have more impact (see below).

In most of these papers, and in the behavioural economics literature more generally, complexity seems to refer mainly to number of suppliers and tariffs. It is often assumed that electricity is a homogeneous product.[24] There is relatively little focus on tariff differentiation or on variations in customer service, or on customer uncertainty about these aspects. In contrast, Deller et al (2017b), in their analysis of The Big Switch organised in 2012 by Which?, find that "consumers do not regard energy as a homogeneous product … [so] forcing consumers to switch to a particular supplier may reduce utility for at least some consumers" (p 16). Ofgem's Consumer Survey 2019 has a good account of the thinking and concerns of different customers.[25]

To the extent that there has been discussion of tariff differentiation in the theoretical literature, there has been concern that such differentiation results in "market segmentation according to customers' usage" (Davies et al 2012) or makes things difficult for customers. Some economists have suggested that the introduction of complexities and confusion may be a deliberate and profitable strategy (e.g. Gabaix and Laibson 2006, Spiegler 2006, Ellison and Ellison 2009 and Carlin 2009). If true, this again suggests that helping to establish a reputation for satisfactory (or unsatisfactory) performance would be helpful to customers.

A notable feature of this literature is that it is almost all about price, and increasingly about customer propensity to switch. It is hardly at all about variations in product, tariff, customer service and customer satisfaction, or customer uncertainty about these factors. There is in fact increasing tariff and product variation.[26] In consequence of these variations in product, lower price offers are not necessarily all that they seem.[27]

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[24] For example, "electricity is essentially homogeneous by definition", and "Reliability depends on the monopoly owner of the distribution wires rather than the retailer chosen by the consumers. Some suppliers do differentiate through associated services such as meter reading, but the product itself is homogeneous." (Waddams Price and Zhu 2016 p 118 and fn 22) Or again, "Because the physical transmission and distribution system is operated by a firm that is independent from retailers, a customer will not see any difference in factors such as power outages, restoration of power in the event of an outage, or meter reading services. However, customers may not have been aware of this fact because of an incomplete understanding of the market" (Hortaçsu et al 2017).

[25] This shows, inter alia, that some customer types are more engaged than others, that customers cite various reasons for not engaging, and that there has been an increase in perceived risk of switching in recent years, particularly because costs might subsequently go up or the new supplier might default (Ofgem 2020).

[26] For some time, there have been different payment methods, tariffs that may be fixed or capped for anywhere between a few months and several years, tariffs that may or may not have early cancellation fees, tariffs that are variable but which may or may not be hedged by the supplier hence with uncertain duration at any level, tariffs offering free weekends or hourly pricing with smart meter tariffs, and tariffs offering various definitions of green energy. Over the last few years, the extensive entry of new energy suppliers has brought yet more and different types of tariff. They include, for example, online-only products with paperless billing, tariffs requiring use of an app, tariffs for which there is no call centre, the ability to purchase energy in packs that might cover a day's usage or a week's usage, billing in advance of usage sometimes with credit for positive balances, direct debits varying by time of year, discounts for taking other products from the same supplier, credits for introducing new customers, and so

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on. There are also variations between suppliers as to whether they offer such facilities as the Warm Home Discount. So in reality there is now very significant differentiation in what is often said to be a homogenous product, and this seems likely to increase with the extension of smart metering, electric vehicles, prosumers, off-grid generation, storage, distributed energy resources, remote control of household devices, digital decentralisation, decarbonisation and so on.

[27] For example, after the imposition of the default tariff cap, "the highest savings available appeared to be from 14 different suppliers offering savings ranging from about £130 to over £250 on 20 different tariffs. But on closer examination most of these offers had limitations of some kind, with respect to availability, technology, call centre provision, customer service, risk, reputation, experience and so on" (Littlechild 2019a p 1). [Insert updated calculations Littlechild (2021)]

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Appendix Two: The ratings provided by the four constituent organisations

A2.1 Ofgem customer complaint statistics

In any assessment of customer service in the energy sector, Ofgem's views as regulator as to what is important must naturally be respected. Ofgem began publishing the number of complaints for Large suppliers in Q1 2013 and for three sizes of supplier in Q1 2014. The particular suppliers with most and fewest complaints have varied over time. The total number of suppliers reporting grew from 13 in 2014 to 44 in Q1 2019. Among the notable features have been generally higher but reducing number of complaints to Large suppliers, generally lower and decreasing complaints to Medium suppliers, generally lower but more recently increasing complaints to Small suppliers, but also an increasingly wide variation between individual suppliers.[28]

[28] In Q1 2014 the number of complaints ranged from 14 to 83 (median 34) per thousand customers for the six Large suppliers, from 3 to 19 (median 12) for five Medium suppliers, and from 2 to 20 (median 11) for two Small suppliers. In Q1 2019, five years after the first publication, the ranges for number of complaints per thousand were from 15 to 31 (median 22) for the six Large suppliers, from 1 to 30 (median 9) for nine Medium suppliers and from 0.5 to 273 (median 8) for 29 Small suppliers. Thus, for Large suppliers the median reduced by a third (from 34 to

Ofgem also publishes the proportion of complaints that are resolved by the end of the next working day, and the proportion that are resolved within eight weeks.[29] These complaint resolution statistics seem more erratic; although some suppliers appear better than others, trends over time are as yet unclear.

Suppliers submit these data to Ofgem (and Citizens Advice) on a specified basis. Ofgem publishes them on a quarterly basis, about six weeks after the end of the quarter.[30] Unfortunately, Ofgem no longer publishes the complaint statistics of those suppliers no longer in the market.[31] Unfortunately, too, Ofgem publishes complaints records only by licence (i.e. by owner) not by brand, as was once envisaged, so that separate data are not available for once-independent suppliers and brands that still retain a separate identity such as (e.g.) Cooperative Energy, Boost Power, Spark Energy and now SSE.

The complaints are self-assessed and are not audited by Ofgem. Some companies have indicated significant concerns as to whether suppliers interpret "complaint" (which is "any expression of dissatisfaction") and "resolved" in a consistent way.[32] The energy industry body itself has expressed similar concerns and suggested improvements (Energy UK 2019). Nevertheless, for all their limitations, these statistics are what Ofgem considers important.

Each of the three Ofgem complaints statistics just mentioned seems relevant: how best to reduce them to a single component of the OCS score, potentially ranging from zero (for the poorest performance) to 100? The suggestion here is as follows: for each supplier for each quarter, i) calculate the difference between the reported number of complaints and a benchmark of 25 complaints per thousand (so that fewer complaints will give a higher score, with a negative score for complaint numbers above 25); ii) represent performance on complaint handling as the simple average of the proportions of complaints resolved in one business day and in eight weeks; and

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22), for Medium and Small suppliers the median remained low and constant (respectively, from 12 to 11, and from 11 to 8). The range from lowest to highest ratio of complaints per supplier increased significantly from a 40-fold difference in Q1 2014 (between 13 suppliers) to a more than 500-fold difference in Q1 2019 (between 44 suppliers).

[29] Available at https://www.ofgem.gov.uk/consumers/energy-supplier-comparison-data/compare-supplier-performance-complaints A complaint that is not resolved within 8 weeks is eligible for referral to the Energy Ombudsman.

[30] Publication of data for Q1 and Q2 2020 was delayed by Covid-19 considerations until 27 August 2020.

[31] Ofgem has kindly made available to me the relevant statistics for four suppliers that feature in the OCS league (viz Economy Energy, Extra Energy, Flow and Solarplicity) for the quarters during which they reported these statistics. No statistics are available for Iresa and Peoples Energy. What should be the same data on suppliers' own websites is often late or non-existent for the smaller suppliers and not always the same as on the Ofgem site (Littlechild 2020a).

