

Notice and Consultation on Licence Modifications for Setting Direct Debits, Return of Customer Credit and a New Code of Practice on Customer Service for Domestic Energy Suppliers

26 November 2024



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the key functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; Markets; Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

On 25 March 2024 we published a Consultation paper on Energy Supplier Customer Service Levels. Following consultation, we published our decisions on a new Code of Practice on Energy Supplier Customer Service Level, requirements for the setting of fixed direct debits and return of customer credit. To enact these decisions, modifications are required to domestic electricity and gas supply licences. This consultation sets out the licence modifications we propose to make.

Audience

This licence modification Consultation paper will be of interest to domestic gas and electricity supply licence holders, organisations representing consumer interests and domestic consumers.

Consumer impact

The proposed licence modifications will implement the relevant customer service measures developed to remedy customer service level failings impacting a significant number of consumers. Implementation of our decisions will require consistent good practice across all energy suppliers, increase the level of consumer protection and improve the standards of service that domestic customers receive from their energy supplier in key customer service areas. This includes consumers in vulnerable circumstances, customer contact centre services, processes for fixed direct debits and the return of customer credit.

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Executive Summary

It is critical that consumers are afforded the appropriate protections throughout their engagement in our energy markets, including the levels of customer service that they can expect from their energy supplier. We have sought to improve the standards of service provided by energy suppliers for all consumers, in particular those in vulnerable circumstances. This work will address the concerning reports first noted in Q4 2022 regarding energy supplier customer service levels.

On 25 March 2024 we published a Consultation paper on Energy Supplier Customer Service Levels. This Consultation paper outlined our proposed mandatory requirements for energy supplier domestic customer service levels across four key areas: consumers in vulnerable circumstances; customer contact centre services; setting fixed direct debits; and return of customer credit. Following consultation, we published our final decisions. To enact these decisions, modifications are required to electricity and gas supply licences. This consultation sets out the licence modifications we propose to make.

The modifications will be reflected in new licence conditions which will outline the various licensee obligations and form the basis for compliance. We are proposing to implement the new Code of Practice (CoP) on Customer Service through a new licence condition across all gas and electricity domestic supply licences. We are also proposing to implement new licence conditions for the processes of setting fixed direct debits and the return of customer credit across all gas and electricity domestic supply licences.

We are required by law to consult and give notice to the relevant Licensees of our intention to introduce licence modifications. This paper and separate legal notices meet that requirement.

We thank energy suppliers and other stakeholders for their input to date and welcome further views on our proposals outlined in this paper.

1. Background

- 1.1 On 25 March 2024 we published a Consultation paper¹ on Energy Supplier Customer Service Levels. This Consultation paper outlined our proposed mandatory requirements for energy supplier domestic customer service levels across four key areas: consumers in vulnerable circumstances; customer contact centre services; setting fixed direct debits; and return of customer credit.
- 1.2 Following consultation, we published our final decisions. The Decision paper sets out our rationale for our decisions following analysis of all available information including the consultation responses received. To enact these decisions, modifications are required to electricity and gas supply licences to introduce new requirements for:
- (i) CoP on Customer Service;
 - (ii) Processes for setting fixed direct debits; and
 - (iii) Processes for the return of customer credit.
- 1.3 Before making any licence modifications we are required to consult on our proposals under and in accordance with Article 14(2) of the Electricity (Northern Ireland) Order 1992 and Article 14(2) of the Gas (Northern Ireland) Order 1996.
- 1.4 This consultation is therefore issued under, and in accordance with, Article 14(2) of both the Electricity Order and the Gas Order and sets out the licence modifications we propose to make to all electricity and gas supply licences.
- 1.5 The reasons for and effect of the proposed modifications are set out in Section 2 of this paper. The legal notices required under Article 14(2) of the Electricity Order and Gas Order and the specific licence conditions for each type are set out in separate appendices to this paper.
- 1.6 We are consulting on the proposed amendments for a period of 28 days from the publication date of this document. Any responses, representations or objections to this consultation will be considered prior to any final decisions being made.

