



Energy Supplier Customer Service Levels

Utility Regulator

Power NI Response

28 May 2024

Introduction

Power NI welcomes the opportunity to respond to the Utility Regulators latest consultation on Supplier Customer Service Levels. Power NI already goes significantly beyond existing regulatory requirements to support customers and provide high levels of customer service. This is central to Power NI's ethos and culture.

The UR's wish to formalise a more standard approach to customer service across all suppliers will extend some of these measures, which Power NI already maintains, to all utility customers. While laudable from one perspective, in mandating this approach, Power NI remain concerned that this erodes suppliers like Power NI's proposition of being customer centric and being inclusive of all customers and their needs. As Power NI, due to regulatory restriction, is unable to differentiate on price, this limits the operation of the market and restricts competitive differentiation.

It is also important to note that service levels are key to the business operation of a supplier. It is how a supplier is managed and when standards fall or an issue occurs customer sentiment, media attention etc. is such that it will be reflected in metrics such as Trustpilot and in a competitive market, switching. Poor service will lead to market share erosion and financial consequences to the business, this is irrespective of regulatory metrics, monitoring or requirements.

Implementing such prescriptive requirements, particularly for some of the changes proposed will involve significant effort in resources and cost to fully implement, costs which will ultimately be passed to consumers. Given the results from the latest UR Domestic Customer Insight Tracker survey shows that 83% of customers would be unwilling to pay extra on energy bills to provide extra support for consumers in vulnerable circumstances, this is something which the UR should bear in mind when considering the introduction of such prescriptive requirements regarding customer service.

Power NI remain committed to customer service and positively engaging with the UR to develop appropriate and effective support measures for customers, and whilst Power NI commends the UR's determination to improve customer service levels across the industry, it would urge the UR to consider responses reasonably.

Specific Questions

Within the Consultation Paper the UR posed a number of specific questions. The requirements outlined present a comprehensive framework that Power NI are being asked to implement and would urge the UR to consider this feedback carefully in advance of a final decision paper.

Consumers in Vulnerable Circumstances

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

- ***Please provide rationale and evidence to support your view.***
- ***Please ensure you identify which specific requirement your response relates to.***
- ***Include any additional requirements that could be included.***

Power NI response:

New requirement

1. Domestic consumers, in particular those in vulnerable circumstances, must be able to easily identify a method of contacting their energy supplier that meets their needs. The effectiveness of these methods must be regularly reviewed by suppliers.

Power NI's commitment to vulnerable customers and the broad spectrum of support we offer, has been independently assessed. Power NI was one of the first 9 companies and the only electricity supplier in Northern Ireland to achieve ISO 22458 (an Inclusive Service Kitemark). This replaces BS18477 which Power NI previously achieved in 2021 and 2022. This ISO standard demonstrates that Power NI works to try and understand the impact of customer vulnerability and provide an inclusive and flexible approach to address it.

Part of the accreditation process looked to ensure all customers, not just those that are vulnerable can easily identify ways to get in touch with Power NI. The Power NI phone number, email address and social media channels are clearly listed on the Power NI website and all customer correspondence including bills, statements, general letters etc.

The Power NI website has also been updated to include Screen Reader software (ReachDeck) for customers with special communication needs (e.g. visual/hearing impairment) therefore ensuring that all customers regardless of their circumstances can avail of Power NI services.

New requirement

2. Suppliers must have processes in place to identify and prioritise enquiries from domestic consumers in vulnerable circumstances who may require immediate assistance, or representatives acting on their behalf and in their interest. This should include adequate training to ensure these processes are being followed sufficiently (discussed under requirement 6 in customer contact centre services).

Power NI has begun to adopt this approach due with an internal drive to enhance its customer support programme and have a dedicated CSR team in place. The role of this team is to champion new ideas, identify process improvement and improve accessibility across the business, ensuring that all front line teams are briefed and provided with regular vulnerability training. This helps improve staff confidence in identifying customers in vulnerable circumstances and providing the appropriate support.

However, it is important for the UR to recognise that unless explicitly informed; a supplier may only know the name of the individual registering, the address, consumption information and preferred payment method. This does limit a supplier insight into a customer circumstances or potential vulnerability, particularly if a customer is not forthcoming in providing information around their circumstances. Hence Power NI's approach to training all staff to be able to identify if a customer is in difficulty and how to prioritise support.

Regardless of whether a customer identifies as vulnerable, Power NI will continue to offer the same high standard of service to all customers, with all customers treated equally and fairly.