[32] For example, a colleague comments that "the ratio of escalated complaints, such as to the ombudsmen, to recorded complaints varies very considerably between suppliers, and I struggle to understand why. I think this indicates a very different approach to identifying what is and is not a complaint" (email 22 May 2020). Another colleague says "Our concern was that providing incorrect/incomparable information to customers is worse than no information at all. Nor is it acceptable in a competitive market, where the regulator should be pursuing a level playing field and not introducing potential distortion. The cost of providing data - for absolutely no benefit, and indeed to the potential detriment of consumer decision making – has therefore long been a concern" (email 4 August 2020). Littlechild (2020a) further discusses Ofgem complaints data, and also notes a few inconsistencies between the data submissions on company websites and what appears on the Ofgem website. There can also be confusing data during the course of a company takeover, when some customers have transferred to the new owner and others have not.

then iii) take the simple average of i) and ii) to represent performance on the Ofgem complaints metric.

Table A1 shows the scores since Q1 2018 on this proposed Ofgem complaints component for 48 suppliers for whom Ofgem published complaints data since Q1 2018.[33] The overall median score is rather stable in the high 60s, but there is great variation by supplier, and indeed by size of supplier. Thus, the median score is generally in the 40s for the 6 Large suppliers, with relatively low variation between them at any time (standard deviation averaging about 9). There is a significant increase to 64 in Q2 2020, which reflects the much lower number of customers contacting these companies with the advent of Covid-19 measures.[34] There is a similar but less noticeable impact on Medium suppliers: for up to 10 Medium suppliers the median score is more variable, ranging up to 81 but down to 64 more recently and 68 in Q2 2020, and with modest variation at any time (standard deviation averaging about 17). The median Small supplier score is generally in the low 70s, but with relatively high variation at any time (standard deviation averaging about 24).

Table A1 Proposed scores on complaints and complaint-handling using Ofgem data

Supplier	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
BG	68	62	58	57	56	58	58	60	60	73
EDF	43	43	42	48	46	41	41	41	42	63
EON	39	42	43	38	31	36	36	53	57	70
nPower	41	42	40	36	35	41	43	45	46	59
Scottish Power	18	18	29	39	40	41	40	44	44	51
SSE	53	50	42	45	43	47	45	49	52	64
Co-op	64	62	55	59	64	67	65	65	80	80
Shell	43	33	36	29	30	50	44	48	50	51
Ovo	84	79	81	79	77	70	67	53	52	55

[33] Scores are based on Ofgem complaints data for each company with a few modifications. Scottish Power website data was used for Q1 & Q2 2020 rather than Ofgem data pending explanation of a discrepancy. SSE website data was used for SSE in Q1 and Q2 2020 rather than Ovo data. Cooperative Energy data for Q3 2019 was used for Q4 2019 since the figure given there (during the transfer of customers) seem unrepresentative; Octopus Energy figures are used for Q1 &Q2 2020. Robin Hood figures for Q4 2019 are used in absence of figures for Q1 & Q2 2020. Author's own estimates are used for Go Effortless figures which do not seem plausible; the (very small) company went out of business in Q2 2020. iSupply website figures for Q4 2019 – Q2 2020 are used instead of Ofgem figures. Ditto for Pure Planet Q1 & Q2 2020. Finally, wherever the Ofgem complaints score would have been negative it was set to zero.

[34] Customers were discouraged from contacting suppliers unless it was urgent, and also various processes were paused that might lead to complaints, such as smart meter installation, debt collection and Direct Debit reviews, so that less activity led to less contact and fewer complaints.

Utilita	36	64	69	61	61	55	64	68	64	68
Utility WH	73	74	73	69	66	67	64	63	74	81
Octopus		83	85	82	81	82	83	83	80	80
Bulb	93	93	94	88	89	80	80	69	64	68
Avro			95	94	97	96	96	94	91	95
GreenNwEnergy			77	83	75	72	72	63	60	67
Spark	69	62	66	89	76	79	74	48	53	38
Bristol	70	56	56	56	53	65	60	55	34	59
Daligas			74	69	75	68	69	62	69	66
E			84	78	82	81	85	78	75	85
Entice			46	-28	11	56	64	65	84	82
Ecotricity	79	77	77	80	71	73	72	69	56	55
Engie	50	52	73	79	76	74	69	79	79	
ESB			88	80	80	79	80	79	88	83
ENSTROGA			43	31	62	59	40	45	51	56
Foxglove			67	40	26	54	65	71	78	78
myGreenStar	66	50	29	0	0	0	0	2	0	0
Good	69	71	77	73	67	72	74	70	73	70
Gnergy		72	74	89	85	88	94	91	91	
GreenEnUK		72	90	79	85	84	74	65	69	74
Gulf		72	79	72	79	74	74	82	79	80
GoEffortless			62	80	80	79	86	86	83	
iSupply	64	64	60	63	65	69	67	6	60	0
Igloo	77	78	85	76	85	91	92	84	84	83
Nabuh		72	0	0	0	0	0	0	0	0
Orbit		72	74	80	82	80	78	77	69	56
PFP	69	71	47	20	49	68	64	76	76	87
Pure Planet				56	75	79	72	67	68	75
R Hood	57	57	59	67	65	66	64	60	60	60
So			94	94	88	82	83	83	80	83
Together			62	62	31	0	6	9	9	31

Tonik	72	73	70	66	65	66	69	71	63	2
Utility Point			89	88	91	94	95	88	77	88
Yorkshire				79	67	48	52	0	69	55
Zog	88	90	80	87	77	86	74	79	73	77
Zebra		75	74	88	99	91	95	82	80	88
EconEn	50	45	37							
Solarplicity	61	77	62	40	57	18				
Flow Energy	31	22	0	86	90	96				
Median All	64	68	68	69	67	69	69	65	69	68
Median Large	42	43	42	42	41	41	42	47	49	64
Median Medium	69	69	75	81	76	71	70	64	64	68
Median Small	68	72	71	73	75	73	72	71	73	72

From the point of view of the OCS score, Ofgem's coverage of 44 suppliers' complaints performance in Q2 2020 is a welcome increase from the 13 suppliers whose performance Ofgem originally recorded in Q1 2014. But, as will be seen, Which? and Citizens Advice, and of course Trustpilot, have been reporting on the performance of yet other suppliers too. These include suppliers that often offer some of the lowest prices in the market, so will potentially be of particular interest to customers.

A2.2 The Consumers Association (Which?)

The Consumers' Association is a registered charity, started in 1957 to test goods and services for its members. It reports the results in its Which? magazine. With more than 1.3m members and supporters, it is the largest independent consumer body in the UK.

Which? compares energy suppliers annually, giving from one to five star ratings across various categories of the customer experience, reflecting the views expressed by customers interviewed. In 2020 the six categories were: bill accuracy, bill clarity, customer service, complaints handling, digital tools (for "a supplier with a good online account app and other features"), and value for money (which is not the same as price). There is reference to helping to understand and reduce energy use, which was rated in 2019, but not in 2020. There is, in addition, a customer score, exporessed as a percentage, which "combines customers' overall satisfaction with their likelihood to recommend that supplier".[35] These star ratings and scores, for around 30 suppliers

[35] For details of the calculation, see https://www.which.co.uk/about-which/testing-and-research/3758/which-symbols-logos-and-ratings The customer score is not directly related to the star ratings.

in recent years, are based on Which?'s own surveys of around 8000 customers, carried out annually around September and published in the following January.[36]

All the Which? ratings are based on customer opinions, not upon other data. These are entirely subjective ratings. However, they are gathered in a systematic online manner on a nationally representative sample of the general public, responsible for paying the energy bills in their household.