¹ [Consultation - Energy Supplier Customer Service Levels](#)

2. Licence Modifications

Overview

- 2.1 The CoP on Customer Service aims to ensure that licensees have robust systems and policies in place to ensure that their domestic customers receive supportive, timely and accurate customer service. It puts in place a baseline standard of customer service that energy suppliers must provide to their domestic customers including additional requirements for those customers in vulnerable circumstances. In addition to new requirements relating to the setting of direct debits and return of customer credit, these measures will ensure that all customers have a positive customer service experience when interacting with their supplier.
- 2.2 We are consulting on a new licence condition within both gas and electricity supply licences that require compliance with the CoP on Customer Service. The new licence condition places a requirement on the licensee to comply with the obligations of the CoP on Customer Service. It also requires agents or sub-contractors procured by the licensee to comply with the obligations of the CoP on Customer Service.
- 2.3 There is also provision within the new licence condition for Utility Regulator (UR) to modify the CoP on Customer Service following consultation with stakeholders. We will monitor the effectiveness of the CoP in ensuring that suppliers' customer service remains at levels which are deemed acceptable and provide appropriate protections for those customers in vulnerable circumstances. Where UR considers it necessary to amend this CoP it will consult on any proposed changes.
- 2.4 Two new licence conditions focus on the processes for setting fixed direct debits and the processes for the return of customer credit. These licence conditions aim to resolve issues identified through a Gemserv review on how suppliers set and review fixed direct debits and issues around incorrect direct debit amounts being set. The proposed modifications will also prevent customers from building up excessive credit and assist in the return of that credit.

Proposed Licence Modifications

- 2.5 The proposed new and amended licence conditions for the relevant gas and electricity licences are presented below. The legal licence modification notices are set out in separate appendices to this paper.

Electricity Supply Licence Modification

Proposed changes

- 2.6 We propose to amend all electricity supply licences to include three new licence conditions that will reflect: the introduction of the CoP on Customer Service; processes for setting fixed direct debits; and processes for return of customer credit.
- 2.7 We are also proposing to amend existing licence conditions to include a relevant cross reference to our new proposed licence conditions in relation to the processes for setting fixed direct debits and return of customer credit.
- 2.8 The affected licences are outlined below:

Affected Licences	Condition
<ul style="list-style-type: none"> AES Ballylumford Limited 	Include three new licence conditions as follows:
<ul style="list-style-type: none"> Board Gais Energy Limited 	
<ul style="list-style-type: none"> Budget Energy Limited 	Condition 27b: Processes for setting fixed direct debits;
<ul style="list-style-type: none"> Click Energy 	
<ul style="list-style-type: none"> Electric Ireland (ESBIE NI Ltd) 	Condition 27c: Processes for the return of customer credit;
<ul style="list-style-type: none"> Electricity Supply Board (ESB) 	
<ul style="list-style-type: none"> ElectroRoute Energy 	Condition 31a: Code of Practice on Customer Service.
<ul style="list-style-type: none"> Energia Customer Solutions NI Limited 	
<ul style="list-style-type: none"> firmus energy (Supply) Limited 	
<ul style="list-style-type: none"> Flogas Enterprise Solutions Limited 	
<ul style="list-style-type: none"> Gaelectric Green Energy Limited 	Include amended licence conditions as follows:
<ul style="list-style-type: none"> Go Power (LC Power Limited) 	
<ul style="list-style-type: none"> LCC Group Limited 	Condition 27 (14)b: Terms and Conditions of Electricity Supply Contracts;
<ul style="list-style-type: none"> Orstead Onshore Green Energy NI Limited 	
<ul style="list-style-type: none"> Power NI (NIE Energy Ltd) 	Condition 38 (13)b: Provision of Information to Customers
<ul style="list-style-type: none"> Share Energy Trading Ltd 	
<ul style="list-style-type: none"> SSE Airtricity Energy Supply Limited 	
<ul style="list-style-type: none"> Statkraft Markets GmbH 	
<ul style="list-style-type: none"> 3T Power Limited 	

Condition 27: Terms and Conditions of Electricity Supply Contracts

14. The Licensee shall ensure that its standard terms and conditions provide Domestic Customers with a choice of payment methods, including as a minimum making payment:
- (a) in arrears (at such frequency as is set out in the terms and conditions);
 - (b) by direct debit (at such frequency as is set out in the terms and conditions). Refer to Condition 27b for the processes for setting fixed direct debits; and
 - (c) in advance through a prepayment meter.