New requirement

3. Suppliers must implement appropriate processes/services to provide a freephone telephone number for domestic consumers that are in vulnerable circumstances. Eligible customers must be made aware of and directed to free methods of contact as soon as their supplier is aware of their eligibility.

Power NI are not supportive of the introduction of a dedicated freephone number to those customers in vulnerable circumstances and feel the UR lack an understanding of how this requirement would work in practice.

In order for a freephone number to be effective a customer would firstly have to identify themselves as eligible, something which a customer themselves may not even recognise. Publishing details of a freephone number for specific customers would require making it available on the Power NI website, bills etc. This means it is freely available for any customer to avail of, not just those in vulnerable circumstances. How would suppliers be expected to deal with non-vulnerable customers availing of this number and potentially preventing those in genuine need getting through? Should suppliers be asking the customer to hang up and redial on the local rate number if they are not eligible?

Several years ago, Power NI did introduce a separate local rate number for those customers struggling to pay, which linked directly into a member of the debt team. The number was promoted on back of bills and customer letters etc. The number was set up to try and help customers in specific circumstances, but as the number was local rate (02890), it resulted in large numbers of customers bypassing the contact centre number and dialling directly through on this line, with customers then having to be transferred across and the line being held up for those genuine customers trying to get through. As a result of the difficulties in operating a separate number this line is no longer available and details have since been removed from all customer correspondence.

Ultimately the only way to provide customers in vulnerable circumstances with a freephone number is to introduce this for all customers and remove the current contact centre number. Power NI have investigated how this could be implemented and whilst it can be done, it would require a significant upgrade to telephony, ongoing costs for additional call charges, updates to Power NI website and customer literature including bills and letters etc, all of which is a significant cost ultimately borne by customers including those within vulnerable circumstances.

In practical terms therefore the UR is in effect mandating that all supplier telephone numbers must be freephone numbers. Is this the UR's intention? If so, the UR should clearly state this and recognise the cost implications. In addition, if the UR is mandating this for suppliers it would seem inconsistent for freephone numbers not to extend to Network Companies i.e. be cross sector. This should also form part of the UR's thinking.

Customer Contact Centre Services

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

- ***Please provide rationale and evidence to support your view.***
- ***Please ensure you identify which specific requirement your response relates to.***
- ***Include any additional requirements that could be included.***

Power NI response:

Unamended requirement

1. At an overall level, suppliers must ensure they have and maintain robust internal capability, systems and processes to enable them to adequately deliver their customer contact centre services.

This is a basic operational requirement of any business, with Power NI equipped to operate contact centre services. The UR must acknowledge that events outside of suppliers control i.e. EBSS delivery, may require having to quadruple capability quickly in order to adequately deliver services.

New requirement

2. Customers must be able to easily identify methods of contacting their suppliers.

Under Power NI's commitment to ISO 22458, Power NI must ensure that information for customers is easy to access and readily available which includes contact details. On the Power NI website homepage, the 'Contact Us' section is located on top right of the page and includes the telephone number for the contact centre, mobile app details, email address and social media channels. The contact centre details, and email address is located on all domestic bills and statements.

Within the Power NI app, contact information can be found within the 'Help section' at the bottom of the page and again includes the Power NI telephone number and email address.

New requirement

3. Suppliers must ensure customer contact centre services are open at times that meet the needs of their domestic customers.

This requirement appears to be an attempt to interfere further in a competitive market. Service levels are key to the business operation of a supplier and poor service will lead to market share erosion and financial consequences to the business, irrespective of any regulatory requirements which the UR wish to mandate.

Power NI current contact centre opening hours have been in place for several years and alongside the Power NI app and online self-serve channels feel it provides customers various ways to get in touch whichever way best suits their needs. Work is currently ongoing to improve

self-serve channels and believe that this will help ensure the contact centre telephone lines remain available for those more vulnerable customers who may need support from staff.

There are occasions when Power NI will provide additional out of hours support for customers i.e. support for keypad customers during a tariff change, but this is on an ad hoc basis and only if there is a specific need to do so based on customer demand.

Power NI have experienced no issues with quality of customer service and believe the value of opening an additional number of hours each week would be of little benefit compared to the costs incurred for having to operate. The UR must be mindful that any additional opening hours will result in increased staff costs and updates required to opening hours on bills, letters, statements which is costs that will ultimately be passed back to the customer.

Amended requirement

4. Consumers must be able to reach their supplier's customer contact centre easily without experiencing an excessive call wait time to speak to an operative (not over an average wait time of four minutes).

