

Extra Energy – Regulation and Compliance

Complaints Handling Regulations Jan 2014 v0.1

Background

Consumer complaints in relation with the supply of energy to Domestic or Micro Business customers are covered by The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008. This outlines specific obligations regarding data capture, process and reporting. The purpose of this document is to provide an overview of the regulatory obligations and definitions regarding handling customer complaints.

Headlines

Suppliers are required to follow a complaints handling procedure, which includes the following steps:

- allow complaints to be made and progressed orally and in writing;
- describe the steps and timescales for investigation and resolution;
- provide for an internal review if a customer is not happy with the way a complaint has been handled;
- let consumers know where they can find independent help, advice and information;
- describe how complaints are escalated to The Ombudsman where it cannot be resolved satisfactorily (deadlock) or after the specified time (8 weeks);
- set out the remedies available, including compensation for mis-selling;
- record all complaints in detail on receipt and with all subsequent contact;
- only close the complaint when it is "demonstrably resolved";
- record all relevant dates as the complaint progresses where it cannot be resolved by the day after it is first received;
- inform customers about the ombudsman when it cannot resolve the complaint to the customer's satisfaction or after eight weeks;
- allocate adequate resources to complaint handing (this needs to be demonstrable); and
- have special arrangements for handling complaints from vulnerable and disconnected customers through CAB

Complaints handling procedure

A regulated provider must have in place at all times a complaints handling procedure. This procedure must comply with the following guidelines and must be followed for each complaint received:

- It must be written in plain and intelligible language
- It must allow for consumer complaints to be made and progressed orally (by telephone or in person at the regulated provider's business premises) or in writing (including by email)
- It will describe the steps which the regulated provider will take with a view to investigating and resolving a consumer complaint and the likely timescales for each of those steps
- It will set out provision for an internal review of an existing consumer complaint where a complainant indicates that they would like such a review to occur because they are dissatisfied with the handling of that consumer complaint;
- It will inform relevant consumers of the names and contact details of the main sources of independent help, advice and information that are available to them. For these purposes a source of help, advice and information shall be independent if it is independent of regulated providers, a qualified redress scheme and the Authority
- It will describe the relevant consumer's right to refer a consumer complaint to a qualifying redress scheme:
 - (i) on and from the point at which the regulated provider notifies the relevant consumer in writing that it is unable to resolve the consumer complaint to the relevant consumer's satisfaction; and
 - (ii) after the expiry of the specified time period; and
- It will set out the different remedies that may be available to a relevant consumer under the complaints handling procedure in respect of a consumer complaint, which remedies must include:
 - (i) an apology;
 - (ii) an explanation;
 - (iii) the taking of appropriate remedial action by the regulated provider; and
 - (iv) the award of compensation in appropriate circumstances.

Suppliers must include in their complaints handling procedure the award of compensation levels to domestic consumers, in appropriate cases, where the domestic consumer has been adversely affected by a failure to comply with its obligations under SLC 25 (sales and marketing activity).

Examples of complaints handling procedure can be found in appendix 3.0

Recording complaints upon receipt

Upon receipt of a consumer complaint a supplier must record in a written, electronic format the following details:

- the date that the consumer complaint was received;
- whether the consumer complaint was made orally or in writing;
- the identity and contact details of the relevant consumer making the consumer complaint or on whose behalf the consumer complaint is made;
- the account details of the relevant consumer making the consumer complaint or on whose behalf the consumer complaint is made (if applicable)
- a summary of the consumer complaint;
- a summary of any advice given or action taken or agreed in relation to the consumer complaint;
- whether the consumer complaint has become a resolved complaint and, if so, the basis upon which the regulated provider considers that the consumer complaint is a resolved complaint; and
- The method for future communication (if any) that has been agreed with the complainant.