The sample size for each company generally reflects the size of the company. Which? has a minimum sample size of 30 for all its surveys, but recently increased the minimum to 40 for its energy survey. For the 2020 rankings, the sample interview sizes for each supplier varied from 44 for Robin Hood Energy to 1668 for British Gas.

The proposal here is to use the Which? customer scores as an input to the OCS score. Table A2 shows these Which? customer scores for the last four years for some 55 energy suppliers. Not all of these suppliers were rated and scored by Which? in all years, and not all these suppliers were in the market for this whole period.[37] Which? customer scores range from around 45% to around 80%; they average about 60%. Which? itself is reluctant to make comparisons over time for individual companies.[38]

Table A2 Consumer Association (Which?) customer scores of energy suppliers

Survey date	Sep-16	Sep-17	Sep-18	Sep-19
Publication date	**19-Jan-17**	**17-Jan-18**	**21-Jan-19**	**25-Jan-20**
Supplier				
Ampower				53
Avro Energy		72	64	70
Boost Power			70	65
Bristol Energy		70	72	73
British Gas	56	52	56	60
Bulb Energy		72	72	78

[36] The 2017 rankings are based on a survey of 8,917 members of the public in September and October 2016, and rate 23 suppliers. The 2018 ratings are based on 8,761 such interviews in September 2017 and cover 31 suppliers. The 2019 ratings are based on 7,429 such interviews in September 2018 and cover 32 suppliers (including 2 suppliers that had left the market by the time of publication). The 2020 ratings are based on an online survey of 8353 members of the public in September 2019 and cover 35 GB suppliers. Over the four years, the average number of interviews per supplier was thus around 280, but the actual numbers varied greatly between suppliers, as noted shortly. https://switch.which.co.uk/energy-suppliers/energy-companies-rated.html and https://www.which.co.uk/reviews/energy-companies/article/best-and-worst-energy-companies/which-energy-survey-results The scores are available in Which? magazine, and at www.which.co.uk and at switch.which.co.uk.

[37] Table 1 includes some suppliers that were not available to be rated in earlier years (e.g. Bristol Energy and Engie); some suppliers that left the market hence were not available in later years (e.g. Iresa and GB Energy); some suppliers that were reviewed by Citizens Advice or Trustpilot but not yet by Which? (e.g. Affect Energy and Breeze Energy); and some suppliers for whom there were not enough responses in particular years to feature in the Which? list (e.g. Good Energy in the latest year).

[38] Which? does not compare the customer score performance of brands year on year as its surveys are not designed to be trackers over time. It considers that differences due to sampling or changes to the questionnaires could account for differences in score. Which? is also cautious about over-emphasising what may be small differences in scores between different years so would only comment on specific changes if it considered them to be statistically significant.

Co-Operative Energy	54	60	66	73
E (Gas and Electricity)				61
E.ON	57	55	57	61
Ebico	75	68	76	79
Economy Energy	55	50	53	
Ecotricity	71	71	72	75
EDF Energy	55	55	57	60
Engie			70	73
Extra Energy	49	49	56	
Flow Energy	73	77	68	70
GB Energy		61		
Good Energy	66	60		
Green Network Energy			68	72
Green Star Energy	70	61	65	55
Iresa		64		
iSupply	70	56	57	64
M&S Energy	55	67		
npower	44	45	54	57
Octopus Energy		76	80	83
Outfox the Market				67
Ovo Energy	78	72	74	73
Peoples Energy				77
PFP Energy		76		
Powershop				77
Pure Planet				78
Robin Hood Energy		66	78	65
Sainsbury's Energy/BG	60	54	63	
ScottishPower	50	52	54	51
Shell Energy (First Utility)	64	68	66	58
So Energy		71	78	75
Solarplicity			44	
Spark Energy	60	47	52	51
SSE	56	54	58	61
Together Energy			60	48
Tonik Energy			76	71
Utilita	71	75	71	65
Utility Point				68
Utility Warehouse	73	79	73	71
Total number of suppliers scored	23	31	32	35

For present purposes, a limitation of the Which? ratings is that they are issued only annually (and then some four months after the customer interviews). In consequence, many new or small suppliers are not included, which is more significant in a rapidly expanding market than in a contracting one.[39] Furthermore, longstanding but smaller suppliers that may have been ranked in previous years (such as Good Energy) may not be included if the survey sample happens not to include enough customers of those suppliers. So it is not possible at this time to include these suppliers in the latest OCS tables. On the other hand, the latest two years of Which? data have

[39] So, for example, the last two years of ratings from Which? did not cover such suppliers as Igloo Energy, Nabuh Energy, PFP Energy and Yorkshire Energy, all of which are covered (or have volunteered to be covered) by the last two years of Ofgem complaints statistics.

included scores for some suppliers that the Ofgem complaints ratings do not cover.[40] The variation in suppliers covered is thus another potential limitation of these ratings.

Which? says that its survey of around 8000 customers is "the biggest public survey of its kind". This survey is also used by the PCW Simply Switch. Certainly it involves more customers than one previously carried out by MoneySavingExpert [MSE].[41] It also involves more customers than the 6000 interviewed by the UK Customer Service Institute.[42] The latter has the advantage of being bi-annual, but only 13 energy suppliers were in its July 2020 assessment of 31 utilities. For these 13 suppliers, there is a 95% correlation with the Which? January 2020 scores.

Uswitch (formerly uSwitch) uses YouGov to interview about 17,000 energy customers annually, and its survey is in its 15th year. The number of suppliers assessed by Uswitch is more limited: in 2020 about 17 suppliers "met the minimum sample size of 150 customer responses" (compared to 35 suppliers rated by Which?, with a minimum response size of 30 or 40). The range of Uswitch questions is greater: customers are asked to rank suppliers in 15 categories, "from customer service to value for money, green services, to smart meter installation".[43] For the 16 suppliers in the 2019 Uswitch ratings, there was a 64% correlation with the Which? January 2020 scores.

Unfortunately, the challenge of getting enough survey responses seems likely to limit coverage of most smaller suppliers, whichever organization is doing the reviewing.[44] It would seem useful

[40] These include Boost Power, Ebico, Flow Energy and Spark Energy, and in the 2020 publication Which? covered also Ampower and Peoples Energy.

[41] MSE said that it "carries out an energy firm customer service poll twice a year, and ranks all providers attracting at least 100 votes. Over 4,000 users took part in our May 2018 poll." Customers were asked to rank their supplier as Great, OK or Poor. But more recent ratings do not seem to be available on the company's website. As at end May 2020, Moneysavingexpert.com was characterising three of its five top pick energy deals as "cheapest fix with decent service", "cheapest variable with top service" and "market cheapest – *Warning: Its customer service record has been poor recently, so think carefully before switching to it."* But the basis for these judgements is not clear.