Condition 27b: Processes for setting fixed direct debits

1. This Condition shall apply where the Licensee supplies, or offers to supply, electricity to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations set out in this licence condition.

Setting fixed direct debits

3. The Licensee must take all reasonable steps to ensure that when setting the fixed direct debit for a new customer, it is based on the best and most accurate usage information; the fixed direct debit value must be calculated specific to the individual customer and based on up-to-date and accurate information.
4. For new customers, payments must be based on a number of factors as outlined below, which includes information provided by the customer. This must, as a minimum, include the following:
 - (i) Up to date meter reading;
 - (ii) Size of the property;
 - (iii) How many people live at the property; and
 - (iv) Take account of any other relevant information provided by the customer.
5. For any fixed direct debit payment plan (new and amended), Licensees must provide clear and accessible information to the customer on how this payment plan operates.
6. When signing up a customer to a fixed direct debit payment plan, the

Licensee must clearly explain how the fixed direct debit operates. This must be clearly articulated to the customer at the point of sign up (verbally if in person or via phone or written if online) and confirmed in writing by the customer's chosen method of contact. The Licensee must include the following information (as a minimum):

- (i) How the customer's fixed direct debit has been calculated;
- (ii) That the fixed direct debit value can change over the course of the contract and that it will be reviewed at regular intervals (to ensure it is reflective of customers' actual usage either lower or higher);
- (iii) How and when the Licensee will review the fixed direct debit;
- (iv) How and when the customer can request a review of the fixed direct debit;
- (v) How the customer can help improve the accuracy of the fixed direct debit e.g. by providing meter reads at regular intervals to ensure there is an accurate record of actual usage;
- (vi) That a fixed direct debit payment plan can result in overall account credit or debit if the energy usage is different to that expected; and
- (vii) What options the customer has if they accrue credit (to include how to request payment of their credit (as per Condition 27c) and processes for discussing with the Licensee any debt that has accrued on the account).

Reviewing fixed direct debits

7. The Licensee must conduct a regular review of fixed direct debits to ensure they accurately reflect the customer's actual energy usage. This must occur (i) at least every six months (as a minimum) or (ii) if there is a trigger such as a build-up of excess credit, or (iii) following a customer request.
8. Customers can submit their own meter reads to their Licensee, these must be used by the Licensee to review their fixed direct debits to ensure the value is based on accurate information and not estimated reads.
9. If a Licensee changes a customer's fixed direct debit (e.g. due to a tariff change or a Licensee-initiated review) the customer must receive clear, informative, and timely communications on the fixed direct debit change, including the Licensee's reason for the change. This communication must be sent by the customer's preferred means of contact. The communication cannot be solely through information on the face of the bill (as per Condition

27b(5)).

10. In addition to the six-month review, Licensees must have controls in place to identify and trigger a review when a customer has excessive credit or debit amounts accrued (further detail on what is deemed excessive is defined under processes for return of customer credit).

11. In this Condition:

Fixed direct debit	means individual customers' energy payments are calculated to spread the cost throughout the year. On a fixed direct debit the customer pays a set amount each month.
Excess Credit	means credit balances above the level the Licensee needs to collect to cover a customer's underpayment over the winter months.
Agents or Subcontractors	means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

Condition 27c: Processes for the return of customer credit

1. This Condition shall apply where the Licensee supplies, or offers to supply, electricity to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations set out in this Licence Condition.
3. Customer credit – customers on a fixed direct debit must not have excessive credit on their account and any accrued customer credit must be easily obtained from their Licensee.
 - a) Excessive credit is defined as credit balances above the level the Licensee needs to collect to cover a customer's underpayment over the winter months.
 - b) Any customer in credit can, on request, receive payment of their credit in a timely manner and this must not require multiple contacts by the customer. This must take account of the latest actual meter reads and coverage of an imminent bill. The payment must be made within a maximum of 28 days (or earlier if practical) from the request being made by the customer.

