



Energy Supplier Customer Service Levels: Contact centres and suppliers' processes for setting of fixed direct debits and return of credit

Utility Regulator Guidance Note

07 September 2023



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

This UR Guidance Note sets out our expectations for NI energy suppliers' customer service levels in relation to three specific areas:

- a) Customer contact centre services (this includes call centres and email correspondence);
- b) Setting fixed direct debits (at a set amount each month); and
- c) Returning of customer credit that has accrued on the customer account.

Audience

This document is likely to be of interest to regulated energy supply companies, consumer organisations, gas and electricity consumers and consumer representative bodies.

Consumer impact

The guidance set out in this paper will improve the standards of service provided by energy suppliers for all customers, including vulnerable customers, in relation to customer contact centre services, fixed direct debit processes and the return of customer credit. This is in advance of mandatory measures being put in place which will be done via a UR consultation in coming months.



Contents page

1.	Purpose of Guidance Note	3
2.	Background	5
	Customer Contact Centre Services	5
	Fixed Direct Debits	9
	Return of Customer Credit.....	11
3.	UR Guidance	13
	Introduction.....	13
4.	Supplier processes for return of customer	14
	Customer contact centre services – UR Guidance	15
	Supplier processes for setting fixed direct debits – UR Guidance	19
	Supplier processes for return of customer credit – UR Guidance.....	21
5.	Next Steps	23

1. Purpose of Guidance Note

- 1.1 This UR Guidance Note sets out our expectations for Northern Ireland (NI) energy suppliers' customer service levels in relation to:
- a) Customer contact centre services¹ (this includes call centres and email correspondence);
 - b) Setting fixed direct debits (at a set amount each month); and
 - c) Returning of customer credit that has accrued on the customer account.
- 1.2 The impact of Covid-19, volatile energy prices, the cost-of-living crisis, and delivery of the UK Government Energy Support Schemes² has placed increased pressure and resource demands on suppliers' customer services. Yet it is for these reasons that it is more important than ever that consumers receive adequate and fit for purpose customer services from their supplier.
- 1.3 As a result of a rising number of complaints and concerning reports regarding customer service levels, the UR conducted a review of supplier performance in these areas. This was carried out by analysing suppliers' data submissions, reviewing customer queries and engaging with consumer bodies. This highlighted a number of potential failings in suppliers' customer service levels. To address this, we have reviewed examples of good practice (from NI utilities and regulated industries across other jurisdictions) to develop guidance for energy suppliers on our expectations on customer service levels.
- 1.4 At this stage, this guidance is not mandatory. However, given the issues that have arisen we encourage suppliers to review and implement our recommended guidance as soon as is practical. We believe that implementation of this guidance will improve the standards of service for all customers (including vulnerable customers). This is particularly important to drive improvements in suppliers' customer contact centres before the winter, as compliance with a number of regulatory obligations that are set out in supplier licences and Codes of Practice are underpinned by the fact that customers can contact their supplier.

¹ For this paper we define customer contact centre services as suppliers' call centres that are used for customers to contact the supplier and replies to the customer contact email address that suppliers provide to customers. We are not including other services such as webchat functions, social media or other forms of contact as part of this Guidance Note.

² <https://www.gov.uk/get-help-energy-bills/northern-ireland>

- 1.5 This Guidance Note has been issued in advance of a formal consultation later in the year which will be the first step in the process to put mandatory measures in place. The recommendations in this Guidance Note will improve customer service levels across three necessary and important areas: customer contact centres, processes for setting fixed direct debits and processes for returning customer credit.