[42] "The UKCSI is the national barometer of customer satisfaction published twice a year by The Institute of Customer Service since 2008. It is an independent, objective benchmark of customer satisfaction on a consistent set of measures on over 250 organisations and organisation types in 13 sectors." The rankings in the Utilities sector are based on 6000 responses from an online customer panel. "Customers rate their experience of an organisation they have recently dealt with on over 25 metrics of customer satisfaction, covering Experience, Complaints, Customer Ethos, Emotional Connection and Ethics. The measures are based on The Institute's research into customer stated priorities and attributes that correlate strongly with high levels of customer satisfaction." The UKCSI reports are available for a fee. https://www.instituteofcustomerservice.com/research-insight/ukcsi/

[43] In 2020 the 15 categories were overall customer satisfaction, best customer service, best billing services, best meter reading services, best online experience, best green services, best energy saving support, best rewards, best deal for you, most likely to be recommended, best value for money, easiest to switch to, best app, best account management, and best smart meter experience. https://www.uswitch.com/gas-electricity/campaigns/uswitch-energy-awards/, https://www.uswitch.com/media-centre/2020/02/customer-satisfaction-increases-octopus-energy-voted-supplier-year-uswitch-energy-awards/

[44] For example, if a supplier has 50,000 customer accounts, out of a total of about 50 million energy accounts in GB, the chance of an interviewed customer being with that supplier is about 1 in 1000. So about 30,000 customers would need to be interviewed (or considered) in order to yield about 30 customers of that supplier. A survey of 10,000 customers would yield about 30 customers of a supplier with 150,000 customer accounts. Since there are only some two dozen suppliers with more than 150,000 customers, it is perhaps fortunate that Which? has been able to rate as many as 30 suppliers with at least 30 responses each. With the increase to a minimum of 40 customers, the challenge will be greater.

to find an alternative way of the getting the opinions of a random sample of customers of smaller energy suppliers, perhaps by making that an explicit condition of eligibility for the sample, even though this would not necessarily be a nationally representative sample.For the present, however, the Which? customer scores have the widest coverage and seem the most appropriate component of the proposed OCS score.

A2.3. Citizens Advice

Citizens Advice is the operating name of the National Association of Citizens Advice Bureaux, which dates from 1939. It dealt in the 2000s with debt, housing and employment problems. As of 2011/12 it delivered advice services from over 3,400 community locations in England and Wales, run by 360 registered charities staffed by over 22,000 trained volunteers. In 2014 it took on Consumer Futures (formerly Consumer Focus), the statutory body responsible for representing consumers in the energy and postal sectors. It has a statutory remit to publish energy supplier performance data. Part of its funding for these activities comes from the Department of Business, Energy and Industrial Strategy (BEIS).

Citizens Advice first published an energy supplier rating in 2016 but changed the methodology as from Q4 2017. On a quarterly basis since then it has rated energy suppliers from zero to 5 across five different metrics: number of complaints, ease of contacting, clarity and timeliness of bills, ease of switching and customer guarantees. These ratings seek to use objective data rather than subjective customer views or interviews with customers. For example, the complaints data are based on numbers of complaints made to Citizens Advice, the Extra Help Unit and the Energy Ombudsman. The data about billing, customer service and switching are obtained from suppliers rather than customers. As with the Ofgem complaints data there is a concern that different suppliers may interpret the criteria differently from each other. Data about customer guarantees are from publicly available sources. The metrics are then weighted to yield the overall energy supplier rating. As from January 2020 the weighting has been Complaints 35%, Billing accuracy 20%, Customer service 25% (being 15% average call weighting time and 10% related to email and social media), Switching completed in 21 days 10% and Customer commitments 10%.[45]

From Q4 2017 to Q3 2018 Citizens Advice rated suppliers with more than 50,000 customers (plus those smaller suppliers that voluntarily joined). Since Q4 2018 it has rated suppliers with more than 25,000 customers (plus those smaller suppliers that volunteer). In 2019 it expressed concern that "More small and newer energy suppliers are failing to meet decent standards of customer service".[46]

[45] Citizens Advice, *Energy supplier rating, Decision on new customer service metrics and other updates*, January 2020. In the event, update of the rating was delayed due to the operational constraints of energy suppliers during the Covid-19 period. The first publication using email will be December 2020 and will relate to performance in Q3 2020.

[46] Citizens Advice, Press release, 15 March 2019. Larger and more established suppliers were presumably not exempt from this concern, since in the same Q4 2018 ratings there were three times as many suppliers with lower scores than with higher scores, compared to the previous quarter.

The total number of suppliers rated by Citizens Advice has increased gradually over time (despite some suppliers leaving the market): from 28 suppliers in the ratings published in March 2018 (based on data for Q4 2017) to 40 suppliers in March 2020 (based on Q4 2019 data). Citizens Advice, like Which?, has a few gaps compared to Ofgem's complaints statistics, but it also rates a few suppliers that the Ofgem complaints do not.[47]

Table A3 shows the Citizens Advice overall ratings for the last ten quarters.[48] Over this period, these ratings range from 0.35 to 4.8 out of 5 or, as a percentage, from 7% to 96%. The average is just over 3 points, or about 64%. There are nonetheless almost continual changes in the score for each supplier, mostly small but occasionally exceeding 1 point out of 5 (or 20 percentage points out of 100).

The Citizens Advice ratings are issued quarterly, which for present purposes is more helpful than the annual Which? ratings. But the Citizens Advice ratings too have some omissions.[49] Some have questioned whether basing the ratings on numbers of complaints to Citizens Advice and the Energy Ombudsman leads to a disincentive on companies to publicise those complaint routes. It is not clear how far Ofgem and/or Citizens Advice monitors this. Some companies say that the three month lag in issueing these ratings means that they do not reflect current performance, or that the criteria used are not appropriately focused for their own businesses.[50] The delay point is equally true of Ofgem complaints ratings, of course, and even more so of the annual Which? scores.

Table A3 Citizens Advice Overall ratings of energy suppliers

Survey date	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Supplier / Publication date	**29-Mar-18**	**27-Jun-18**	**Sep-18**	**08-Dec-18**	**15-Mar-19**	**25-Jun-19**	**25-Sep-19**	**12-Dec-19**	**27-Mar-20**	**3 – Jul-20**
Affect Energy						4.5	3.5	3.65	3.55	3.65
Avro Energy	1.4	1.7	2.55	2.75	2.7	2.35	3.5	3.5	3.5	3.95

[47] These additional suppliers include Affect, M&S Energy, Peoples Energy, Simplicity Energy and Spark Energy. The latest ratings are at https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/citizens-advice-consumer-work/supplier-performance/energy-supplier-performance/compare-domestic-energy-suppliers-customer-service/

[48] https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/domestic-energy-supplier-performance-data/

[49] These include Sainsbury's Energy, M&S Energy, Boost Power, Orbit Energy, Green Energy UK, Lumo, Powershop and Foxglove Energy.

[50] For example, a Nabuh Energy spokesman said: "We welcome the Citizens Advice ratings; however, these do not reflect our performance over recent months. It is important to note that our performance in areas such as billing, switching and call wait times has vastly improved but have much less of an effect on the current supplier ratings matrix." … Utilita said: "Proportionately, our portfolio services a far higher percentage of Britain's socially and financially challenged households than most other suppliers, if not all. The weighting given to billing accuracy also skews our rating, as only 5% of our customers receive bills. The remaining 95% are pay as you go, who can view their energy usage and spend at the tap of a finger via their smart meter, in-home display or mobile phone." https://www.itv.com/news/2019-09-25/citizens-advice-warns-over-energy-customer-service-after-13-firms-go-bust/

