



Energy supplier customer service levels

Response by the Consumer Council for Northern Ireland
28 May 2024

Table of contents

1. Overview of our response	2
2. About the Consumer Council.....	4
2.1 Our role in super-complaints	5
3. Our approach.....	8
3.1 Consumer protection principles	8
3.2 Northern Ireland consumer position	9
4. Our response to individual questions	11
5. Conclusion.....	20
6. Contact information	21

1. Overview of our response

The Consumer Council for Northern Ireland welcomes the opportunity to respond to the Energy Supplier Customer Service Levels Consultation from the Utility Regulator (UR)

The Utility Regulator (UR) is seeking stakeholder views on their proposals to improve energy supplier customer service levels for domestic customers across four areas:

- Consumers in vulnerable circumstances
- Customer contact centre services (this includes call centres and all mediums of written contact including social media platforms and emails)
- Setting fixed direct debits
- Returning of customer credit that has accrued on the customer account.

The Consumer Council welcomes the Energy Supplier Customer Service Levels Consultation following on from concerns raised about potential failings at some supplier customer service levels, which were based on the number of consumer complaints we were receiving.

The UR aims to ensure consumers are protected, that customer service levels are elevated to a more satisfactory/acceptable standard, and that any gaps in the UR regulatory framework in the four related areas are plugged.

The key considerations we have detailed below will be included in and be an active part of both the UR's Best Practice Framework and the Code of Practice for Consumers in Vulnerable Circumstances:

- Customer must have the ability to contact their supplier, at no charge, using a variety of methods that are easily identified without long wait times.
- All staff are fully trained to provide accurate up to date information.
- All staff are fully trained in an accredited scheme to recognise and help customers who are in a vulnerable situation.
- Enhanced opening hours to extend to evenings and weekends and must be resourced to meet customer demands.
- Direct debits must be fair and consistent, reviewed regularly and any change must be notified to the customer and the reason why. This will be monitored against KPI's set by the UR.
- Any credit or debt on a customer's account cannot accrue to unacceptable levels and should be refunded.

The Consumer Council welcome the fact that the requirements for customer contact centre services (especially for consumers in vulnerable circumstances) will now become part of a new overall Code of Practice on Customer Service and adherence with this code will become a licence condition.

We look forward to continued collaboration with the UR on the proposed mandatory requirements detailed in this consultation.

2. About the Consumer Council

The Consumer Council (Consumer Council) was established in April 1985 as a non-departmental public body (NDPB) under the General Consumer Council (Northern Ireland) Order 1984¹ (The Order).

We are Northern Ireland's statutory consumer representative body, and our principal duty is to safeguard their interests. We operate under our sponsor department, the Department for the Economy (DfE), on behalf of the Northern Ireland Executive.

We are an insight-led evidence-based organisation:

- Providing consumers with expert advice and confidential guidance
- Engaging with government, regulators and consumer bodies to influence public policy.
- Empowering consumers with the information and tools to build confidence and knowledge.
- Protecting consumers by investigating and resolving consumer complaints under statutory and non-statutory functions.
- Undertaking best practice research to identify and quantify emerging risks to consumers.
- Campaigning for market reform as an advocate for consumer choice, welfare and protection.

Our statutory powers cover consumer affairs, energy, transport, water and sewerage, postal services and food affordability and accessibility.

These legal responsibilities are drawn from legislation, licences given to companies working in Northern Ireland, and cooperation agreements set in memorandums of understanding. The work we carry out also aligns with a number of the Articles in the Protocol on Ireland and Northern Ireland² (NI Protocol).

Our non-statutory functions educate, empower and support consumers against discriminatory practices in any market through advocacy work, as well as education and outreach programmes covering a broad range of topics including promoting consumer rights, financial inclusion and a more sustainable energy future.

We serve Northern Ireland's 1.9 million citizens and champion consumers in everything we do. We prioritise:

- who are disabled or chronically sick
- who are of pensionable age

¹ [General Consumer Council \(Northern Ireland\) Order 1984](#), UK Parliament

² [Protocol on Ireland and Northern Ireland](#), House of Commons Library

- who are on low incomes
- who live in rural areas

We are a designated body under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998. In this role, we aim to ensure government policies recognise consumer needs in rural areas and promote equality of opportunity and good relations across a range of equality categories.