- c) Excessive customer credits must trigger a review by the Licensee to ensure the customer's fixed direct debit is set at the correct level. If the customer is paying in excess of their usage, the Licensee must either reduce the customer's fixed direct debit or refund the customer's credit (dependent on the customer's preferred option).
4. Where a Domestic Customer terminates the Contract in accordance with its provisions, the Licensee shall return any credit in accordance with licence condition 38(13)b.
5. In this condition:

Fixed direct debit means individual customers' energy payments are calculated to spread the cost throughout the year. On a fixed direct debit the customer pays a set amount each month.

Excess Credit means credit balances above the level the Licensee needs to collect to cover a customer's underpayment over the winter months.

Agents or Subcontractors means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

Condition 31a: Code of Practice on Customer Service

1. This Condition shall apply where the Licensee supplies, or offers to supply, electricity to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations applicable to it under, the Code of Practice on Customer Service.
3. The Authority, following consultation with the Licensee, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may from time to time make such modifications to the Code of Practice on Customer Service, as the Authority considers are necessary or expedient.
4. In this Condition:

Code of Practice on Customer Service means the relevant document of that name, prepared and published from time to time by

the Authority, relating to customer service.

Vulnerable or Vulnerability

means 'A consumer is deemed vulnerable when their personal characteristics or circumstances reduce their ability to engage effectively and achieve fair outcomes. A vulnerable consumer is significantly less able to protect or represent their interests and significantly more likely to suffer detrimental impacts on their health, wellbeing or finances'.

Agents or Subcontractors

means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

Condition 38: Provision of Information to Customers

Final Bill or Statement

13. Where a Domestic Customer terminates the Contract in accordance with its provisions, the Licensee shall:

(a) send a final bill to the Domestic Customer within six weeks of the Licensee ceasing to provide a supply of electricity to the Domestic Customer; and

(b) use best endeavours to refund any outstanding credit to the Domestic Customer within eight weeks of the Licensee ceasing to provide a supply of Electricity to the Domestic Customer via an appropriate mechanism. Refer to Condition 27c for processes for the return of fixed direct debit customer credit.

Gas Supply Licence Modification

Proposed changes

- 2.9 We propose to amend all gas supply licences to include three new licence conditions that will reflect: the introduction of the CoP on Customer Service; processes for setting fixed direct debits; and processes for return of customer credit.
- 2.10 We are also proposing to amend existing licence conditions to include a cross reference to our new proposed licence conditions in relation to the processes for setting fixed direct debits and return of customer credit.
- 2.11 The affected licences are outlined below:

Affected Licences	Condition
<ul style="list-style-type: none"> SSE Airtricity Gas Supply (NI) Ltd 	Include three new licence conditions as follows:
<ul style="list-style-type: none"> Firmus Energy (Supply) Ltd – Ten Towns 	
<ul style="list-style-type: none"> firmus energy (Supply) Ltd – Greater Belfast Area 	Condition 2.11a: Code of Practice on Customer Service;
<ul style="list-style-type: none"> Flogas Enterprise Solutions Limited 	Condition 2.18a: Processes for setting fixed direct debits;
<ul style="list-style-type: none"> Electric Ireland 	
<ul style="list-style-type: none"> Go Power 	
<ul style="list-style-type: none"> Flogas Natural Gas Limited 	Condition 2.18b: Processes for the return of customer credit.
<ul style="list-style-type: none"> Energia 	
<ul style="list-style-type: none"> Power NI Energy Limited 	Include amended licence conditions as follows:
<ul style="list-style-type: none"> SSE Airtricity Energy Supply (NI) Ltd 	
<ul style="list-style-type: none"> SSE Energy Supply Limited 	
<ul style="list-style-type: none"> Shell Energy Europe Limited 	
<ul style="list-style-type: none"> Viridian Energy Limited 	
<ul style="list-style-type: none"> Board Gais Energy Ltd 	
<ul style="list-style-type: none"> AES Ballylumford Limited 	
<ul style="list-style-type: none"> British Gas Trading Limited 	
<ul style="list-style-type: none"> Coolkeeragh ESB Limited 	
<ul style="list-style-type: none"> ElectroRoute Energy Trading Limited 	
<ul style="list-style-type: none"> ESB Gas Supply Licence 	Condition 2.18.14b: Terms and Conditions of Electricity Supply Contracts;
<ul style="list-style-type: none"> EP NI Energy Limited 	
<ul style="list-style-type: none"> EP Commodities 	
<ul style="list-style-type: none"> Ceres Energy Limited 	
	Condition 2.19.13b: Provision of Information to Customers