Boost Power [Ovo]								2.75	2.06	2.06
Breeze Energy						4.45	4.8	4.8		
Bristol Energy	3.8	4.05	3.85	4.05	4.05	3.5	3	3.3	2.65	2.1
British Gas	4.05	4.1	4.25	4.15	3.65	3.9	3.85	3.95	3.95	3.6
Bulb Energy	4.4	3.85	4.35	4.2	3.75	3.85	3.75	3.2	3.2	3.4
Co-Operative Energy	2.85	3.2	3	3.05	3.05	2.55	3.35	2.95	3.75	3.55
E (Gas and Electricity)	4	4.3	3.75	4.1	3.45	2.88	4	3.81	3.13	2.88
E.ON	3.3	2.95	3.15	2.9	3.25	3.2	3.35	3.7	3.35	3.15
Economy Energy	1.2	2.3	2.3	2.4						
Ecotricity	2.55	2.95	3.4	3.4	3.15	2.2	2.2	2.4	2.55	2.4
EDF Energy	3.7	3.85	4.05	3.95	4.15	4.15	4.15	4.25	4.45	3.7
Engie		4.3	3.75	3.5	4.15	4.25	4.25	4.05		
ENSTROGA									3.1	3.0
ESB Energy								3.95	4.05	3.75
Eversmart Energy					1.6	1.8				
Extra Energy	1.9	2.1	2.5							
Flow Energy	3.2	3.1	2.55	2.85	2.8	3	2.85			
Good Energy	2.25	2.55	3	3.1	3	3	3.05	3.25	3.45	3.4
Green										3.8
Green Network Energy		4.05	4.05	3.55	3.55	3.85	3.95	3.6	3.2	3.15
Green Star Energy	2.2	2.2	2.1	2.3	2.3	2.3	2.15	2.2	2.65	
Igloo Energy					4.1	4.3	4.4	4	4.4	4.6
Iresa	1.3	0.35								
iSupply	2.25	2.4	2.15	2.15	1.95	2.15	2.85	3.1		
Lumo [Ovo]								3		
M&S Energy [Octopus]									4.35	4.15
Nabuh Energy						1.65	1.9	1.7	1.9	1.7
npower	3.6	3.4	3.4	3.15	3.15	3.5	3.65	3.55	3.8	3.6
Octopus Energy	4.15	3.8	4.3	4.3	3.95	4.05	3.75	4.15	3.95	3.85
OneSelect				1.3						
Orbit Energy								3.75	2.4	2.55
Outfox the Market				2.25	1.3	2.1	2.5	2.35	2.85	3.6
Ovo Energy	3.7	3.55	3.45	3.7	3.35	2.8	3	3	2.55	2.75
People's Energy Company								3.6	3.65	2.8
PFP Energy	2.85	2.85	2.4	2.75	1.85	2.55	2.65	3	3	2.55
Pure Planet					1.95	3.25	3.25	3.25	3	3.1
Robin Hood Energy	2.05	1.7	2.55	2.35	2.45	2.65	2.55	2.9	2.65	2.1
ScottishPower	3.45	3.3	3.65	3.65	3.45	3.45	3.2	3.25	3.2	3.1
Shell Energy (First Utility)	3.3	3.4	3.6	3.6	3.4	3.4	3.4	2.85	3.4	3.05
Simplicity									3.6	3.15
So Energy	4.7	4.8	4.7	4.7	4.5	4.3	4.4	4.4	4.4	3.9

Solarplicity			1.8	2	2.15	2.3				
Spark Energy [Ovo]	1.9	2	2.1	2.1				2.8	2.25	2.05
SSE	3.95	4.25	3.95	4.4	4.4	4.6	4.6	4.05	4.2	3.85
Together Energy			2.5	2.7	2.4	2.7	2.9	2.9	2.5	2.3
Tonik Energy		3.85	3.95	3.45	3.05	2.65	2.85	2.75	3.1	2.55
TOTO Energy		1.6	1.45	2.2	2.2	2.1	2.1			
Utilita	2.2	2.2	2.75	2.25	2.2	1.8	1.95	2.1	1.65	1.75
Utility Point					2.95	3	3.35	3.6	3.1	2.6
Utility Warehouse	3.75	3.45	3.8	3.95	3.95	3.05	3.4	3.75	3.35	3.0
Yorkshire Energy						4.15	3.6	2.85	3.15	2.75
Zebra Power										3.95
Total number of suppliers rated	28	32	33	34	35	39	37	41	40	41
Average scores	3.0	3.1	3.2	3.2	3.1	3.1	3.3	3.3	3.2	3.1

A2.4. Trustpilot

Trustpilot is a consumer review website, founded in Denmark in 2007 and launched in the UK in 2014. It hosts reviews of businesses worldwide and has grown rapidly in the UK to over 37 million reviews of over 97,000 UK business domains (and globally to over 90 million reviews of over 390,000 business domains). This subsection provides a brief summary of its approach; Littlechild (2020b) provides more detail and discussion.

A few other websites also offer customers the ability to leave a review of a company and its products and services. Why choose Trustpilot for the present study? Partly because it is an 'open' platform, so that any customer with a purchasing or service experience can leave a review, not only those invited by the business. Also because it has by far the greatest participation by customers of UK energy suppliers (Littlechild 2020b).

The Trustpilot site is free for consumers and it offers both free and subscription services to businesses. It does not purport to question customers systematically about various categories of customer service. Rather, the Trustpilot profile page for each company reflects the views of those customers that feel the urge to review or comment on that company, including customers that have been invited to do so by the company itself. Customers rate the companies from one to five stars and give their views about whatever impresses or concerns them. This generally relates to various aspects of customer service but could also include price levels or price changes.[51] Customers can give a review at whatever time suits them, with no permission required, no pre-moderation of the content and no delay in posting on the review site. Consumers and businesses must, however, adhere to the Guidelines which govern the platform. [52]

[51] Occasionally, Trustpilot customers seem to be evaluating suppliers' performance with respect to other aspects such as (e.g.) boiler servicing rather than energy supply. But since these suppliers have chosen to combine such other services with energy supply, that does not seem inappropriate.

[52] https://legal.trustpilot.com/

Trustpilot calculates a time-weighted average of these customer stars to give a single TrustScore for each company.[53] Until September 2019, the TrustScores were from zero to 10. Since then, the TrustScore is given from one to five, to be consistent with the customers' ratings from one to five, and half stars have been introduced. This is said to be in line with industry practice.[54] In calculating the OCS score here, all TrustScores are expressed as a percentage (out of 100 rather than 5).

Companies may subscribe to various Trustpilot services, which enable companies to showcase particular reviews, stars and the TrustScore on their own websites, to analyse the results, and so on.[55] All companies, whether or not they subscribe to Trustpilot, can use its facilities to invite reviews from customers, and to respond to reviews. The level of the TrustScore and the content and order of presentation of reviews on the Trustpilot page are independent of whether a company subscribes.

To avoid a company's average TrustScore rating today being dominated by outdated ratings of its performance many years ago, Trustpilot adjusts for age of review.[56] Trustpilot also introduces a "Bayesian average" to prevent extreme TrustScores for very new companies with few reviews. (See Littlechild 2020b for further discussion of these aspects.)

In practice, TrustScores are recalculated every time a new review is filed, so for seldom-reviewed companies they may not change for months, whereas for the most frequently-reviewed companies the TrustScore can actually change during the day. Unfortunately, Trustpilot does not provide access to historical values of the TrustScores or of the number of reviews. The values used in this paper are partly from the author's own observations, partly from an independent website that provides information about energy suppliers and has recorded TrustScores and volumes on a monthly basis since early 2019,[57] and partly from information kindly and exceptionally provided by Trustpilot for six dates in 2018 and 2019.

An advantage of using Trustpilot is that it covers almost all the energy suppliers: as of 23 August 2020 there were reviews for about 100 domestic energy suppliers.[58] Another advantage, as noted, is the relatively large number of customer reviews that Trustpilot reflects: one or even two orders

[53] https://support.trustpilot.com/hc/en-us/articles/201748946-

[54] https://support.trustpilot.com/hc/en-us/articles/360023974013--Trustpilot-s-improved-star-rating-and-TrustScore-Everything-you-need-to-know. In order to compare TrustScores over time, this paper converts the previous range of 0-10 to a range of 1 to 5 by calculating Adjusted TrustScores before September 2019, defined as Adjusted TrustScore = 1 + 0.4 Original TrustScore.

