



National Energy Action NI

Response to the Utility Regulator's Consultation on Energy Supplier Customer Service Levels

May 2024



About NEA

National Energy Action (NEA)¹ is the national fuel poverty charity working across England, Wales and Northern Ireland to ensure that everyone can afford to live in a warm, safe and healthy home. We aim to influence strategic policy action to protect fuel-poor households and end fuel poverty.

NEA works to overcome the effects and causes of fuel poverty in four ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable households and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training** and qualifications to improve standards in energy advice.

Background to our Response

Our comments are informed by our research, expertise and extensive experience supporting fuel-poor households and vulnerable energy consumers in Northern Ireland. For example, the **Belfast Warm and Well Project**² coordinated by NEA NI offers advice and practical support to those finding it difficult to keep their home warm.

During the energy crisis, and throughout the pandemic, vulnerable energy consumers have been exposed to the most negative impacts in the energy market. Polling for NEA NI³ in September 2023 found that at least 41% of NI households were spending at least 10% of their total household expenditure on energy costs and therefore in fuel poverty.

The study also found that continued pressure on household budgets has led to a rise in detrimental ‘coping’ mechanisms. For example, 19% of households told us they went without heating (oil/gas) or electricity because of not being able to afford the costs of energy within the previous 24 months. 1 in 10 households admitted to skipping meals to ensure they had enough money to pay for their energy.

With these difficulties has come a greater demand from households to contact their energy supplier, and a greater need for energy suppliers to respond to this increased demand. Our own experience throughout this period has been that when looked at

¹ For more information visit: www.nea.org.uk

² For more information visit: www.nea.org.uk/project/belfast-warm-and-well-project/

³ Lucid Talk, 2023. [Northern Ireland \(NI\) Attitudinal Poll – NATIONAL ENERGY ACTION NORTHERN IRELAND.](#)



overall customer service has fallen short of the standards that we, and our clients, believe are necessary for a product that is an essential service.

We are therefore pleased that the Utility Regulator (UR) is continuing to look at ways the standards of customer service in the energy supply sector can be improved.

Summary of Our Response

We welcome the opportunity to respond to the UR's proposed mandatory requirements to improve the standards of service provided by energy suppliers to all domestic customers.

NEA NI **generally supports the proposals** outlined in the consultation document; however, we believe there are **areas where the proposals do not go far enough** to adequately improve customer service levels. We also have some **concerns** about the robustness of the proposed approach for implementation, monitoring and reporting. These points are expanded upon below, in our response to the consultation questions.

Response

Q1. Do respondents agree with proposals 1 to 3 set out in Section 3.9 Consumers in vulnerable circumstances?

In NEA NI our key aim is to protect vulnerable customers. With tighter household budgets and the ongoing cost-of-living crisis, the role of the UR has never been more important for households in NI, particularly vulnerable households.

In our most recently commissioned LucidTalk poll, 19% of respondents reported going without heating (oil/gas) or electricity over the last 24 months due to not being able to afford their costs of energy. Qualitative responses provided insight into the concerning realities for some customers:

“I couldn't afford to buy heating oil so had to put layers of clothes on or stayed in bed”.



“I am divorced and have my 2 children 3 nights a week. I only turn the heat on when my children are with me.”

“Stopped using energy, so as to control my direct debit.”

“Unable to afford oil and already had a loan for oil previous month so went without heat for six weeks whilst having chemo treatment”.⁴

Energy suppliers need to assist all consumers and in particular vulnerable consumers in all forms. The UR needs to have the correct powers to be able to enforce high standards and call out poor performances in this area.

With this in mind, we endorse proposals 1 to 3 set out in Section 3.9. However, to improve customer service levels more adequately for vulnerable customers, we believe the following must be also considered:

- Firstly, the energy crisis has meant record numbers of vulnerable households requiring support from charities like NEA. To enable charities like ours to help more households, we are asking the UR to extend **proposal 3** to include the provision of a freephone telephone number for vulnerable domestic customers **and representatives acting on their behalf and in their interest.**
- Alternatively, suppliers should at the very least, provide a bespoke priority phone line for charity advisors to use to reduce the costs charities face helping households and to improve ease of contact.
- Secondly, none of the proposals currently mention how customer service levels could be improved for vulnerable customers who are in debt to their energy supplier. We believe this is an oversight, as our LucidTalk polling found that at least 9% of respondents reported being or having been in debt to their supplier over the past 24 months, with the majority owing £100 - £500⁵. It is our experience that these customers need greater protection. Time and again, energy suppliers are putting in place debt repayment plans set at levels that do not reflect our client’s ability to pay. This leads to significant energy rationing and increased levels of self-disconnection.

⁴ Lucid Talk, 2023. [Northern Ireland \(NI\) Attitudinal Poll – NATIONAL ENERGY ACTION NORTHERN IRELAND](#). Pg. 14 - 20.

⁵ Lucid Talk, 2023. [Northern Ireland \(NI\) Attitudinal Poll – NATIONAL ENERGY ACTION NORTHERN IRELAND](#). Pg. 21-22.



- Finally, we wish to note again, as we have done in other consultation responses, the continued vulnerability of approximately 68% of households in NI reliant on home heating oil. While there are significant supports available for those reliant on gas and electricity, these simply do not exist for the home heating oil householder. This is a gross inequality which needs to be addressed in NI. We feel that the UR is best placed to take up this role and be extended to the home heating oil regulator, including customer service levels.