2. Background

- 2.1 In Q4 2022, the UR was made aware of a rising number of complaints and concerning reports regarding customer service levels, specifically in the areas of customer contact centre services, the setting of fixed direct debits and the processes for the return of customer credit.
- 2.2 To address this, we issued an open letter³ to all domestic suppliers setting out our concerns in relation to performance of the customer contact centres. We also held two roundtable meetings with all domestic suppliers and NI consumer bodies to discuss the issues and options for resolution.
- 2.3 In the medium term, we will be seeking to strengthen our regulatory framework in the area of customer service levels. This will include customer contact centre performance, suppliers' processes for setting customers' fixed direct debits and the return of customer credit. We will be consulting on options for this later this year.
- 2.4 In the interim, we are publishing this UR Guidance Note for NI domestic energy suppliers to set out our expectations on customer service levels in three areas:
- a) Customer contact centre services (this includes call centres and email correspondence);
 - b) Processes for setting fixed direct debits (at a set amount each month); and
 - c) Returning of customer credit that has accrued on the customer account.

Customer Contact Centre Services

- 2.5 Energy supply is an essential service. Therefore, it is important that suppliers have effective customer contact centre services so that their customers can easily reach them to get any support they need. In addition, energy suppliers must operate an accessible complaints procedure in order to allow customers to bring (and have promptly dealt with) any complaint in relation to supply.

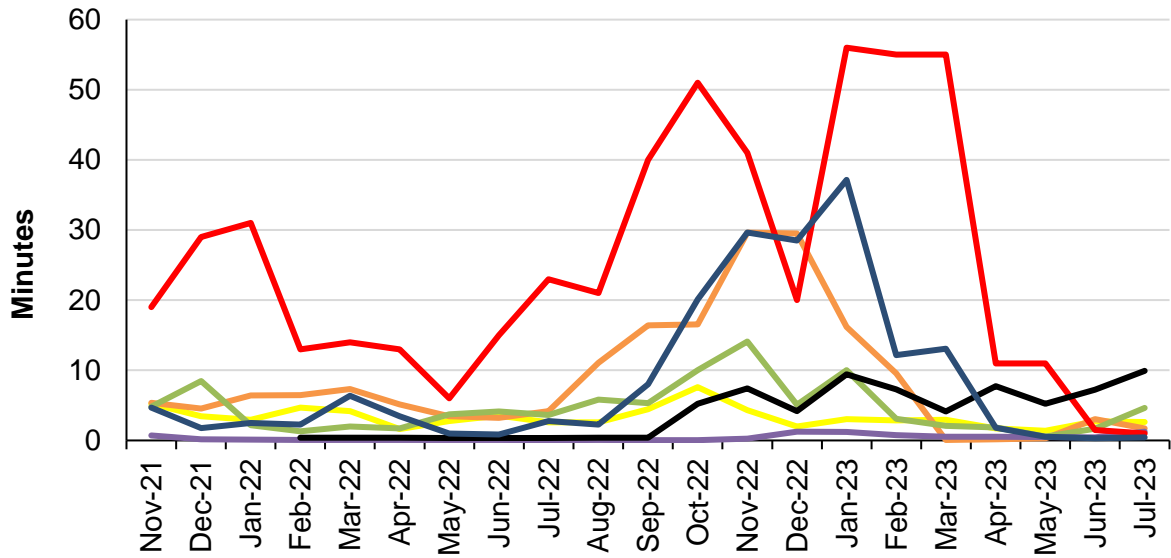
³ [Supplier open letter from CEO ref Call Centre Issues \(uregni.gov.uk\)](https://www.uregni.gov.uk)

- 2.6 Issues such as volatile energy prices and public uncertainty surrounding government support schemes has likely led to an increase of consumers attempting to contact their suppliers. It is precisely during uncertain times that these customer contact centres play their most vital role.
- 2.7 Suppliers represent the customer-facing element of the energy market and it is our expectation that they make it easy for consumers to contact them and ensure that their customer service arrangements are fit for purpose. To do so, we expect suppliers to allocate and maintain such level of resources as may reasonably be required to enable them to receive, handle, and process all consumer contacts in an efficient and timely manner.
- 2.8 To gain further understanding of the performance of suppliers' customer contact centres, we contacted all domestic suppliers in November 2022 requesting a breakdown of the following Key Performance Indicators (KPIs) for the period 01 November 2021 – 31 October 2022⁴:
- a) Service level (% of calls answered within 30 seconds);
 - b) Average call handling time;
 - c) Abandonment rate (number of customers who end their call before it is answered by the supplier's customer contact centre);
 - d) Average call wait times;
 - e) Total number of calls;
 - f) Average number of Full Time Equivalent (FTE) customer service agents taking calls; and
 - g) Number of domestic customers.
- 2.9 Analysis of the submissions from all suppliers offered important insight into market wide customer contact centre performance and provided further context to the reports we had received from individual customers and consumer bodies. The graphs below show the data trend (per anonymised supplier) from November 2021 to July 2023 for the following KPI's: Average Call Wait Times, Abandonment Rates and FTE's per 100 calls⁵.