Whilst Power NI currently sit below these targets on average, the URs requirement to be this prescriptive is concerning. Power NI work hard to provide good customer service and quality interaction with customers and are aware that if customers were impacted by long wait times that there would be significant consequences in terms of customer sentiment, the operation of the business and customer retention. These are key aspects of a supply business and are carefully managed irrespective of regulatory mandate.

There are however circumstances beyond the control of any supplier which impact on call related metrics which the UR appear to have no means of recognising. A simple example which Power NI has experienced in recent years, is Martin Lewis calling on customers to submit meter readings in advance of the GB Price Cap changing. While this was not applicable in Northern Ireland that message was not adequately communicated, and the Power NI Contact Centre was swamped with calls. Such a volume influx would result in Power NI not meeting the prescriptive standards the UR are mandating.

Whilst Power NI (and the UR) regularly monitor call stats and are confident in the ability to deliver on this requirements, Power NI believes the UR should consider including some flexibility given that there are any number of factors outside of a suppliers control that could lead to longer wait times than anticipated.

New requirement

5. Suppliers to implement a triage system for all calls.

The requirement from the UR to implement a triage system to establish the urgency and prioritise calls accordingly is a concern. There is no detail as to what a "triage system" is under this definition nor any practical reasoning or evidence as to its effectiveness or need. On what basis is the UR mandating this requirement? How does the UR envisage it to be implemented and what results does the UR expect?

Power NI's focus is on providing good quality customer service to all customers, regardless of their circumstances with all staff appropriately trained in identifying customers in vulnerable circumstances and those who may need additional support.

Implementing such a specific triage system would no doubt put pressure on customers being faced with multiple options when ultimately all the customer wants to do is speak to a member of the team as quickly as possible. Power NI currently provide several options on a recorded message system when a customer calls to allow them to select the best option that suits their needs and be directed to the most appropriate team. The number and layers of options have however deliberately been kept to a minimum as customer feedback indicates frustration and confusion is higher when there are multiple options and layers required.

Power NI work hard to ensure call wait times are managed efficiently as possible to ensure they are kept to a minimum. This requirement has the potential to put undue pressure on existing call wait times, require an extensive amount of IT development, telephony upgrades and require a significant business input in order to implement at a cost and for no specific benefit.

Power NI would prefer focus remains on ensuring all customers, regardless of their circumstances are dealt with in a fair and timely manner and feel the UR rationale to be flawed, with poor justification for a system like this to be implemented.

Unamended requirement

6. Customer contact centre operatives must be adequately trained to ensure they can provide accurate and consistent information to consumers.

All suppliers will regularly undertake training across all front line teams as training is central to being a customer facing organisation. It is therefore Power NI's view that there is no need for the UR to mandate activity which is core to the operation of a retail business.

New requirement

7. Call back services must be offered by all suppliers and acted upon in no more than 24 hours.

Power NI are not supportive of a call back option being mandated for suppliers to implement and believe it should be for each individual supplier to decide what best suits their operations. Power NI prides itself on managing its customer contact options extremely well. Even given the challenges faced over the last year, Power NI resourced accordingly and ensured calls were dealt with swiftly, with customers able to speak to a member of the team within a matter of minutes. The UR rationale for the requirement for a call back service, Power NI feel is unjustified.

Whilst a call back facility appears to provide a supplier the ability to manage calls, in reality it has the opposite effect. As service levels are key, a call back option would put unnecessary pressure on contact centre resources and believe the introduction of a call back service would ultimately lead to issues with customer service in the future. The same staff responsible for completing a call back would be the same staff currently taking calls, so ultimately diverting resources away from existing call lines, impacting current call volumes, wait times and abandonment rates. The requirement also to attempt up to three call backs seems excessive and ultimately increases pressure on resources and the existing customer helpline, with staff left to try getting in contact with the customer before they potentially phone back and the cycle starts again.

Implementation of any type of call back service would require telephony upgrades, IT changes, review of resources and additional reporting requirements put in place to manage effectively. This requirement by the UR also appears to contradict previous requirements to ensure customers do not experience excessive wait times and the need to triage calls. If wait times are

to be kept to a minimum, then there is little justification for providing a call back service as customers should be able to speak to a member of staff relatively quickly.

Power NI's preference is to focus on supporting the customer when they get in touch by providing a lower waiting time, faster speed to answer and Power NI remain confident in its ability to deliver good customer service without the need for the introduction of a call back service.