2.1 Our role in super-complaints

We are also a designated super-complaints body set up under the Enterprise Act 2002³ and the Financial Services and Markets Act 2000 Order 2013⁴.

Under both Acts, if the Consumer Council believes any feature or combination of features of a market in the United Kingdom (UK) is, or appears to be, significantly harming the interests of consumers, we can raise a super-complaint on behalf of consumers to the following regulators:

- Civil Aviation Authority (CCA)
- Competition and Markets Authority (CMA)
- Financial Conduct Authority (FCA)
- Office of Communications (Ofcom)
- Office of Gas and Electricity Markets (Ofgem)
- Office of Rail and Road (ORR)
- Payment Systems Regulator (PSR)
- Northern Ireland Utility Regulator (Utility Regulator)
- Water Services Regulation Authority (Ofwat)

Under the Gas and Electricity Licence Modification and Appeals Regulations (Northern Ireland) 2015⁵, we can appeal to the CMA if we believe a modification by the Utility Regulator to the licence of a gas or electricity provider is detrimental to the interests of consumers.

Our role in consumer affairs

Our principal statutory duty is to safeguard the interests of consumers in Northern Ireland by empowering them and providing a strong representative voice to policy makers, regulators and service providers. We do this by:

³ [Enterprise Act 2002](#), UK Parliament

⁴ [Financial Services and Markets Act 2000 Order 2013](#), UK Parliament

⁵ [Gas and Electricity Licence Modification and Appeals Regulations \(Northern Ireland\) 2015](#), Northern Ireland Assembly

- Carrying out, or assist in carrying out, inquiries.
- Considering and investigating complaints under statutory functions, and where appropriate, any complaint relating to consumer affairs.
- Promoting and disseminating any information related to consumer affairs in order to educate and empower consumers.
- Undertaking independent research and monitoring consumer experiences.
- Reporting to any Northern Ireland Executive Department on any matter relating to consumer affairs.

Our role in energy

Part IV of the Energy (Northern Ireland) Order 2003⁶ (the 2003 Order) confers certain functions on the Consumer Council regarding “the interests of consumers” (that is the interests of consumers in relation to gas or electricity supplied by authorised suppliers) and “consumer matters” (that is any matter connected with “the interests of consumers”).

In considering “the interests of consumers”, we are required to have regard to those detailed earlier in this section, but this does not mean that regard may not be had to the interests of other descriptions of a consumer or consumer groups.

The functions of the Consumer Council under the 2003 Order (Articles 17 to 23) include the following:

- Obtaining and keeping under review information about consumer matters, and information about the views of consumers on such matters. In relation to this, where the Utility Regulator is required by any provision of the Electricity (Northern Ireland) Order 1992⁷ and the Gas (Northern Ireland) Order 1996⁸ to publish a notice or any other document, it shall send a copy to the Consumer Council.
- Making proposals or providing advice and information about consumer matters and representing the views of consumers on such matters to public authorities, persons authorised by a licence or exemption under the Electricity (Northern Ireland) Order 1992 and the Gas (Northern Ireland) Order 1996, and other persons whose activities may affect the interests of consumers. This includes undertaking independent research and monitoring consumer experiences.
- Providing information about consumer matters to consumers of electricity or gas supplied by authorised suppliers.
- Publish statistical information about certain complaints about authorised electricity and gas suppliers.

⁶ [Energy \(Northern Ireland\) Order 2003](#), UK Parliament

⁷ [Electricity \(Northern Ireland\) Order 1992](#), UK Parliament

⁸ [Gas \(Northern Ireland\) Order 1996](#), UK Parliament

- Publish advice and information about consumer matters to promote interests of consumers.
- Investigating certain complaints made by any customer, or potential customer of, or user of electricity or gas supplied by an authorised supplier.
- Investigating other matters relating to the interests of consumers in relation to electricity and gas supplied by authorised suppliers.

The Consumer Council also has the following statutory responsibilities in energy:

- Under the Electricity (Northern Ireland) Order 1992 and the Energy (Northern Ireland) Order 2003 regarding the standards of service, we deal with complaints and billing disputes between an electricity supplier and a customer.
- Under the Gas (Northern Ireland) Order 1996, we deal with billing disputes between a gas supplier and a customer.
- Under the Energy Act (Northern Ireland) 2011, we deal with disputes of standards of performance between gas suppliers and customers in individual cases.