Where any subsequent contact is made with the regulated provider in relation to an existing consumer complaint that regulated provider must, upon receipt of that subsequent contact, record:

- the date of that contact;
- whether the subsequent contact was made orally or in writing;

- whether the complainant making the subsequent contact is the same complainant as, or different to, the complainant who made the original contact regarding an existing consumer complaint and, where different, the identity and contact details of the complainant making the subsequent contact;
- a summary of that contact;
- a summary of any advice given or action taken or agreed in response to any points raised in that contact;
- whether the consumer complaint has become a resolved complaint and, if so, the basis upon which the regulated provider considers that the consumer complaint is a resolved complaint; and
- the method for future communication (if any) that has been agreed with the complainant.

All details must be clearly linked to an existing consumer complaint. Where a complainant claims to have made a consumer complaint in respect of a matter but it is not possible to identify a relevant existing consumer complaint, the supplier must record the fact that it is unable to trace the existing consumer complaint.

Complaint Received Dates

The dates complaints and subsequent contact dates should be treated as:

- where the consumer complaint or subsequent contact is made orally (by telephone or in person at the regulated provider's business premises), at the time at which it is received by that regulated provider;
- where the consumer complaint or subsequent contact is made in writing (including by email) and it is received before 1700 hours on a working day, on the working day that it is received by that regulated provider;
- where the consumer complaint or subsequent contact is made in writing (including by email) and it is received by the regulated provider after 1700 hours on a working day or at any time on a day that is not a working day, on the first working day immediately following the day upon which it is received by that regulated provider.

Disputed Complaint Resolution

Where a supplier has recorded that a complaint is a resolved but subsequent contact indicates that it is not a resolved, the regulated provider:

- must record details of this change in the consumer complaint's status in its recording system;
- must as soon as reasonably practicable after becoming aware of the fact that the consumer complaint is not a resolved complaint:
- direct the complainant to the complaints handling procedure on its website; and
- offer to provide a copy of the complaints handling procedure to the complainant free of charge;
- must take account of that consumer complaint in any report which it is obliged to prepare and publish in accordance with Regulation 11; and
- shall not otherwise be entitled to treat that consumer complaint as a resolved complaint for the purposes of these Regulations until that consumer complaint is demonstrably a resolved complaint.

Recording handling of complaints

Supplier must keep a written electronic record of complaints received that have not been a resolved by the end of the working day after the day on which the consumer complaint was first received.

Dates and relevant action in relation to complaints should be recorded.

Communication with Customers

Suppliers must send a relevant consumer a written notice informing that consumer of the complaints handling procedure and the supplier's obligations. This notice sent must also notify consumers:

- of their right to refer the consumer complaint to a qualifying redress scheme;
- that the qualifying redress scheme process is independent of the regulated provider;
- that the qualifying redress scheme process is free of charge to the relevant consumer and to any other category of complainant;
- of the types of redress that may be available under a qualifying redress scheme; and
- that any outcome of the qualifying redress scheme process is binding upon the regulated provider but not upon the relevant consumer or any other category of complainant.

Suppliers must also send a notice when they first become aware that:

- it is not able to resolve a consumer complaint to that relevant consumer's satisfaction; and
- the date upon which the specified time period for that consumer complaint expires unless that date falls on a day that is not a working day, in which case the first working day thereafter.

Complaints Handling Processes

Suppliers must ensure that they have, maintain and allocate adequate resources for complaints handling.

Each supplier must:

- receive, handle and process consumer complaints in an efficient and timely manner; and
- allocate and maintain such level of resources as may reasonably be required to enable that regulated provider to receive, handle and process consumer complaints in an efficient and timely manner and in accordance with these Regulations.
- Arrange for and provide all relevant complaints reporting
- If the Council refers a vulnerable consumer or a consumer complaint relating to a vulnerable consumer to a regulated provider, that regulated provider must take such additional steps as it considers necessary or appropriate with a view to, as appropriate, assisting that vulnerable consumer and resolving the relevant consumer complaint in an appropriate and prompt manner.