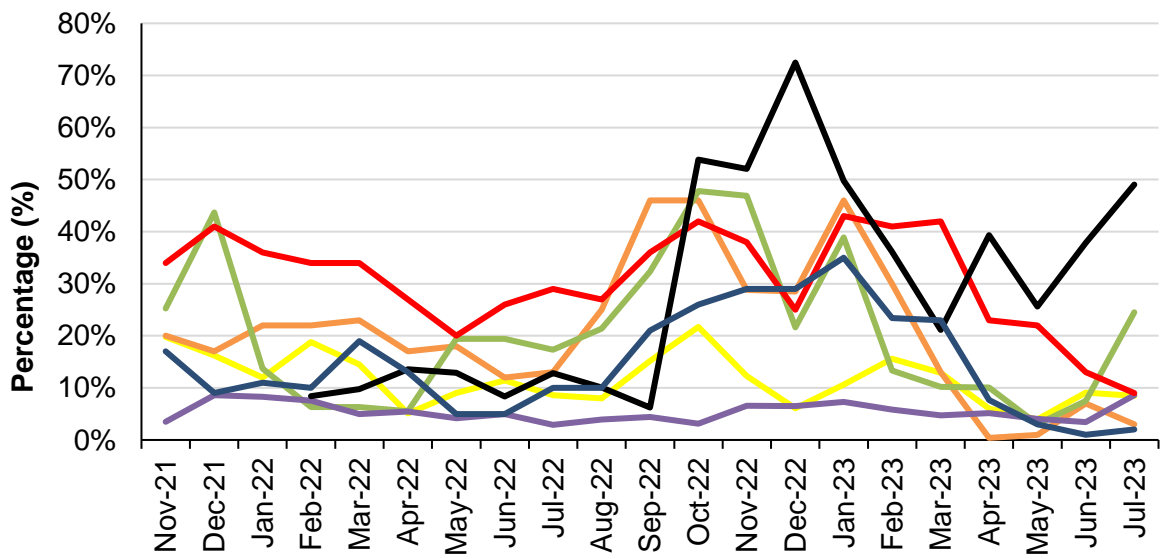
⁴ We issued a subsequent request in January 2023 for suppliers to continue to send monthly reports of the KPIs to allow further monitoring.

⁵ The graphs for the other KPIs set out are contained in Appendix 1.