3. Our approach

In this section, we have set out our approach the Energy Supplier Customer Service Levels Consultation from the UR.

3.1 Consumer protection principles

The Consumer Council uses eight guiding principles to assess where the consumer interest lies, and develop and communicate our policies, interventions, and support.

They provide an agreed framework through which we approach regulatory and policy work and ensure we apply a consistent approach across statutory and non-statutory functions, and in our engagement with consumers and stakeholders.

Figure 1: Consumer protection principles



They serve to protect consumers, setting out minimum standards expected from markets when delivering products or services in Northern Ireland.

They frame our policy position and approach to addressing emerging detriment and resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, amongst vulnerable consumer groups.

3.2 Northern Ireland consumer position

Before setting out our response, we feel it is important to highlight some key considerations about the consumer position in Northern Ireland.

Northern Ireland has unique considerations with a more vulnerable population, a regional market, geographical separation from the remainder of the UK market, a land border with the Republic of Ireland (ROI) and European Union (EU), and a legislative environment impacted by regulatory divergence.

Consumer detriment levels in Northern Ireland can be significant but given our relatively small population in comparison to the UK, the detriment our consumers face can sometimes struggle to be prioritised, reported and monitored on, at a national level.

We are less well off

The Consumer Council has monitored household income and expenditure since 2021. The latest Northern Ireland Household Expenditure Tracker⁹ found half of our households had less than £90 per week after paying taxes and essential spending.

When we look at all households, Northern Ireland has the lowest levels of discretionary incomes in the UK¹⁰, with the average weekly discretionary income at just £109 in February 2024, compared to £231 for the UK average.

This presents higher risks of self-disconnection, particularly amongst vulnerable consumer groups, against a continuing backdrop of high energy prices, and a unique challenge for Northern Ireland net zero ambitions.

The consumer context

This consultation comes at a time when consumers in Northern Ireland are still facing high energy costs and reduced discretionary income¹¹. This created an increased need to contact energy suppliers, and consumers should expect to be treated fairly and experience high service standards when they do.

Recent Consumer Council research shows how difficult many consumers' financial circumstances are. Our latest Household Expenditure Tracker¹² shows that Northern Ireland's lowest earning households have seen their discretionary income rise marginally in Q3 2023 to £31.31 compared to £26.81 in Q2 2023 but more than halved compared to Q1 2021 £64.02 meaning the lowest earning households have around £30 per week to spend after bills and living expenses.

The Consumer Council conducts an annual customer satisfaction survey with consumers, and overall satisfaction has fallen from 72% to 63% between October 2018 to February 2023 (Table 1).

⁹ [Northern Ireland Household Expenditure Tracker Q3 2023](#), Consumer Council, March 2024

¹⁰ [Asda Income Tracker](#), February 2024, Centre for Economics and Business Research on behalf of Asda

¹¹ [Northern Ireland Household Expenditure Tracker Q3 2023](#), Consumer Council, March 2024

¹² *Ibid.*

Consumer Council research into customer satisfaction levels % Satisfied.

Table 1:	Oct-18	Aug-19	Feb-22	Feb-23
Unweighted average of satisfaction with supplier	72	69	56	63
Survey provider	YouGov	YouGov	YouGov	SMR

Consumer Council research in early 2023 “The Impact of the Energy Crisis on Affordability and the Impact of Energy Transition¹³ on Consumers” estimated fuel poverty levels to be 51%. This is an increase from 34% in research completed the previous year.

The above research also showed that nearly a quarter of customers had contacted an energy supplier because they needed advice/information/support about their bills. 26% of gas customers had contacted their supplier about their bills (18% electricity consumers). Not getting any help from their energy suppliers when contacted was the main reason for dissatisfaction (66%).

Customer service levels were below what is viewed as an acceptable standard and therefore, reduced the level of protection customers are entitled to. The increase in the number of calls may have been inevitable due to rising energy prices but it is during these crisis periods that suppliers must ensure additional resources are in place so that customers receive the necessary advice and support required.