Unamended requirement

8. Suppliers must ensure that their call abandonment rate is not excessive (not above 12.5%).

Whilst Power NI currently sit below these targets on average, the URs prescriptive requirement is concerning. Power NI work hard to provide good customer service and quality interaction with customers and are aware that if customers were impacted by long wait times that there would be significant consequences in terms of customer sentiment, the operation of the business and customer retention. These are key aspects of a supply business and are carefully managed irrespective of regulatory mandate.

There are however circumstances beyond the control of any supplier which impact on call related metrics which the UR appear to have no means of recognising. A simple example which Power NI has experienced in recent years, is Martin Lewis calling on customers to submit meter readings in advance of the GB Price Cap changing. While this was not applicable in Northern Ireland that message was not adequately communicated, and the Power NI Contact Centre was swamped with calls. Such a volume influx would result in Power NI not meeting the prescriptive standards the UR are mandating.

Power NI would also question the UR rationale for measuring the abandonment rate with benchmarking against NI Water. On review of the NI Water Annual Information Return, for 2021-22 NI Water took a total of c191k calls and acknowledging that NI Water do not bill domestic consumers it would be reasonable to assume that the nature of those calls are more fault related i.e. more transactional in nature. This compares with Power NI calls for a year with which was almost double the number of calls. This is not a like for like comparison to make given they operate in very different market with different customer needs. NI Water would be a more reasonable comparator to NIE Networks not a Supplier.

Power NI therefore believes the UR should consider including some flexibility given that there are any number of factors outside of a suppliers control that could lead to a high abandonment rate.

Unamended requirement

9. A customer's call must never be disconnected when they contact their supplier during their customer contact centre operating hours (apart from circumstances outside of the supplier's control).

Power NI would never intentionally cut off a customer call- even if a customer gets disconnected the agent will try and call the customer straight back. The only exception of terminating a call would be if the customer is being abusive towards an agent. This would only happen after three warnings to advise of the no abuse policy.

Amended requirement

10. Written customer contacts (all mediums of written contact with consumers including webchat, social media platforms and emails) must receive timely responses within a maximum of 24 hours.

Power NI currently acknowledge any email from a customer with an automatic confirmation which provides an indication of when they are likely to receive a response. Customer response times to all emails is on average two working days, which is below the expected turnaround time for acknowledgment of complaints, which currently sits at five working days. Social media response times are also dealt with swiftly, with a target of c45mins for a response to be provided during working hours.

Webchat is not an option currently available to Power NI customers.

New requirement

11. Suppliers must implement a triage system for written contacts.

The requirement from the UR to implement a triage system for written contacts to establish the urgency and prioritise responses is a concern. Similar to the triage system for calls, there is no detail as to what a “triage system for written contacts” is. What does this mean? Is this in reality an escalation process for written communications? How does the UR envisage it to be implemented and what results does the UR expect? This appears to be a further attempt to mandate how a supplier operationally runs its own business and believe it should be up to each supplier to identify how best they see fit to manage customer contacts.

Supplier Processes for Setting Fixed Direct Debits

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

- **Please provide rationale and evidence to support your view.**
- **Please ensure you identify which specific requirement your response relates to.**
- **Include any additional requirements that could be included.**

Power NI response:

Amended requirement

1. Suppliers 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 information: the fixed direct debit value must be calculated specific to the individual customer and based on up-to-date and accurate information. • For new customers, payments must be based on a number of factors, 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.*

The direct debit process is one that is complex and relies on customers providing the correct information up front at time of set up to ensure the direct debit amount is reflective and/or is as accurate as possible.

As part of Power NI set up process for direct debit basic information on current meter reading, size of property, number of occupants is captured. The UR's requirement to also consider any other relevant information provided by the customer does present a number of challenges. Whilst it can be a useful question, suppliers may struggle to update the direct debit to reflect this additional information given the complexities it can present.

For example, if a customer informs their supplier that they have an electric vehicle, it is not a straightforward case of updating the direct debit by a set amount to reflect this. Key to being told this information would be firstly to understand if they charge the vehicle at home and if they do what the charging pattern usually is. Even then it would still be questionable as to how best to accurately reflect this within the direct debit value without any form of smart meter. Suppliers are wholly reliant on customers providing them with the correct information.

In order to ensure direct debit amounts are as accurate as possible, Power NI introduced interim direct debit reviews alongside annual reviews to track amount being paid and update accordingly. Outside any interim or annual reviews if at any stage a customer wishes to discuss the amount they are paying and amend they can contact Power NI for this to be arranged.

