Nutwood

Six years of customer service ratings of energy suppliers: Part 3

Professor Stephen Littlechild

How do different suppliers compare in terms of customer service and how has this changed over time? Part 1 of this series (*Energy Spectrum, Issue 889, 5 February 2024*) traced the evolution of the average Overall Customer Service (OCS) score over the last six years. It found a gradual rise from about 60 to 70 over the first three years (from Q417 to Q320), then a gradual fall back to about 64 by early 2023, followed by a slight increase to 66 by Q323. It found that Citizens Advice and Ofgem scores were lowest, Which? scores (partly reflecting customer views) were usually a little higher, and Trustpilot TrustScores (views of customers themselves) were significantly higher.

Part 2 of this series (*Energy Spectrum, Issue 892, 26 February 2024*) showed that most of the initial 'Big Six' suppliers made a significant improvement over those first three years, but from a low base (40 to 60). Thereafter they fell back somewhat, with Scottish Power surprisingly coming in highest at 65. In contrast, the large and medium new entrants came in with remarkably high scores (60 - 90) over the first three years, before gradually coalescing over the range 60 - 70 more recently.

Part 3 of the series now explores the customer service ratings of six small suppliers that have so far survived and some of the 17 suppliers that entered the market but did not survive.

Performance of surviving small suppliers

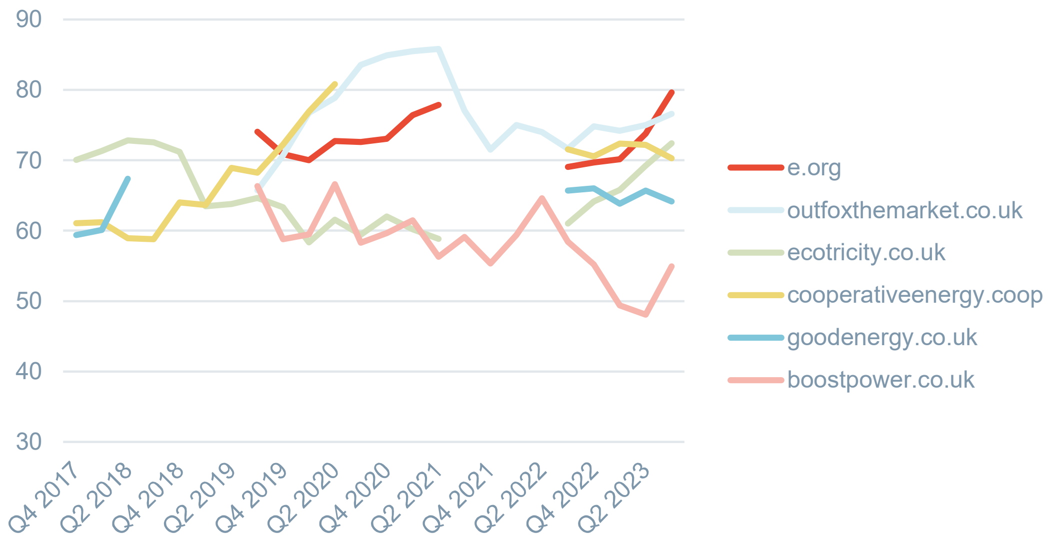
Figure 1 shows the scores of six new entrants that have lasted the course but not grown rapidly to become Large or Medium suppliers. With the possible exception of Outfox the Market, these are largely specialist suppliers. Ecotricity, Good Energy, and Cooperative Energy (now in partnership with Octopus Energy) provide only renewable energy, while Boost Power and E are primarily prepay suppliers.

There are gaps in the OCS scores, partly because some suppliers (like Outfox the Market) were not in the market throughout the period. Also, some other suppliers did not always attract sufficient sample responses for Which? to rate them, particularly during 2021 and 2022.

There is evidently considerable variation between suppliers and over time. Thus, Cooperative Energy hovered around 60 in the first four quarters then zoomed up to over 80 once Octopus Energy took responsibility for its billing and customer service in August 2019. Then it did not receive Which? reviews for four years, but it is now back in the OCS league at around 70. Outfox the Market has perhaps the most striking record: from the mid-60s in Q319 to the mid-80s for the year from Q320, then down to the low 70s and now back up to the high 70s, even overtaking Octopus Energy.

E is also notable: in the mid-70s in 2020-2021 then from 70 to 80 during 2023, now top of the OCS League. Ecotricity was disappointing initially, falling from around 70 at

Figure 1: OCS scores for small suppliers



Source: Professor Stephen Littlechild

the beginning of the period to around 60 by mid-2021 then not reviewed, but over the last year has increased markedly to the low 70s. Good Energy was in the 60s initially, then not reviewed for some years. It came back in 2023 but is still in the 60s despite taking on Kraken software. Finally, Boost Power has fluctuated around 60 for much of its time in the OCS league but fell markedly to 50 in early 2023 and has not fully recovered yet.

