

Rebecca Bloomfield
Utility Regulator
Queens House
14 Queen Street
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Confidential

Dear Rebecca

Re: 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

Power NI welcomes the opportunity to respond to the proposed modifications to Power NI's licence described as putting in place a baseline standard for customer service that energy suppliers must provide. Power NI already goes significantly beyond existing regulatory requirements to support customers and provide high levels of customer service, and it is central to Power NI's ethos and culture.

Whilst Power NI commends the UR's determination to improve customer service levels across the industry it is disappointing to find that Power NI's feedback regarding the implementation of this Code of Practice has not been considered by the UR.

The UR's wish to formalise a more standard approach through licence conditions to customer service across all suppliers will extend some of these measures, which Power NI already maintains, to all utility customers. 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. The UR must be cognisant of Power NI's position in the market given that due to regulatory restriction, Power NI 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.

Although Power NI acknowledges that the implementation of these modifications would be consistent with the aims of the UR's Corporate Strategy and the need for the UR to be a proactive regulator, implementing such prescriptive requirements will involve significant effort in resources and cost to fully implement. Costs which will ultimately be passed to customers.

On review of the proposed modifications Power NI have noted some areas of concern:

- **Condition 27c: Process for the return of customer credit**

Excessive Credit

Whilst Power NI acknowledges that there is no requirement for excessive credits to be held by suppliers and have process in place to ensure this is the case for customers, Power NI would seek further clarification on the definition of 'excessive' that the UR are planning to introduce as part of this licence amendment.

By definition the UR have defined 'excessive' as 'credit balances over and above the level needs to collect to cover a customer's underpayment over the winter months. Firstly, the nature of how a direct debit is calculated, even by the UR's own criteria for setting a direct debit make it difficult for a customer to get into a position of having an excessive level of credit. Also each individual accounts level of excessive will vary, depending on their usage. There is a concern that this requirement may result in more frequent changes to a customer's direct debit. Frequent changes will lead to significant customer uncertainty in relation to direct debit amounts to be lifted and a very poor customer journey.

The UR need to be mindful that accrued credit helps to smooth out energy bills in the months of higher consumption i.e. winter. Power NI already have an 'excessive credit' check in place where excessive credits are picked up through a monthly high credit report over and above the standard review of all customers account that take place every six months. Any credit deemed excessive will either be used to reduce monthly payments in the absence of a regular read or will be refunded if accounts meet Auto Refund parameters.

- **Condition 31a: Code of Practice on Customer Service**

- **Measure 3 – Suppliers must implement appropriate processes / services to provide a freephone telephone number for domestic customers that are on the CCR and a local low cost phone number for those domestic customers who are experiencing financial difficulties.**

Given the complexities of this ask and Power NI's previous experience of operating a similar model, Power NI feel that the only way to ensure that any proposed new telephone numbers meet the right customers would be to introduce a freephone number for all customers and phase out the current 0345 number.

In doing so the UR need to recognise the cost implications of this. To implement such a fundamental change 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. Costs for this initial implementation which includes system upgrades and marketing / collateral updates would be [REDACTED] with ongoing annual costs to service the freephone number of [REDACTED]. - a significant cost ultimately borne by customers including those within vulnerable circumstances.

- **Measure 9 – Call back services must be offered by all suppliers and acted upon within two working days**

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 recent years, 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.

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, all at a significant cost. An initial high level cost review by Power NI to implement this system will be [REDACTED]

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 feel that focus should remain on supporting the customer when they get in touch by providing a lower waiting time, faster speed to answer and remain confident in our ability to deliver good customer service without the need for the introduction of a call back service and would urge the UR to reconsider, particularly given the cost implications.

Power NI are disappointed with the introduction of such perspective licence amendments, particularly given the interactions with the UR regarding the implementation of these over the last 18 months. However, Power NI remain committed to working with the UR to ensure licence compliance but would continue to urge the UR to consider Power NI's position.

Yours sincerely,



Claire McElroy
Power NI