¹³ [Impact of energy crisis on affordability and impact of energy transition on consumers](#), 2023, Consumer Council

4. Our response to individual questions

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

We agree with proposals 1 to 3 set out in Section 3.9 Consumers in vulnerable circumstances.

Proposal 1. Domestic consumers, particularly 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.

A variety of communication methods are needed for all customers. Methods must address consumers' specific needs such as a visual, hearing impairment, difficulties communicating verbally and understanding written information. The Consumer Council would hope that suppliers already have these mechanisms in place to accommodate customers in vulnerable circumstances.

Lack of confidence due to having limited or no access to digital equipment or online methods of contact can act as a barrier for customers. Therefore, it is crucial that suppliers provide alternative methods of contact for these consumers and make them aware these methods exist.

Proposal 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).

The Consumer Council welcomes the focus on the need for suppliers to make it easier for customers to contact them when they find themselves in vulnerable circumstances.

Suppliers must ensure that customers in vulnerable circumstances can get in contact with them quickly. For instance, suppliers could offer an extra option on their automated phone system (IVR). This is a quick and easy way of introducing a specific channel for those customers in vulnerable circumstances, who need support urgently.

For written correspondence there could be a dedicated email address or department code as a point of contact for those who prefer to write. The process for representing the account holder should be more flexible when dealing with customers in vulnerable circumstances, however, adequate data protection checks need to be implemented.

As many vulnerable customers will not proactively present themselves, all customer facing staff should be trained on identifying a vulnerable customer. The Consumer Council was awarded ISO 22458 Consumer Vulnerability with the BSI Kitemark¹⁴. The BSI Kitemark™ for inclusive service is a high-level certification, issued to organisations that have met strict criteria for protecting their customers when they are in vulnerable situations. The Consumer Council believes this ISO should be mandatory for all customer-facing energy companies.

Suppliers could also avail of 'Just A Minute' (JAM) card ¹⁵training, which is a discrete way for people with learning difficulties and autism to indicate that they need 'Just a Minute' of patience when going about their daily business. JAM is widely recognised by both the public and participating businesses around the world.

Proposal 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.

Each of these situations need to be catered for to ensure customers can contact their supplier and receive a quick response. As mentioned in the response to Proposal two, an option open to the suppliers is an automated phone system (IVR). It is a relatively easy way for suppliers to introduce an option for customers who are for example, struggling to pay their bills.

A freephone number should be made available for customers to ring so there is no cost attributed to those who find themselves in vulnerable circumstances or financial difficulty. Non digital means must be included, and each method of contact must be fully resourced to meet the needs of those customers trying to make contact.

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

We agree with the proposals 1 to 11 and will provide some narrative to each of these.

Proposal 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.

Call centre phone systems can provide detailed data on call volumes at any given period, for example, call waiting times, call handling times, calls abandoned, how long the wait was before the call was abandoned, how many internal transfers have been necessary to get a customer to from one department to the correct department.

¹⁴ [Introducing BS ISO 22458 Consumer Vulnerability](#)

¹⁵ [JAMCARD](#).

Interrogating this data allows the supplier to be able to resource their various contact channels appropriately so the demands of their customers are met, without long wait times or abandoned calls. Given this is a basic operational activity no supplier should fail to maintain adequate levels of customer service centre delivery.

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

The importance of providing additional protections for domestic consumers in vulnerable circumstances or in need of additional support is key to the development of the Best Practice Framework: Code of Practice for Consumers in Vulnerable Circumstances. Suppliers must make all customers aware at the earliest opportunity of the various contact methods they offer so their needs can be met.

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

Suppliers' customer service centres should be open for more than just 9 to 5, Monday to Friday. These hours do not cater for customers who work those same hours and therefore find it difficult to make calls during this time. Working outside of those hours can be an attractive opportunity for those who want to do part time evening or weekend work, while providing an important service. Suppliers need to have availability outside of the 9 to 5 Monday to Friday hours and allow for seasonal changes as more calls are made during the colder autumn and winter months. Other means of contact like email and social media need to be incorporated and reviewed regularly.

Proposal 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).

Long wait times on calls can act as barrier and add to what may already be a stressful situation and can also result in call abandonment. It is important that suppliers have the resources in place to manage and prioritise these at all times of the working day, while using their technology to identify their busy time and have the appropriate numbers of staff, resourcing the contact centre, both on and offline.