The overall picture is that, with the exception of Boost Power, these small suppliers, when fully evaluated, match the customer service that the large and medium new entrants are currently offering. The top four of them are among the best suppliers in the market.

Performance of small suppliers that have exited the market

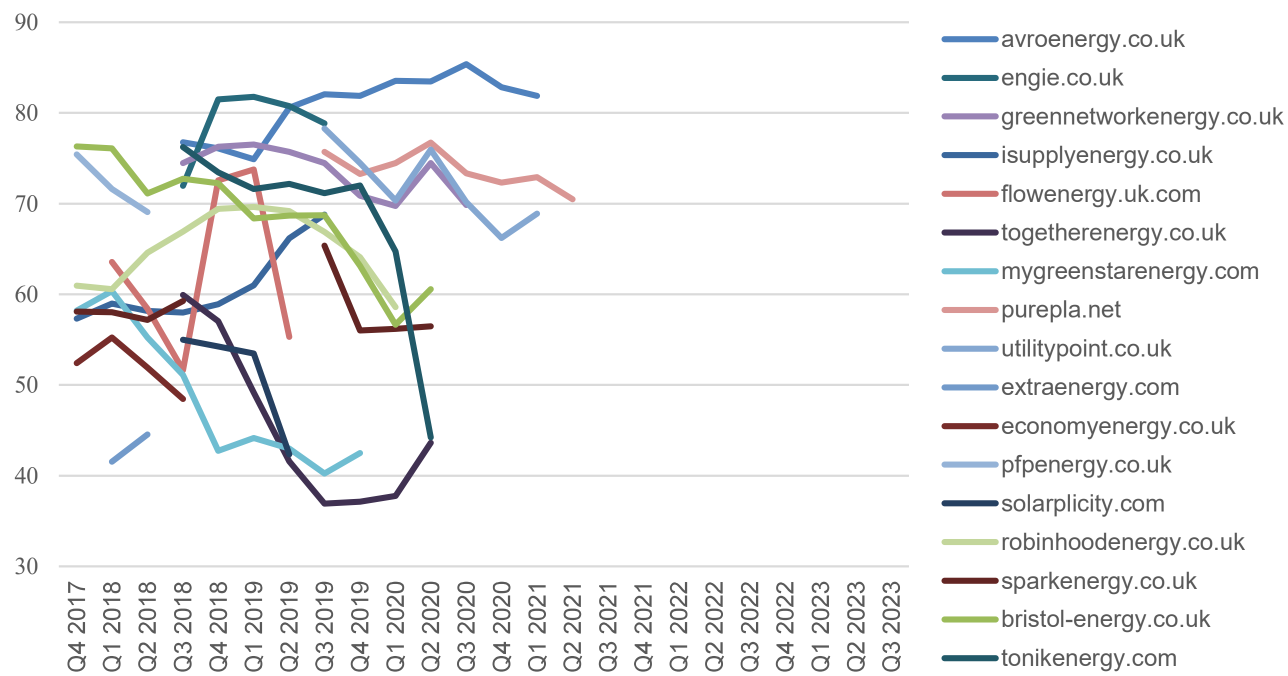
Figure 2 shows the scores of 17 suppliers that, at some point, became sufficiently established in the market to be rated by all four components of the OCS, but subsequently left the market. These suppliers were mostly active by Q417, though not always large enough to be scored. They were widely reviewed in 2019 and early 2020. Some, like PFP Energy and Extra Energy, appeared in the league for only two or three quarters, whereas Robin Hood Energy survived for 10 quarters and Avro Energy for 11. On average, they were in the OCS league for seven quarters. All but a handful were gone by mid-2020, and the last was seen in Q221.

The range of OCS scores was extremely wide, both in aggregate and often for individual suppliers. Engie scored in the 80s in 2018-19, as did Avro Energy for the next couple of years. Over half a dozen other suppliers scored regularly in the 70s during the first three years, and another half a dozen suppliers typically scored in the 60s. But several others were in the 50s, and some in the 40s.

Many suppliers recorded broadly consistent scores during their time in the League. A few suppliers improved their scores over time, notably iSupply which rose from 57 to 69. However, there were some spectacular falls in their brief periods in the League: Solarplicity from 55 to 42, Bristol Energy from 76 to 60, Green Network Energy from 60 to 40, Together Energy from 60 to 37 (then partly recovering to 44), and most strikingly Tonik Energy from 76 to 44.

By Q320, only four of these small suppliers were still operating. But they had high scores: Green Network Energy, PurePlanet and Utility Point in the low 70s, and Avro Energy at 84. However, a year later all four suppliers had gone. Clearly, it was not that customers rejected them for poor customer service. Rather, they were unable to weather the combination of rising wholesale prices and a Default Tariff Cap that allowed them no flexibility.