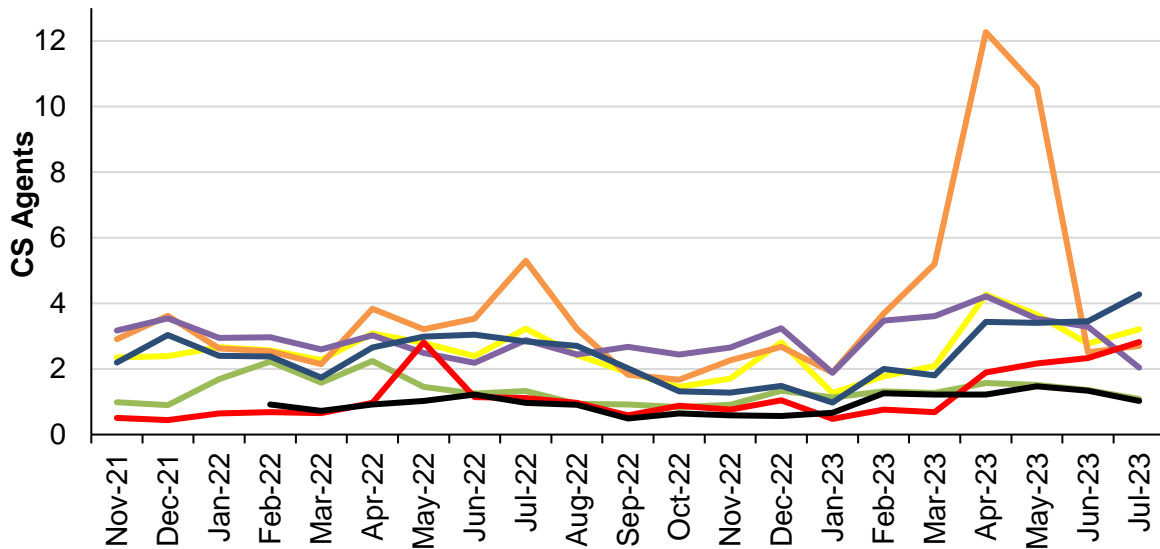
Average Call Wait Times



Abandonment Rate



FTEs per 1,000 calls



- 2.10 As highlighted in the graphs above, we found that in general the performance of the contact centres of NI energy suppliers had fallen well below what we would consider to be an acceptable standard. This was particularly apparent in the latter half of 2022. Since April 2023 the overall performance has generally started to improve for all suppliers (however in the latter months for some suppliers this is less so). At the joint supplier and consumer group meeting which we held in March on suppliers' contact centre performance it was noted that the total number of calls suppliers were receiving had been dropping. This drop in call volume was explained, in part, due to the end of some of the UK Government Energy Support Schemes.
- 2.11 As highlighted above, some improvements have been made, with suppliers' customer contact centre performance. However, we want to ensure that the issues experienced do not reoccur this winter. Therefore, to safeguard against this, we consider that specific guidance on the level of customer contact centre service we expect from suppliers is required as this will have a direct and positive impact on customers.
- 2.12 Our initial review from our analysis of call centre statistics, evidence from complaints we have received and information from consumer bodies, give rise to the following concerns with some suppliers' customer contact centre services:
- a) Long average call wait times;
 - b) High rates of call abandonment;

- c) Suppliers not adequately resourcing their call centres to cope with increases in call volumes and effectively serve their customers;
- d) Customers being disconnected from the call before they can get through to the call centre;
- e) Email correspondence receiving no response (or very long delays);
- f) Some suppliers offering call back services, but the customers not receiving a call back; and
- g) Customers' issues not being resolved when they got through to their supplier, with instances of customers receiving different information each time they contacted their supplier.

Fixed Direct Debits⁶

- 2.13 Many suppliers offer their customers the option to pay their energy bills through fixed direct debit payments (often on a monthly basis). The amount of fixed direct debit that is paid by the customer is usually agreed at the beginning of the contract and is based on the customer's expected annual energy usage, which is then divided as equal payments across the year. The value of the fixed direct debit can be adjusted over the customer's contract to realign with the customer's actual usage.
- 2.14 Customers on a fixed direct debit contract can have a negative balance (be in debit) or positive balance (be in credit) with their supplier at different periods of their contract. This can occur if a customer's energy usage fluctuates over the year and/or their energy usage is different to that expected due to seasonal variations.
- 2.15 Both the UR and NI consumer bodies have had an increased level of contact from consumers in relation to the level of their monthly fixed direct debit payments as well as the level of credit built up and subsequently the customer's ability to receive this credit back. Concerns have been raised that some suppliers may have inconsistent processes in place in relation to the setting, review and adjustment of fixed direct debits. These inconsistencies have been noted both across different suppliers and within some individual suppliers (with customers receiving different information each time they contact their supplier).

⁶ Please note this Guidance Note relates to fixed direct debit only. Variable direct debit contracts where the customer is billed different amounts each bill (based on their usage for the specific billing period) are not included in this Guidance.

2.16 We appointed Gemserv to undertake a high-level review of how suppliers set and review fixed direct debits. This was a fact finding endeavour to understand suppliers' terms and conditions (T&Cs) in relation to fixed direct debits, and the systems and processes used in setting fixed direct debit amounts and returning credit for customers. It was conducted through a series of interviews with suppliers, followed by a review of their business process documentation.