Referral of consumers from Consumer Direct (now Consumer Futures)

Each regulated provider must, after discussion with Consumer Direct, put in place appropriate arrangements to deal effectively with referrals to it from Consumer Direct of consumer complaints and, if appropriate, complainants (n.b. this is now Citizens Advice Bureau)

Supply of information to consumers

Suppliers must ensure that its complaints handling procedure appears at a clear and prominent location on its website.

Where a consumer complaint has not become a resolved complaint by the end of the first working day after the day the consumer complaint was first received by a regulated provider, the regulated provider must as soon as reasonably practicable (unless it has already done so in respect of the relevant consumer complaint):

- direct the complainant to the complaints handling procedure on its website; and
- offer to provide a copy of the complaints handling procedure to the complainant free of charge.
- Each regulated provider must, at least once in every twelve-month period, inform all of its domestic consumers (or arrange for all of its domestic consumers to be informed) of the existence of its complaints handling procedure and how a relevant consumer may obtain a copy of it.
- A regulated provider must provide a copy of its complaints handling procedure, free of charge, to any person who requests a copy.

Suppliers must:

- publish annually a consumer complaints report at a prominent location on their website; and
- provide a copy of their consumer complaints report, free of charge, to any person who requests a copy.

A consumer complaints report is a report in relation to the twelve-month period ending with the month immediately preceding the month in which the report is published which contains the following information:

- the number of consumer complaints which the regulated provider received from domestic consumers during that period which had not become resolved complaints by the end of the first working day after the day the consumer complaint was first received by the regulated provider;
- that the regulated provider has a complaints handling procedure;
- how a copy of that procedure may be obtained;
- the existence of these Regulations; and
- how and from where a copy (including a hard copy) of these Regulations may be obtained.

Examples of competitor Annual Complaints Reports are contained in Appendix 2

Appendix

1.0 Complaints Received from Prospects

Do we need to log complaints made to Extra Energy by consumers who are not direct customer (i.e. prospects) of Extra?

Yes, Ofgem's Standard Licence Conditions define a customer as

"any person supplied or requiring to be supplied with electricity at any premises in Great Britain but does not include any Authorised Electricity Operator in its capacity as such" (SLC1)

The obligation states that we must (and how we must) capture, resolve and report these complaints. The legislation only states that we must store this information electronically but it does not state where it has to be stored. This means that there are additional solutions available in order to comply with these obligations.

Failure to comply would be highly undesirable given the prolonged external temperature on both sales activity and compliant handling. This includes extensive recent investigations and fines amongst the 'big 6'. These include:

- Fines of £2.5m and £2m against British Gas and npower respectively for breaches to complaints handling regulation
- Fines for sales activity against SSE (£10.5m), Scottish Power (£8.5m) and npower (awaiting findings)

2.0 Competitor Annual Consumer Complaints Report

npower <http://www.npower.com/home/help-and-support/contact-us/annual-complaints-report/>

BG <http://www.britishgas.co.uk/content/dam/british-gas/documents/annual-consumer-complaints-report-2012-13.pdf>

SSE <http://www.sse.co.uk/uploadedFiles/CoreMarketingSites/Assets/Documents/OurAnnualComplaintsReportSSE.pdf>

Eon <https://www.eonenergy.com/~media/PDFs/About-Us/complaints-reports/Annual%20complaints%20report%202013.pdf>

Scottish Power <http://www.scottishpower.co.uk/support-centre/service-and-standards/complaints/annual-complaints-report>

EDF <http://www.edfenergy.com/products-services/for-your-home/documents/consumer-complaints-handling-report.pdf>

Ecotricity <https://www.ecotricity.co.uk/for-your-home/great-service/complaints-report>

3.0 Examples of Published Complaints Procedures

npower
http://www.npower.com/idc/groups/wcms_content/@wcms/@busi/documents/digitalassets/puttingthingsright100108.pdf

Eon
<http://www.eonenergy.com/~media/PDFs/For-your-business/SME-PDFs/SME-General/SMECHP0912.pdf>