Some calls will be more complex than others, so it is important to allow for the variation on call handling times. If case work can be completed at another time, this option should be adopted to free up staff to answer call. Advising customers of where they are in the queue, or how long the call waiting time is, may also allow them to call back at a less busy time. A triage system would help manage resourcing and keep call waiting times to an average of four minutes.

The Consumer Council complaints team recorded just under seven hundred call waiting enquiries and complaints from both electricity and gas customers from April 2021 to date. These customers experienced long waiting times or were unable to

contact their supplier on the phone or receive a call back. However, this was not the case with all suppliers.

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

We agree with this proposal. This ability to prioritise calls would give assurances that those domestic customers identified as being in vulnerable circumstances, or in need of additional support, are being given the right help and guidance at the right time.

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

We agree with this unamended proposal. Training of all staff should be carried out on a regular basis to ensure the information they are providing customers is up to date and accurate. This training should complement the training required as a measure in the Best Practice Framework Code of Practice.

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

Long waiting times will invariably result in call backs being set so if the long waits can be reduced then the call backs should reduce. We welcome that the UR are insisting that all suppliers offer a call back with a 24-hour turnaround time, but the supplier must also advise the caller how long the turnaround time will be for the call back. These call backs could be offered for evenings, for example when the suppliers' lines are closed to incoming calls, therefore freeing up staff to make the callbacks. The suppliers must call the customers back within the agreed period that should be included in the automatic message when customers are requesting the call back.

This service should be monitored, reviewed, and reported on regularly by both the supplier and the UR to ensure that suppliers are fulfilling this service.

The supplier should make three call back attempts regardless of the reason for the call. Asking the customer the best time to call back when offering a callback may help reduce the attempts if unsuccessful on the first attempt. Suppliers must also make sure the customer's contact details are up to date.

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

We agree with this unamended proposal.

Proposal 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).

We agree with this unamended proposal. The recorded calls provide a record of all the interactions between the customer and the advisor and play an important part of the audit trail.

Proposal 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.

An automatic acknowledgement should be sent in response to all emails. This response should be sent within 24 hours and state clearly when the supplier will be in touch with the customer again.

An automatic acknowledgement is standard practice for many companies when action has been agreed and to keep the customer informed until conclusion. If no email exists, then the customer should be advised verbally or by post when they should expect to hear from the supplier.

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

We welcome the introduction of this new requirement and recommend the UR agrees these to ensure consistency across the suppliers. These keywords will identify and categorise the issue and therefore allow the supplier to deal with the issue accordingly. People who find themselves in a vulnerable or difficult circumstance may find it easier or prefer not to speak to someone directly but to put it in writing, so this alternative option is welcome.

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

We agree with the proposals contained in the sections 1 to 3 but believe a more stringent process is needed by suppliers at the initial stages of setting up the direct debit to make sure this process is completed fully.

The Consumer Council is aware of instances where the customer believed they had been set up on a direct debit only to find out months later that the direct debit was not in place. This is an area that needs additional processes put in place to help protect customers further.

In a recent case, a customer, who it seems was in a vulnerable situation, did not sign the direct debit form and was only made aware of this when she started to receive debt recovery letters from the supplier three months later. By this time the customer

has accrued more than £200 of debt. The letter she received, and the inclusion of the word 'debt' alarmed her. When she rang the supplier as instructed, she was unable to speak to anyone right away and was told that someone would ring her back in the next five days. This added to her anxiety and although she received a call back the next day the line was poor, and the staff member terminated the call but did not call her back. We felt this was a poor service and acted as a barrier to this consumer, as they couldn't sort their issue or a repayment plan in real-time but had to wait on a call back that was terminated but not followed up by the supplier.

For many consumers in debt, the hardest part is making the call to request help, so this process is off-putting and delays vulnerable consumers getting the help they need in real-time.

The Consumer Council complaints team has recommended that gas suppliers provide clear information on their credit control letters on how the customer can speak directly to an advisor when they call the number on the letter. At present the customer is advised they will receive a call back within five working days.

There are a few steps that a supplier should put in place to make sure if a direct debit is not set up properly this can be identified at an early stage.