Condition 2.11a: Code of Practice on Customer Service

1. This Condition shall apply where the Licensee supplies, or offers to supply, gas to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations applicable to it under, the Code of Practice on Customer Service.
3. The Authority, following consultation with the Licensee, the General Consumer Council and any other person who in the opinion of the Authority is likely to be interested or affected, may from time to time make such modifications to the Code of Practice on Customer Service, as the Authority considers are necessary or expedient.
4. In this Condition:

Code of Practice on Customer Service means the relevant document of that name, prepared and published from time to time by the Authority, relating to customer service.

Vulnerable or Vulnerability means 'A consumer is deemed vulnerable when their personal characteristics or circumstances reduce their ability to engage effectively and achieve fair outcomes. A vulnerable consumer is significantly less able to protect or represent their interests and significantly more likely to suffer detrimental impacts on their health, wellbeing or finances'.

Agents or Subcontractors means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

Condition 2.18: Terms and Conditions of Gas Supply Contracts

2.18.14 The Licensee shall ensure that its standard terms and conditions provide domestic consumers with a choice of payment methods, including as a minimum making payment:

- (a) in arrears (at such frequency as is set out in the terms and conditions);
- (b) by direct debit (at such frequency as is set out in the terms and conditions). Refer to Condition 2.18a for the processes for setting fixed direct debits; and
- (c) in advance through a prepayment meter.

Condition 2.18a: Processes for setting fixed direct debits

1. This Condition shall apply where the Licensee supplies, or offers to supply, gas to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations set out in this licence condition.

Setting fixed direct debits

3. The Licensee must take all reasonable steps to ensure that when setting the fixed direct debit for a new customer, it is based on the best and most

accurate usage information; the fixed direct debit value must be calculated specific to the individual customer and based on up-to-date and accurate information.

4. For new customers, payments must be based on a number of factors as outlined below, which includes information provided by the customer. This must, as a minimum, include the following:
 - (i) Up to date meter reading;
 - (ii) Size of the property;
 - (iii) How many people live at the property; and
 - (iv) Take account of any other relevant information provided by the customer.
5. For any fixed direct debit payment plan (new and amended), Licensees must provide clear and accessible information to the customer on how this payment plan operates.
6. When signing up a customer to a fixed direct debit payment plan, the Licensee must clearly explain how the fixed direct debit operates. This must be clearly articulated to the customer at the point of sign up (verbally if in person or via phone or written if online) and confirmed in writing by the customer's chosen method of contact. The Licensee must include the following information (as a minimum):
 - (i) How the customer's fixed direct debit has been calculated;
 - (ii) That the fixed direct debit value can change over the course of the contract and that it will be reviewed at regular intervals (to ensure it is reflective of customers' actual usage either lower or higher);
 - (iii) How and when the Licensee will review the fixed direct debit;
 - (iv) How and when the customer can request a review of the fixed direct debit;
 - (v) How the customer can help improve the accuracy of the fixed direct debit e.g. by providing meter reads at regular intervals to ensure there is an accurate record of actual usage;
 - (vi) That a fixed direct debit payment plan can result in overall account credit or debit if the energy usage is different to that expected; and

- (vii) What options the customer has if they accrue credit (to include how to request payment of their credit (as per Condition 2.18b) and processes for discussing with the Licensee any debt that has accrued on the account).