Unamended requirement

2. For any fixed direct debit payment plan (new and amended) suppliers must provide clear and accessible information to the consumer on how this payment plan operates. • When signing up a customer to a fixed direct debit payment plan, the supplier 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 supplier 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 supplier 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 (see 3.13) and processes for discussing with the supplier any debt that has accrued on the account).*

Power NI are supportive of this requirement and are currently compliant with this measure.

Amended requirement

3. *Reviewing the fixed direct debit - the fixed direct debit review must be conducted on a regular basis at set regular intervals (a minimum of six months) and the value must be based on up-to-date accurate information.*

a) *Suppliers 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.*

b) *Customers can submit their own meter reads to their supplier, these must be used by the supplier to review their fixed direct debits to ensure the value is based on accurate information and not estimated reads.*

c) *If a supplier changes a customer's fixed direct debit (e.g. due to a tariff change or a supplier-initiated review) the customer must receive clear, informative and timely communications on the fixed direct debit change, including the supplier'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 requirement 2).*

d) *In addition to the six-month review, suppliers 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 supplier processes for return of customer credit).*

Power NI are supportive of this approach to fixed direct debits, however, believe that the UR are again being overly prescriptive in its requirements.

Supplier Processes for Return of Customer Credit

Q4. Do respondents agree with proposal 1 set out in Section 3.13 Supplier processes for return of customer credit?

- ***Please provide rationale and evidence to support your view.***
- ***Please ensure you identify which specific requirement your response relates to.***
- ***Include any additional requirements that could be included.***

Power NI response:

Unamended requirement

1. *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 supplier.*

a) *Excessive credit is defined as the monetary value in excess of an average three-month period of usage over a 12-month period (therefore taking account of seasonal usage).*

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 from the request being made by the customer (or as soon as is practical).*

c) *Excessive customer credits must trigger a review by the supplier 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 supplier must either reduce the customer's fixed direct debit or refund the customer's credit (dependent on the customer's preferred option).*

As part of the Power NI DD review process, an automatic refund policy is in place provided the read on the customer account is an actual read and not estimated. The reading type is of fundamental importance for both review and refund requirements. The reading must be an actual read either via NIE Networks Meter Readers or from the customer (sometimes verified by photo). Adjustments or refunds based upon estimates are highly likely to be erroneous and counterproductive in terms of account management and debt. This must form part of the UR's criteria or risk significant unintended consequences.

Excessive credits will be picked up through monthly high credit report or will be picked up through a standard review process. Credit will either be used to reduce payments in the absence of a regular read or will be refunded if accounts meet Auto Refund parameters.

Proposed approach for implementation, monitoring and reporting

Q5. Do you have comments on the proposed approach for implementation, monitoring and reporting as set out in Section 4?

- ***Please clearly detail what aspect that your comments relate to.***
- ***Please provide rationale and evidence to support your view.***

Power NI response:

This document sets out a significant piece of work for Suppliers to implement on top of existing CoP requirements including most recently the Best Practice Framework. Anything that requires system changes, customer communications etc will take time to implement. Suppliers should be given appropriate timelines to implement before any procedures come into force. In addition, and specifically in relation to those suppliers who are price controlled, regulatory mechanisms in the form of licence amendments to facilitate the implementation of required changes will be necessary and should form part of any implementation plan.

As previously highlighted Power NI already demonstrate compliance of licence conditions and CoP through REMM and ad hoc reporting. Given the requirements Power NI are now being asked to implement and monitor, the additional reporting has the potential to be challenging, depending on the outcome of the decision paper.

On review of the monitoring options, Power NI would be supportive of reporting through the SoLC but remain concerned about the potential requirement to complete a retrospective annual submission and the continuing monitoring of contact centre KPIs and would question if this was still necessary monthly. Again, Power NI would urge the UR to review and consider reporting in the round and look to streamline where possible and ensure data requested and submitted is of benefit to all parties involved.

Equality considerations

Q6. Do you agree that where this document has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for utility consumers?

Power NI response:

No specific response.

Q7. Do you consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence,

Power NI response:

No specific response.

Overall, the requirements contained within the paper demonstrate a further attempt by the UR to mandate more of suppliers' day to day operations. Given that Power NI is unable to differentiate on price, introduction of mandatory requirements like this will begin to restrict the operation of the market and erode competitive differentiation.

There will be additional resources, cost and time required to implement and maintain requirements outlined, some of which even given Power NI's experience and current high levels of customer service will still be challenging to achieve. Power NI would urge the UR to consider feedback received and plan a suitable timeframe before the implementation of any licence conditions, particularly given the pressure suppliers are already under to deliver other CoP requirements by later in the year.