2.17 The high-level review indicated that all suppliers appeared to meet the basic requirements of the licence conditions. However, Gemserv noted significant variances across suppliers that would directly impact the customer experience. The key findings for some suppliers from Gemserv's review include⁷:

- Lack of customer interaction in fixed direct debit setting. With some suppliers calculating the fixed direct debit amount on usage profile only rather than considering individual circumstances that might impact the calculation (e.g. family size, demographic, etc.).
- Lack of detailed documentation, guidance and training for staff to support the supplier processes in this area.
- Variation in customer communications when a change in a fixed direct debit payment is identified. Some suppliers did not provide separate communication on this for example only including it in the bill. It was also identified the language used in the communication could be more 'consumer friendly' to encourage the customer to contact the supplier if they have any queries or are concerned that they might not be able to meet the payment.
- Variation in the frequency of the review of fixed direct debit amounts (ranging from three to thirteen months). Gemserv recommended that a more frequent review cycle of at least every three months would be of more benefit to consumers.
- Variation in the provision of credit triggers to review fixed direct debit amounts. Gemserv noted that some suppliers did have a credit trigger, but this was set at £1,000, which they considered to be too high.
- Variation in the process of refunding credit from customer accounts. Some suppliers' processes are cumbersome and require the customer to be proactive in the request for a refund of their credit.

⁷ Please note these findings are not applicable to all suppliers. These are findings in relation to one or more suppliers fixed direct debit systems and processes at the time of the Gemserv review.

- 2.18 Our initial findings from the Gemserv review, evidence from complaints we received and information from consumer bodies have given rise to the following concerns with suppliers' processes for setting fixed direct debits:
- a) Setting fixed direct debits on usage profile only, with no consideration of individual customer circumstances;
 - b) Infrequent reviews of customers fixed direct debits and in some cases credit triggers to review fixed direct debit amounts being set too high;
 - c) Inconsistencies in communication to customers on their fixed direct debits;
 - d) High credit balances being built up; and
 - e) Issues with customers being able to get their credit balance refunded.

Return of Customer Credit

- 2.19 Credit can build on a customer's account with their supplier for a number of reasons. It could be as a result of a supplier: overestimating a customer's energy usage (when setting a fixed direct debit) due to the absence of an accurate meter reading; not performing timely reviews of credit balances; or the predicted annual energy usage used to set the fixed direct debit could be wrong.
- 2.20 Customers with a fixed direct debit contract can accumulate either credit or debit balances with their supplier at different points throughout the year. This is because a customer's energy usage generally fluctuates throughout the year. Typically, customers use less energy during the summer resulting in a build-up of credit, which may be subsequently used in the winter when more energy is consumed.
- 2.21 As credit is a result of a customer paying more to their supplier than their energy usage, this results in a credit balance and is essentially money that a supplier owes to their customer. As a result, a customer should be able to request and receive a refund from their supplier for any credit they have on their account in a timely manner.
- 2.22 As stated above, the UR and NI consumer bodies have had an increased level of contact from consumers on fixed direct debit contracts in relation to both the amount of credit that is being built up on their accounts and difficulty in being able to obtain a return of this credit from their supplier.

2.23 Our initial findings from the Gemserv review, evidence from complaints we received and information from consumer bodies have given rise to the following concerns with suppliers' processes for the return of customer credit:

- a) Customers have to be proactive in requesting a return of their credit. There is evidence that some customers are having difficulty in contacting their supplier to initiate the process, requiring often multiple attempts to contact their supplier with instances of customers receiving inconsistent information on supplier's processes each time;
- b) Suppliers not providing customers with the option to have their credit returned, instead factoring the credit into a reduced fixed direct debit;
- c) Suppliers taking an unreasonable length of time to return credit to customers; and
- d) In some instances the cause of high credit balances was a result of a high fixed direct debit (that was much greater than the customer usage).