Reviewing fixed direct debits

7. The Licensee must conduct a regular review of fixed direct debits to ensure they accurately reflect the customer's actual energy usage. This must occur (i) at least every six months (as a minimum) or (ii) if there is a trigger such as a build-up of excess credit, or (iii) following a customer request.
8. Customers can submit their own meter reads to their Licensee, these must be used by the Licensee to review their fixed direct debits to ensure the value is based on accurate information and not estimated reads.
9. If a Licensee changes a customer's fixed direct debit (e.g. due to a tariff change or a Licensee-initiated review) the customer must receive clear, informative, and timely communications on the fixed direct debit change, including the Licensee's reason for the change. This communication must be sent by the customer's preferred means of contact. The communication cannot be solely through information on the face of the bill (as per Condition 2.18a(5)).
10. In addition to the six-month review, Licensees must have controls in place to identify and trigger a review when a customer has excessive credit or debit amounts accrued (further detail on what is deemed excessive is defined under processes for return of customer credit).
11. In this Condition:

Fixed direct debit	means individual customers' energy payments are calculated to spread the cost throughout the year. On a fixed direct debit the customer pays a set amount each month.
Excess Credit	means credit balances above the level the Licensee needs to collect to cover a customer's underpayment over the winter months.
Agents or Subcontractors	means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

Condition 2.18b: Processes for the return of customer credit

1. This Condition shall apply where the Licensee supplies, or offers to supply, gas to Domestic Premises.
2. The Licensee shall (and shall procure that its agents or sub-contractors shall) comply with the obligations set out in this licence condition.
3. Customer credit – customers on a fixed direct debit must not have excessive credit on their account and any accrued customer credit must be easily obtained from their Licensee.
 - a) Excessive credit is defined as credit balances above the level the Licensee needs to collect to cover a customer’s underpayment over the winter months.
 - b) Any customer in credit can, on request, receive payment of their credit in a timely manner and this must not require multiple contacts by the customer. This must take account of the latest actual meter reads and coverage of an imminent bill. The payment must be made within a maximum of 28 days (or earlier if practical) from the request being made by the customer.
 - c) Excessive customer credit must trigger a review by the Licensee to ensure the customer’s fixed direct debit is set at the correct level. If the customer is paying in excess of their usage, the Licensee must either reduce the customer’s fixed direct debit or refund the customer’s credit (dependent on the customer’s preferred option).
4. Where a domestic customer terminates the contract in accordance with its provisions, the Licensee shall return any credit in accordance with licence condition 2.19.13b.
5. In this Condition:

Fixed direct debit

means individual customers’ energy payments are calculated to spread the cost throughout the year. On a fixed direct debit the customer pays a set amount each month.

Excess Credit

means credit balances above the level the Licensee needs to collect to cover a customer’s underpayment over the winter months.

Agents or Subcontractors means any person directly or indirectly authorised to represent the Licensee in its dealings with customers or other Licensees.

2.12 The specific licence conditions for each licensee and the required legal notices are set out in the separate appendices to this paper.

Condition 2.19: Provision of Information to Consumers

Final Bill or Statement

2.19.13. Where a domestic consumer terminates the Contract in accordance with its provisions, the Licensee shall:

(a) send a final bill to the domestic consumer within six weeks of the Licensee ceasing to provide a supply of gas to the domestic consumer; and

(b) use best endeavours to refund any outstanding credit to the domestic consumer within eight weeks of the Licensee ceasing to provide a supply of gas to the domestic consumer via an appropriate mechanism. Refer to Condition 2.18b for processes for the return of fixed direct debit customer credit.