Q2. Do respondents agree with proposals 1 to 11 set out in Section 3.11 Customer contact centre services?

Over the last four years, through the pandemic, the energy crisis and the cost-of-living crisis, access to customer service in the energy market has increasingly become more of an issue for customers, as well as charities who advocate for them in the market. Such issues include unsuitable opening hours for customer services, high average call wait times, and concerning call abandonment rates – as identified in UR’s background analysis to this paper.

NEA NI welcomes proposals 1 to 11 set out in Section 3.11 to improve customer contact centre services. However, we recommend the following amendments to increase their effectiveness.

- Currently, **proposal 4** recommends that call wait times should not be over an *average* of four minutes. This language leaves allowance for some customers to still experience excessive wait times. We recommend instead a requirement that *no* call wait time exceeds 4 minutes.
- **Proposal 10** cites that written customer contacts must receive timely responses within a maximum of 24 hours (taking account of supplier customer contact centre opening hours). We wish to see the addition of language that makes clear that this must go beyond a generic automatic reply acknowledging receipt of the customer’s contact or simply stating that the supplier will be in touch. Customers must receive case-specific responses within a maximum of 24 hours, and that adherence to this is monitored closely by the UR.



- Furthermore, we recommend that the proposals in this section also note the significant importance of the tone suppliers adopt in customer communications. In all engagements with customers, suppliers should maintain a tone of professionalism, fairness, helpfulness, and empathy. Vulnerable customers should be signposted to appropriate support, whether from the supplier themselves, or other advice and support services. The content and tone of communications with customers should be monitored.

Q3. Do respondents agree with proposals 1 to 3 set out in Section 3.12 Supplier processes for setting fixed direct debits?

We strongly support the proposals set out in Section 3.12 on mandatory requirements for supplier processes for setting fixed direct debits. We agree that proper compliance with these processes would help to address the variations that exist across suppliers, which directly impact customer experience.

Furthermore, these proposals are important because the accuracy of fixed direct debits can significantly impact vulnerable customers. While it may be sensible to build up credit in the summer months to pay for higher energy use in the winter, customers must be protected from credit balances becoming too high. We are highly concerned by reports of low-income households struggling to make ends meet because they have been charged too much on their direct debits. Fixed direct debits should be set based on the best and most accurate usage information and regularly reviewed to prevent significant credit or debt.

When setting fixed direct debit for a new customer, the expected standard *must* be that suppliers take all reasonable steps to ensure it is based on the best and most accurate information, calculated specifically to the individual customer. We agree that this must, *as a minimum*, include up to date meter reading; size of the property; how many people live at the property; and any other relevant information provided by the customer.

It is also imperative that suppliers thoroughly document their use of their systems and mechanisms for determining a new customer's fixed direct debit, to ensure a consistent approach with all new customers.

Lastly, we note the amended requirement that fixed direct debit reviews occur at least every six months. We welcome and support the important clarification of six months as



“a minimum”, and that a review must take place sooner than this following a customer request, or if there is a trigger such as a build-up of excess credit. However, we urge the UR to provide greater clarification of what else might be deemed a fixed direct debit review “trigger”.

Q 4. Do respondents agree with proposal 1 set out in Section 3.13 Supplier processes for return of customer credit?

NEA NI agrees with the proposed mandatory requirement outlined in Section 3.13. We commend the UR for their clearer definition of ‘excessive credit’ and agree that excessive customer credit must trigger a review by the supplier to ensure the customer’s fixed direct debit is set at the correct level.

However, we recommend that the proposal is strengthened by also outlining that suppliers must provide customers with clear and accessible information regarding the processes for obtaining any accrued credit. This should include information readily available in accessible formats, multiple languages, and for digitally excluded households. We agree that accrued credit must be easily obtained, and instances where this is not the case should be addressed appropriately.

Additionally, in cases where a customer’s credit does not qualify as “excessive” (under the definition outlined), suppliers must be able to clearly and simply explain why this is to any enquiring customer. It is our experience that customers can experience additional anxiety due to ill-explained reasoning from their supplier as to why their credit has not been returned. The UR must ensure that the level of customer service in this area improves.

Q 5. Do you have comments on the proposed approach for implementation, monitoring and reporting as set out in Section 4?

The beneficial impact of these proposals will depend on successful implementation through thorough and transparent monitoring and reporting.

We welcome the proposed approaches for implementation, including a new mandatory Code of Practice on Customer Service (for requirements in Sections 3.9 and 3.11), and amendments to the supply licence (for requirements in Sections 3.12 and 3.13). We



understand the new Code of Practice on Customer Service will complement the forthcoming new Code of Practice on Vulnerable Consumers, and we look forward to continuing constructive engagement with UR on this and any upcoming consultation.

We strongly stress again, however, the necessity of timely, accurate and thorough monitoring and reporting, to ensure real and meaningful implementation. The UR must be appropriately resourced to continue holding suppliers to account. There should be frequent assessment of whether additional reporting metrics are required to assist with monitoring.

Additionally, the accuracy of the supplier's self-reporting must be monitored and authenticated. Mystery shopping may be one way of doing this. We would like to see greater detail in the final decision paper on how the UR will proactively seek to identify any supplier non-compliance with the new licence conditions, license modifications or the new Code of Practice.

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