3. UR Guidance

Introduction

- 3.1 As set out in Section 2 there have been issues with the performance of suppliers' customer contact centre services, their processes for setting fixed direct debits and the returning of customer credit that has accrued on the customer account. This section sets out the UR guidance on the minimum standards we expect from suppliers across these three areas. We are of the view that if suppliers follow this guidance, it should result in the delivery of satisfactory call centre performance for consumers and prevent the re-occurrence of identified issues in relation to setting fixed direct debits and the return of credit.
- 3.2 In developing this guidance, we reviewed best practice examples in the delivery of customer contact centre services, fixed direct debit setting and processes for the return of customer credit. This included NI utilities and regulated industries across other jurisdictions. We also engaged with NI consumer bodies on our proposed guidance to obtain their input and views as to whether it would address their identified issues.
- 3.3 This guidance represents our minimum expectations from suppliers in delivering efficient and effective customer contact centre services, fixed direct debit offerings for their customers and consistent processes for returning of customer credit that has accrued on the customer account. Whilst not mandatory at this stage, we encourage suppliers to put the processes in place to be able to meet these minimum standards and we especially welcome where suppliers go beyond this guidance to enhance the customer experience.
- 3.4 We plan to issue a consultation later in the year to seek to establish mandatory requirements to strengthen our regulatory framework in customer service levels, fixed direct debits and return of customer credit.
- 3.5 The UR guidance is set out on the next page. Further detail and explanation on what we mean and expect from suppliers with accompanying rationale (where needed or appropriate) is provided following the overview.

Customer contact centre services

1. At an overall level, suppliers should ensure they have and maintain robust internal capability, systems and processes to enable the licensee to adequately deliver their customer contact centre service.
2. Customers should be able to reach their supplier's customer contact centre easily without experiencing an excessive call wait time to speak to an operative.
3. Customer contact centre call operatives should be adequately trained to ensure they can provide accurate and consistent information to customers.
4. If call back services are offered, call backs should be provided within the timelines indicated by the supplier.
5. Suppliers should ensure that their call abandonment rate is not excessive (not above 12.5%).
6. A customer's call should never be disconnected when they contact their supplier during their customer contact centre operating hours (apart from for circumstances outside of the supplier's control).
7. Written customer contacts via email should receive timely responses.

Supplier processes for setting fixed direct debits

1. Setting the fixed direct debit for a new customer: the fixed direct debit value should be calculated specific to the individual customer and based on up-to-date and accurate information.
2. For any fixed direct debit payment plan - suppliers should provide clear and accessible information to the consumer on how this payment plan operates.
3. Reviewing the fixed direct debit - the fixed direct debit review should be conducted on a regular basis, the value should be based on up-to-date accurate information and must be reviewed at set regular intervals.

Supplier processes for return of customer

1. Customer Credit – customers on a fixed direct debit should not have excessive credit on their account and any accrued customer credit should be easily obtained from their supplier.

Customer contact centre services – UR Guidance

3.6 Further detail on the guidance for suppliers' customer centre services is set out below:

1. At an overall level, suppliers should ensure they have and maintain robust internal capability, systems and processes to enable the licensee to adequately deliver their customer contact centre service.

This means:

- a) Suppliers should have the appropriate systems and processes (to include premises, facilities, staff, equipment and IT systems), to enable the provision of a quality and efficient customer contact centre service to their customers.
- b) Customer contact centres and associated services should be adequately resourced to deal with consumer calls in a timely and efficient way.

2. Customers should be able to reach their supplier's customer contact centre easily without experiencing an excessive call wait time to speak to an operative.

This means:

- a) Suppliers' customer contact centre telephone numbers should be displayed in a clear and prominent position that is easy for a customer to locate. This should include, but not be limited to, the suppliers' website and any bills or written communication sent to a customer.

UR Rationale

A number of consumer bodies reported to us that they had difficulty in finding some supplier customer contact centre telephone numbers as it was not displayed in a prominent position on their website and/or written information. If a consumer cannot easily locate their supplier's customer contact centre telephone number, they will be unable to avail of this service. It is important that suppliers also provide their contact number in a prominent position on written communication as well as their website, for those customers who do not have access to the internet.