- The customer should receive an acknowledgement of what has been set up on the supplier system.
- If there is an issue with the direct debit setup, then advising the customer verbally or by email of what to expect next will keep them up to date. If a telephone call is unsuccessful, then this should be followed by an email or letter.
- If the customer knows what to expect they can also help identify any problems when the setting up of the direct debit is not fully completed.
- The customer should be asked to check the first payment has been debited on the agreed date.

The supplier should also have an alert system. If there is a problem the supplier must ring the customer within five working days of the alert and if these are not successful, they must write to the customer and advise them the setting up process for the direct debit has failed and to contact them to as soon as possible.

Proposal 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 information provided by the customer as well as the supplier. As a minimum these should include the following:

- Up to date meter reading
- Size of the property

- The number of people live at the property
- Take account of any other relevant information provided by the customer
- Suppliers could exchange information on usage

Suppliers must take all reasonable steps to ensure that when setting up a fixed direct debit for a new customer, that it is based on the latest and most accurate usage information and that the financial circumstances of the customer must also be factored into the calculations.

Proposal 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.

We agree with the new and amended proposals in this Proposal 2 and would add that the supplier should highlight to the customer to check that the first payment has been debited. When “signing up” a customer to a fixed direct debit payment plan, the supplier must clearly explain how the fixed direct debit operates and explain the Direct Debit payment plan process works, for example:

- A fixed direct debit payment plan can result in the account being in excess credit or debit if the energy usage is different to that expected.
- The customer must be clear on how to request a refund of their credit (see 3.13) and the process for paying off any debt that has accrued on the account.
- An alert built into the suppliers' system to prevent direct debits not being set up properly.
- The customer should be made aware of the problem within five days.

The supplier must take every step to prevent significant amounts of credit or debit building up on a customer’s account.

Proposal 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.

We agree with the proposals and would like to add that we believe customers that have recently been set up on direct debit need more protection at the setting up and early stage of the process, rather than waiting for a review six months later. The Consumer Council believe a review for new customers should be conducted a month after the set-up so as not to inconvenience or avoid the risk of putting any customer into a debt situation.

We believe all customers new to fixed direct debit should go through a process check to confirm items including that the payments are being received and credited to the right account. This simple process will protect the customer from getting into debt and or being put into a vulnerable situation that could be easily avoided. Some areas of the direct debit process should focus on:

- 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 at least every six months or following a customer request. New customers should have their first direct debit payment confirmed by the supplier.
- 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).

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

We agree with the proposal contained in this consultation on the mandatory requirement for supplier processes for return of customer credit and hope the processes for the return of customer credit will be directly included in the supply licence as a new licence condition. We received 149 enquiries and complaints about refund of credit in 2023. Thirty of these were complaints from one electricity supplier's customers and eight similar complaints from one gas supplier's customers. We believe that suppliers should focus on these areas:

- a) Excessive credit is defined as the monetary value more than 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 more

than 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). We agree that customers should not have to make several attempts to have their credit refunded. This is also true of a closed account due to the death of the account holder. In this case the family may not be aware of credit on the account and under such difficult circumstances they may not know or think to ask for it. We therefore believe that if an account is closed and credit exists after the final bill has been settled, the supplier should automatically refund this without the refund having to be requested.

While the amendment proposals are very welcome in relation to the refunding, we would urge the UR to obtain further information on how often this happens and how much credit each supplier holds that has still not been refunded to customers and the reasons the credit has not been refunded.

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

We agree and welcome with the process in this section of the paper that sets out the proposed approach for the implementation of the new Code of Practice and licence conditions, including the arrangements for monitoring and reporting on the mandatory requirements across the following four areas:

- Consumers in vulnerable circumstances
- Customer contact centre services (this includes call centres and all mediums of written contact including social media platforms and emails)
- Setting fixed direct debits
- Returning of customer credit that has accrued on the account

5. Conclusion

The Consumer Council would like to thank the UR for the opportunity to respond to this consultation. We welcome the introduction of new or amended proposals set out in this paper, to ensure consumers are protected, that service levels are elevated to more acceptable standards, and that any gaps in the UR regulatory framework in the four related areas are closed.

6. Contact information

If you have any questions, require further information, or wish to discuss any aspect of our consultation response, please contact:

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The Consumer Council consents to this response being published.

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