Reasons

2.13 In Q4 2022, we were made aware of a rising number of complaints and concerning reports regarding energy supplier customer service levels, specifically in the areas of customer contact centre services, the setting of fixed direct debits and the return of customer credit. We conducted a review of supplier performance and a number of potential failings in some suppliers' customer service levels were identified. As a result, in September 2023 we published a Guidance Note for domestic energy suppliers to set out our expectations on customer service levels. At this time we committed to the development of a consultation on mandatory requirements to strengthen our regulatory framework in this area. The aim of this was to improve the standards of service provided by energy suppliers for all consumers over the longer term, including those in vulnerable circumstances.

2.14 We believe that good customer service is not negotiable and investing in customer service is one of the key elements to long-term business success. We believe that the introduction of a CoP on Customer Service and new licence conditions for the processes for setting fixed direct debits and return of customer credit will lead to new and innovative technologies and creative problem solving which will ensure customers receive the best customer service and lead to successful outcomes for suppliers.

Effects

- 2.15 The CoP on Customer Service and new licence conditions will place obligations on domestic gas and electricity suppliers in Northern Ireland to achieve what we consider to be the minimum level of customer service that energy suppliers must provide to their domestic customers. This will ensure that all consumers across Northern Ireland are protected when liaising with their energy supplier and receive supportive, timely and accurate customer service. The CoP also includes additional requirements which will provide protections for those customers in vulnerable circumstances. Our proposed amendments for the setting of direct debits and return of customer credit will ensure that customers are paying only what they should for their energy.

Proposed Monitoring and Reporting

- 2.16 We intend to publish our final licence modification decisions in January 2025 to implement the new licence conditions by April 2025. Licensees will have a period of 6 months following the completion of the licence modification process before we will require reporting of compliance with the new requirements of the CoP and the new licence requirements. The current monthly reporting of call centre metrics and the relevant Retail Energy Market Monitoring (REMM) returns will continue in their current form.
- 2.17 Following this consultation and the subsequent final decision, we will publish an information paper detailing our monitoring and reporting requirements.

3. Next Steps

- 3.1 This consultation seeks to gather stakeholder views on the appropriateness, accuracy and completeness of the Licence modifications set out in Section 2.
- 3.2 UR proposes to consult for a period of 28 days from the publication date of this document. Any responses, representations or objections to this consultation will be considered prior to any decision.
- 3.3 Responses to this consultation paper should be submitted **on or before 5pm on 7 January 2025**. Responses should be sent to:

Rebecca Bloomfield
The Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED

Email: Rebecca.Bloomfield@uregni.gov.uk copied to Sohui.Donaldson@uregni.gov.uk

- 3.4 Our preference would be for responses to be submitted by e-mail. If you would prefer to provide us feedback in another format (for example via a meeting) please get in touch and we will try to facilitate this.
- 3.5 After consideration of the responses, we will publish our final modification decisions. The effective date for the licence modification will be at least 56 days after the publication of the decision to modify the licence is published.
- 3.6 Individual respondents may ask for their responses (in whole or in part) not to be published, or that their identity should be withheld from public disclosure. Where either of these is the case, we will also ask respondents to supply the redacted version of the response that can be published.
- 3.7 As a public body and non-ministerial government department, we are required to comply with the Freedom of Information Act (FOIA). The effect of FOIA may be that certain recorded information contained in consultation responses is required to be put into the public domain.
- 3.8 Note it is now possible that all responses made to consultations will be discoverable under FOIA, even if respondents ask us to treat responses as confidential.
- 3.9 It is therefore important that respondents take account of this and in particular, if asking us to treat responses as confidential, respondents should specify why they consider the information in question should be treated as such.
- 3.10 This paper is available in alternative formats such as audio, Braille etc. If an alternative format is required, please contact us and we will be happy to assist.

4. Appendices

Appendix Number	Description
Appendix 1	Electricity Suppliers Licence Modification Notice
Appendix 2	Gas Suppliers Licence Modification Notice
Appendix 3	Code of Practice on Customer Service

Glossary

CoP	Code of Practice
FOIA	Freedom of Information Act
REMM	Retail Energy Market Monitoring
UR	Utility Regulator