[55] https://uk.business.trustpilot.com/plans

[56] "the older a review is, the less it counts towards the overall TrustScore … newer reviews always count for more than older ones". For example, "a review received 6 months ago has half the weight of a review received today". However, Trustpilot does not make public precisely how this time-waiting works.

[57] https://mikewhiskeytango.com

[58] This includes a few domains of defunct energy suppliers that were closed or not accepting new reviews or had not received recent reviews. Only about four very new and small suppliers (Beam Energy, Quest Energy, Southend Energy and Twenty Energy) were not listed or had no reviews.

of magnitude higher than the number of customer interviews for the Which? ratings, for example. For 26 energy suppliers used as the basis of some early OCS calculations, a total of over 500,000 TrustPilot reviews were available in August 2020, nearly two orders of magnitude greather than the number of Which? and Uswithc customers interviews.

The range of TrustScores is considerable. For example, on 8 May 2020, the range for 95 energy suppliers was 1.1 to 4.9 out of 5 (22% to 98%). There is also great variation in the number of reviews of different suppliers: 12 of the 95 suppliers had under ten reviews, 12 had tens of reviews, 20 had hundreds, 38 had thousands, and 13 had tens of thousands (the highest number being nearly 43,000 reviews of Shell Energy, formerly First Utility).

There have been some public concerns about online reviews (not specific to Trustpilot). The CMA (2015) has investigated and in 2019 launched another investigation. Trustpilot has explained that companies cannot pay Trustpilot to get higher TrustScores, and must not provide incentives to post good review – or, more recently, to post any review. It has a "zero tolerance policy" to any such misuse, and supports the CMA's recommendations. It took action against one energy supplier in April 2019. Littlechild (2020b) provides further discussion.

Table A4 shows adjusted TrustScores for some 38 energy suppliers (those that were simultaneously rated by Ofgem complaints, Which? and CA) at intervals over the two years May 2018 to August 2020.[59]

Table A4 TrustScores of energy suppliers (adjusted before September 2019)

Domain Name	06/05 /2018	06/08 /2018	06/11 /2018	06/02 /2019	08/04 /2019	22/07 /2019	30/10 /2019	10/01 /2020	15/03 /2020	06/04 /2020	08/05 /2020	18/06 /2020	13/07 /2020	23/08 /2020
avroenergy.co.uk	4.7	4.7	4.6	4.6	4.6	4.6	4.6	4.6	4.7	4.7	4.7	4.7	4.7	4.7
boostpower.co.uk	3.0	3.0	3.7	3.4	3.2	3.9	3.9	3.9	3.9	3.8	3.9	4.0	4.0	4.1
bristol-energy.co.uk	4.2	4.2	4.1	4.1	4.0	3.9	3.9	3.8	3.6	3.6	3.7	3.8	3.9	3.9
britishgas.co.uk	2.1	2.2	2.0	1.9	1.8	3.7	3.8	3.7	3.6	3.6	3.6	3.7	3.7	3.7
bulb.co.uk	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.7	4.8	4.8	4.8	4.7	4.8	4.8
cooperativeenergy.coop	3.0	2.8	2.7	2.7	3.5	3.7	3.8	3.8	3.8	3.8	4.2	4.2	4.2	4.4
e.org	2.7	3.2	2.5	2.2	2.1	2.6	3.6	3.7	4.0	4.1	4.2	4.3	4.3	4.3
economyenergy.co.uk	4.1	3.8	3.3	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7		
ecotricity.co.uk	4.0	3.8	3.8	3.6	3.5	3.4	3.3	3.2	2.9	2.9	2.7	2.6	2.7	2.9
edfenergy.com	1.8	1.6	1.6	3.0	3.5	4.1	4.4	4.3	4.3	4.3	4.2	4.3	4.3	4.3
engie.co.uk	2.4	3.0	2.8	3.8	4.7	4.8	4.7	4.6	4.6	4.6	4.6	4.6		
eonenergy.co	1.3	1.2	1.2	1.3	1.4	1.8	1.9	2.8	3.7	3.8	3.8	3.7	3.7	3.8

[59] Here, as explained earlier, 'adjusted' means that the scores out of 10 up to and including July 2019 have been modified to make them comparable with the scores out of 5 from September 2019 onwards. A further complication is that two suppliers, Scottish Power and SSE, each allowed two Trustpilot domains to continue to evolve on an ongoing basis, both having a significant number of reviews but with different TrustScores. For purposes of the OCS index, the calculations are based on the scores in their .co.uk domains, which the two companies have now decided are the relevant ones for their retail businesses, rather than on the (lower) scores in their .com domains.

m														
extraenergy.com	3.7	3.8	4.0	4.0	4.0	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	
flowenergy.uk.com	4.3	4.2	4.2	4.1	4.0	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
goodenergy.co.uk	3.2	3.0	3.9	4.0	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4
greennetworkenergy.co.uk	4.1	4.1	4.0	4.1	4.2	4.3	4.2	4.1	4.1	4.2	4.2	4.2	4.2	4.2
mygreenstarenergy.com	3.4	3.5	3.4	3.2	3.0	3.3	3.2	3.1	3.0	3.0	2.9	2.8	2.8	2.8
iresa.co.uk	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.5	1.5		
isupplyenergy.co.uk	3.4	3.4	3.5	3.6	3.8	4.0	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2
npower.com	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
octopus.energy	4.8	4.8	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
outfoxthemarket.co.uk	4.0	4.3	4.3	2.8	2.9	3.4	4.0	4.2	4.3	4.4	4.4	4.5	4.5	4.6
ovoenergy.com	4.5	4.6	4.6	4.5	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2
peoplesenergy.co.uk	4.2	4.2	4.6	3.4	3.3	3.8	4.2	4.3	4.4	4.4	4.4	4.5	4.5	4.5
pfpenergy.co.uk	4.3	4.2	4.0	3.8	3.8	3.7	3.8	3.6	3.6	3.7	3.7	3.7	3.7	3.7
purepla.net	4.5	4.6	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.6
robinhoodenergy.co.uk	4.2	4.3	4.2	4.2	4.2	4.1	4.1	4.0	3.9	3.9	3.9	3.8	3.7	3.6
scottishpower.co.uk	1.4	1.3	1.3	1.2	1.2	1.1	1.2	2.7	3.2	3.2	3.5	3.8	3.8	3.8
shellenergy.co.uk	3.8	3.8	3.8	3.8	3.8	3.9	3.8	3.7	3.7	3.6	3.7	3.7	3.8	3.8
so.energy	4.8	4.8	4.8	4.8	4.8	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
solarplicity	4.2	2.5	2.4	2.8	2.7	2.5	2.4							
sparkenergy.co.uk	3.8	3.8	3.9	3.8	3.8	3.8	3.9	4.0	4.1	4.0	4.0	4.0	4.0	3.9
sse.co.uk	2.0	1.9	2.0	2.0	2.0	2.4	2.9	2.4	3.0	3.2	3.6	3.6	3.5	3.8
togetherenergy.co.uk	3.3	3.4	3.4	3.2	2.9	2.6	2.4	1.8	2.0	2.1	2.1	2.1	2.4	2.5
tonikenergy.com	4.5	4.5	4.4	4.5	4.6	4.6	4.5	4.5	4.4	4.2	4.1	3.8	3.7	3.6
utilita.co.uk	2.6	3.6	3.5	3.4	3.4	3.6	3.6	4.5	4.4	4.2	4.0	4.0	4.0	4.1
utilitypoint.co.uk	4.3	4.2	4.2	4.2	4.2	4.5	4.5	3.9	4.0	4.0	4.1	4.2	4.2	4.3
utilitywarehouse.co.uk	4.2	4.1	4.2	4.2	4.2	4.1	4.2	4.3	4.1	4.0	4.2	4.2	4.1	4.1