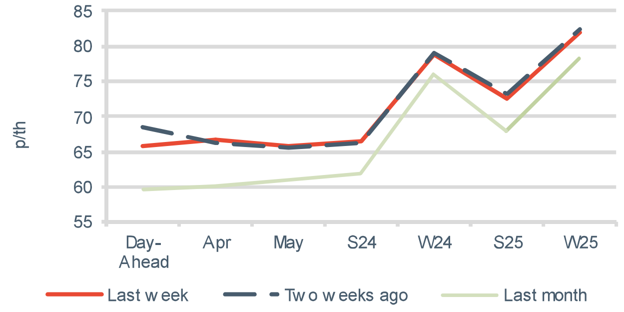
Figure 2: OCS scores for supplier that have exited the market

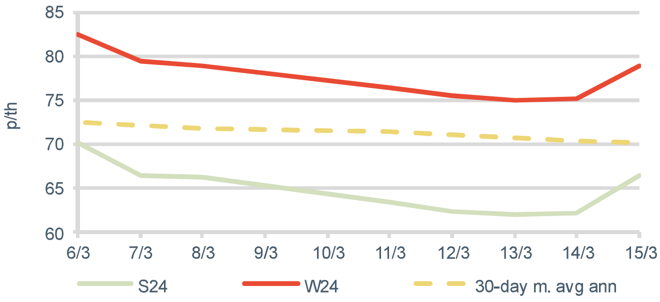


Source: Professor Stephen Littlechild

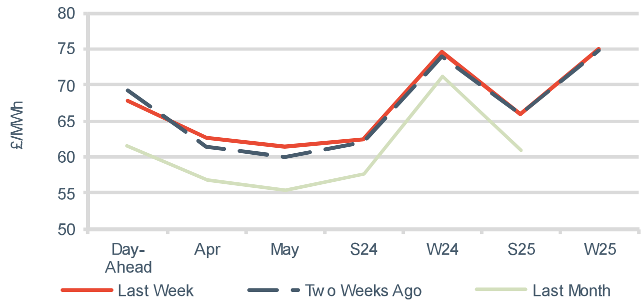
Wholesale | Markets

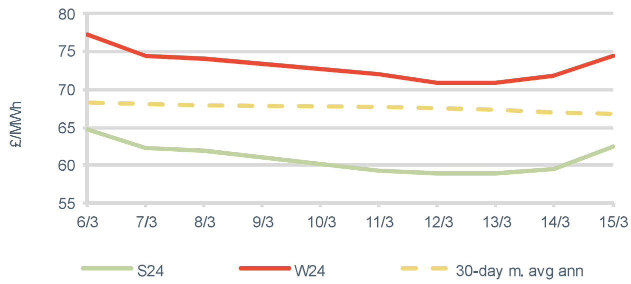
Gas forward curve (left) and seasonal contract movements (right) – prices taken 15 March 2024





Power forward curve (left) and seasonal contract movements (right) – prices taken 15 March 2024





Power, gas, and international market prices (last week versus previous week comparison)

Baseload (£/MWh)	Day-ahead	Apr 24	May 24	Q224	S24	W24	S25	W25	S26	Ann Apr 24
15 March 2024	67.75	62.75	61.50	61.00	62.50	74.50	66.00	75.00		68.50
08 March 2024	69.25	61.50	60.00	61.00	62.00	74.00	66.00	74.75		68.00
Percentage change	-2.2%	2.0%	2.5%	0.0%	0.8%	0.7%	0.0%	0.3%		0.7%

Gas (p/th)	Day-ahead	Apr 24	May 24	Q224	S24	W24	S25	W25	S26	Ann Apr 24
15 March 2024	65.75	66.60	65.90	66.10	66.50	78.90	72.50	82.00	67.50	72.70
08 March 2024	68.50	66.20	65.50	65.75	66.30	79.00	73.25	82.50	69.00	72.65
Percentage change	-4.0%	0.6%	0.6%	0.5%	0.3%	-0.1%	-1.0%	-0.6%	-2.2%	0.1%

International power (£/MWh)	GB	Ireland	France	Germany
15 March 2024	67.75	76.45	53.76	47.18
08 March 2024	69.25	60.85	56.00	53.61
Percentage change	-2.2%	25.6%	-4.0%	-12.0%

International gas (p/th)	UK NBP	Dutch TTF	Henry Hub	Asian LNG
15 March 2024	65.75	63.71	12.31	72.40
08 March 2024	68.50	65.86	11.80	66.20
Percentage change	-4.0%	-3.3%	4.3%	9.4%

Source: Cornwall Insight / Marex Spectron