The number of reviews over the last two years varies considerably between those suppliers that are active in inviting reviews and those that are not. The option to invite reviews is open to all companies, though some choose not to take it. Trustpilot points out that the TrustScore can be increased by inviting reviews, noting that in the absence of such invitations, the views and TrustScores can be unrepresentative.[60] The suppliers that do invite reviews typically explain that

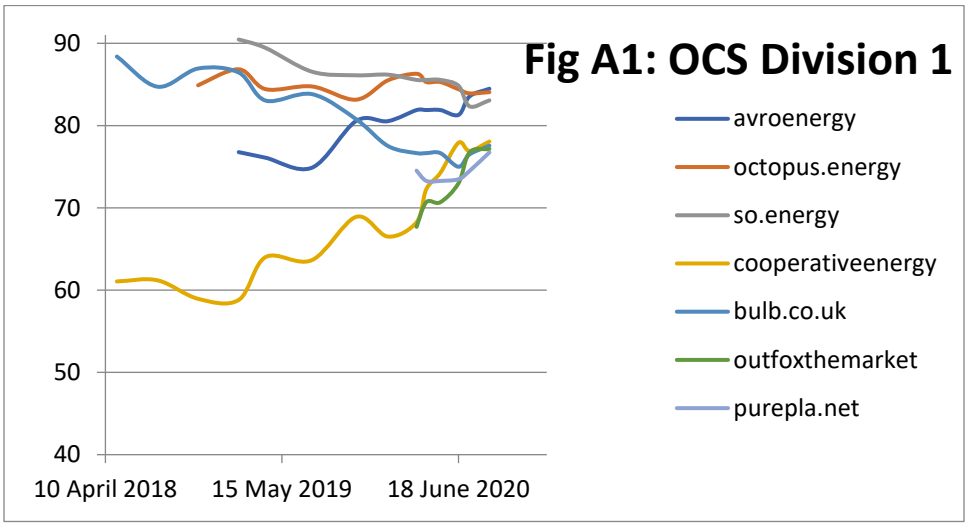
[60] "When companies claim their profile and actively invite their customers to write reviews, they engage people who otherwise may not have taken the time to provide feedback. Overall, companies that actively collect feedback are often reviewed by a larger and more representative group of customers. For companies that have a high level of

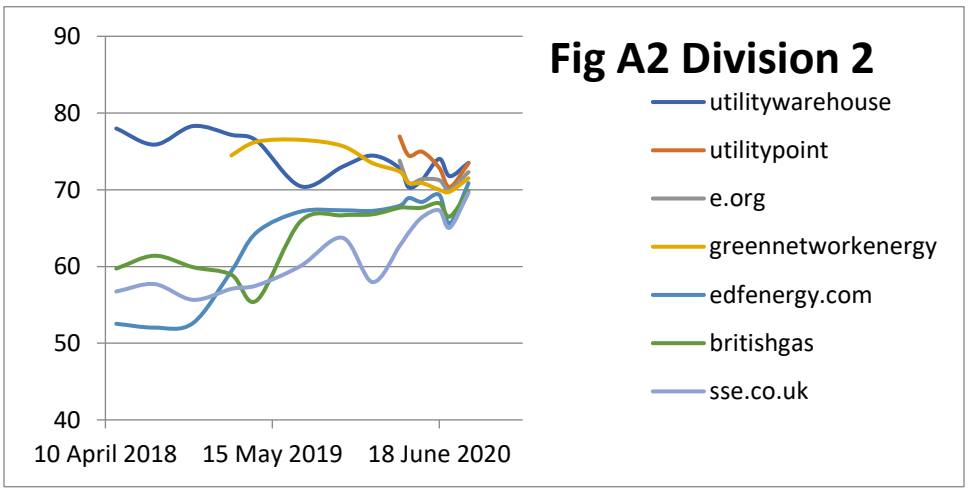
this increased communication with customers gives the supplier a better understanding of customers' preferences and concerns, and thereby enables improved customer service (Littlechild 2020b).

Appendix Three Performance over time grouped by present League position

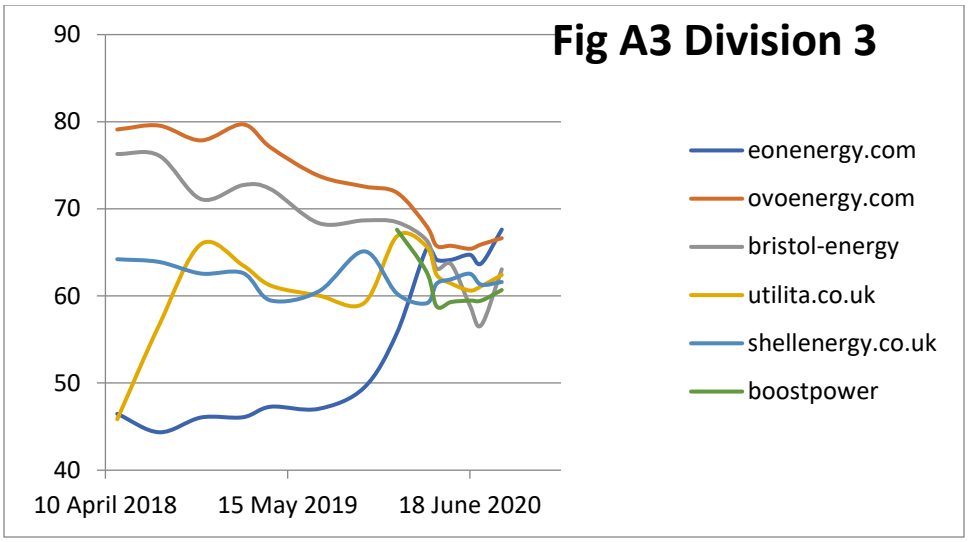
Whereas Table 2 in the main text reflects the OCS League on three particular days over the last two years, Figures A1 to A4 show the previous OCS scores of the suppliers at all 14 dates over those two years, grouping the suppliers by the Division in which they stood on 27 August 2020 (or when they last featured in the League).

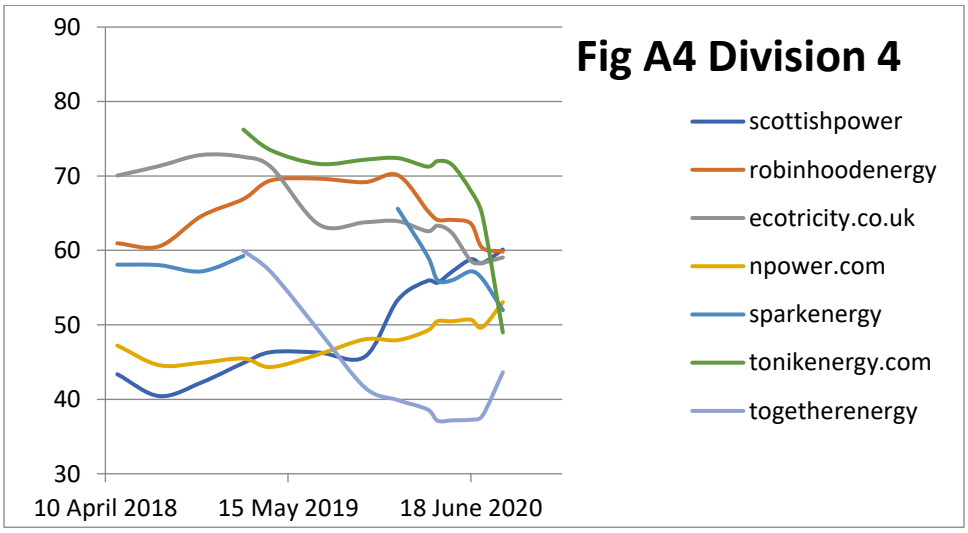
All suppliers presently at the top of Division 1 demonstrated outstanding performance compared to the sector as a whole. Special credit to Avro, Octopus and So Energy, presently la crème de la crème. Also to the only supplier (Bulb) that has been in Division 1 throughout the period, albeit its score has declined over time .





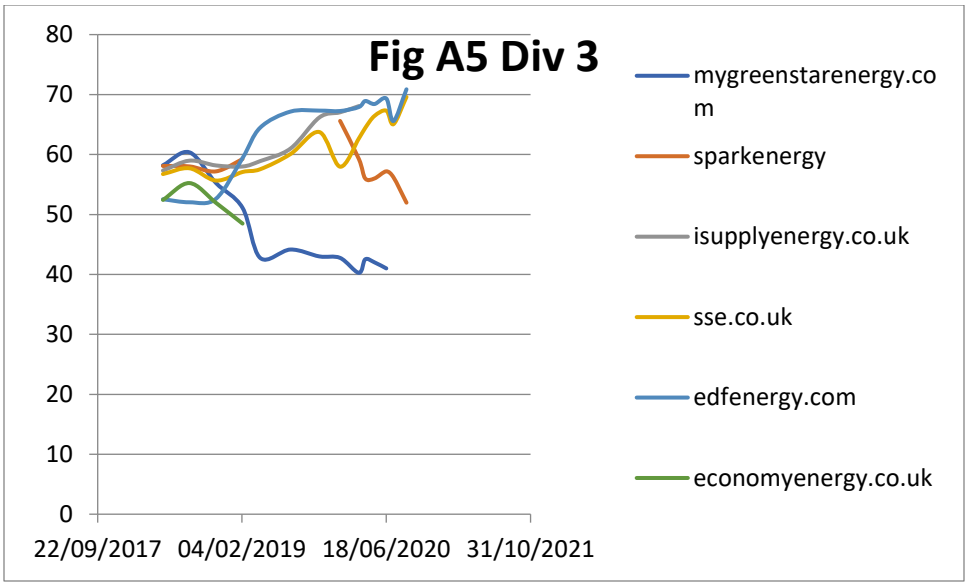
customer service, this often results in more positive reviews, and a higher star rating and TrustScore." https://support.trustpilot.com/hc/en-us/articles/219386577-What-do-Asking-for-reviews-Claimed-and-Unclaimed-mean-





At the other end of the League, Division 4 comprises those suppliers of whom one has to wonder: will they still be here next month? In the middle two divisions, suppliers competing to best meet the needs of a variety of different customers, and with varying degrees of success.

These four Figures may give the impression that there is convergence over time within each league. However, this is simply an artefact of selecting suppliers according to their latest league position. A similar graph of all the suppliers in a particular division initially would show divergence over time. For a slightly extreme example see Fig A5.



Appendix Four Polarisation of savings against the tariff cap

Table A5 shows that, in 2018, standard variable tariffs exhibited a fairly even spread of savings against the highest tariff in the market. That is, about 3 or 4 suppliers usually offered a negligible saving (under £20), half a dozen or so offered an intermediate saving (over £20 and under £100), and rather more than half a dozen offered a significant saving (over £100, median in the range £140 to £200). Generally, but not always, those suppliers offering the significant savings had a higher median OCS score.(Median omitted for fewer than 3 observations.)

Table A5 Savings offered against the highest standard variable tariff in 2018

Savings against highest tariff		Jan 2018	Mar 2018	May 2018	Jul 2018	Sep 2018
£0 - £20	Number of suppliers	3	4	3	5	1
	Median savings	£8	£10	£5	£11	
	Median OCS	47	61	52	60	
£21-£99	Number of suppliers	7	6	6	7	10
	Median savings	£42	£51	£55	£34	£50.5
	Median OCS	47	58.5	56	52	58
Over £100	Number of suppliers	9	10	7	7	8
	Median savings	£169	£141.5	£173	£191	£195
	Median OCS	59	59	76	61	60

Table A6 suggests a notable development since then, presumably as a result of the tariff cap, although size of differentials will also reflect the trend of wholesale prices. In January 2019, the tightness of the initial tariff cap meant that two thirds of the suppliers were offering negligible savings against the cap, and all but two of the other suppliers were offering under £100 saving. Even with the subsequent relaxation of the cap as wholesale prices fell, over half the suppliers are still offering negligible savings against the cap. More interestingly, the market has polarised

between those suppliers offering essentially no saving against the tariff cap and those offering a significant saving. Only a couple of suppliers now offer any intermediate level of saving.

Table A6 Savings offered against the standard variable tariff cap 2019 - 2020

Savings against tariff cap		Jan 2019	May 2019	Oct 2019	Mar 2020	Aug 2020
£0 - £20	Number of suppliers	14	11	14	13	11
	Median savings	£0	£0	£2	£0	£0
	Median OCS	59	61	66	65	68
£21-£99	Number of suppliers	5	5	2	2	2
	Median savings	£77	£39			
	Median OCS	76	65			
Over £100	Number of suppliers	2	9	6	8	7
	Median savings		£152	£150	£144	£135
	Median OCS		76	81	77	77

For present purposes, note that there remained a marked difference in OCS scores. Specifically, the roughly two thirds of suppliers offering zero or negligible savings (which included all six Large suppliers) had median OCS score gradually increasing from 59 to 68. (This presumably reflected the improvement in OCS scores of the Large suppliers that offer no tariff savings.) In contrast, the one third of suppliers offering significant savings (median £135 to £150) had median OCS score in the range 76 to 81.

Many new entrants into the residential energy market have focused on offering the lowest prices, via fixed price tariffs. And there have been allegations that energy suppliers attract new customers on low price fixed tariffs in order later to exploit them via high price variable tariffs (so-called ‘tease and squeeze’ tactics, imposing ‘loyalty taxes’). In contrast, it is now evident that some suppliers have seen merit in offering significant savings on standard variable (default) tariffs on a continuing basis – that is, in rewarding customer loyalty, rather than in imposing a ‘loyalty tax’ More precisely, since early 2018 (at least), some two dozen suppliers have offered standard variable tariffs with savings of more than £100 compared to the highest price standard variable tariff or (later) the tariff cap on one or more of the dates examined. But only four suppliers have done so on all occasions examined here throughout 2019 and 2020: Avro Energy, Bulb Energy, Octopus Energy and So Energy.

These four suppliers are recent entrants, mostly around 2015. They were only beginning to be active as Small suppliers at the time of the 2016 CMA report; the group does not include the more established Medium suppliers of that time. But all four of these new suppliers have since grown fast to become Medium suppliers. And ever since they first joined the OCS league, all four have always been in Division 1. This seems an important and encouraging new development, that counters some of the allegations and concerns about ‘loyalty taxes’. It would be interesting, as a referee suggests, to measure the relationship between a supplier’s market share and its prices and OCS score. The development also perhaps parallels the similar recent finding in Australia, that the ‘middle tier’ of retailers may reward customer loyalty (Mountain and Burns 2020).