- b) Average call wait times should not be over 5 minutes.

UR Rationale

Our review of call wait time data found one of the top performing supplier's average call wait time was below 5 minutes (between the period November 2021 – July 2023). We therefore consider this wait time to be achievable for all suppliers. This is further supported by the data for July 2023 where the majority of suppliers have obtained average call wait times below 5 minutes.

There is evidence that the maximum average call wait time could be set lower than 5 minutes. In Ofcom's annual report 'Comparing customer service: mobile, landline and home broadband'⁸ they found average call waiting times were just under two and half minutes in 2022 (2min 23s and 2min 37s for broadband and landline providers). However, for the purposes of this guidance we will set an expectation of a maximum wait time of 5 minutes which will be reviewed again in our consultation.

3. Customer contact centre call operatives should be adequately trained to ensure they can provide accurate and consistent information to customers.

This means:

- a) Suppliers should provide the appropriate level of training and oversight (i.e. ongoing review of training needs and adequacy of training) for all their call operatives, to ensure they have the skills and knowledge to provide consistent and accurate information to all customers.
- b) If a call operative is unable to provide the information that the customer requires in the first instance, the supplier should have a process in place to allow redirection of the customer to another call operative who can deal with the query. This should include the option for the call operative to escalate the call to a specialist member of the team for more complex cases.
- c) If customers are passed over to alternative operatives this should be done via a 'warm handover' which means that there is no requirement for the customer to call back.
- d) If a customer is not satisfied with the information provided by a call centre operative and they consider that their issue has not been adequately resolved, then the customer should be able to escalate their issue, for example to a manager.

⁸ [Comparing customer service: mobile, landline and home broadband \(ofcom.org.uk\)](https://www.ofcom.gov.uk/consult/condocs/customer/customer220922/)

4. If call back services are offered, call backs should be provided within the timelines indicated by the supplier.

This means:

- a) Suppliers should state, when offering a call back, the timeline in which the customer can expect to receive the call back.
- b) If suppliers offer a call back facility, they should have adequate processes and resources in place to facilitate the operation of this service within the timelines indicated by them.
- c) Suppliers should make at least three separate call back attempts if they have been unable to reach the customer. The call back attempts should be spread out across different times of the day. The contact should be in line with the customer's preferred means of contact.

UR Rationale

The process of making three attempts to call a customer back is based on best practice used by a NI advice body. We therefore consider this is a reasonable expectation for suppliers to also follow.

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

This means:

- a) Suppliers' call abandonment rate⁹ should not be above 12.5%.

UR Rationale

Our review of call abandonment rate data found that one of the top performing supplier's average call abandonment rate was 11.7% (between the period November 2021 – July 2023). We therefore consider this figure to be achievable for all suppliers (including during the Winter period). It is further supported by the data for July 2023 where the majority of suppliers had reduced their call abandonment rate to below 12.5%.

We also note that NI Water are achieving a much lower call abandonment rate (the latest published figures for reporting year 2021-

⁹ Call abandonment rate is the number of customers who terminate their call before it is answered by the supplier's customer contact centre. this applies to calls that are made during the supplier's published customer contact centre operating hours.

22 show it was 5%)¹⁰ and that the utility regulator for the Republic of Ireland (Commission for Regulation of Utilities (CRU)) in their Price Review (PR5) for their Transmission System Operator (TSO) and Distribution Network Operator (DNO), set call abandonment rates at 4%¹¹ However, for the purposes of this guidance we will set an expectation of a call abandonment rate of a maximum of 12.5% and this will be reviewed again in our consultation.

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

This means:

- a) The only exception is when it is a result of circumstances outside of the supplier's control such as the customer's phone signal.

7. Written customer contacts via email should receive timely responses.

This means:

- a) Either an answer or acknowledgement that the query is being dealt with (where further investigation is required) within 5 working days¹².

UR Rationale

This is in line with our Code of Practice minimum standards on Complaints Handling Procedure, which states, 'the timeframe in which the supplier will endeavour to resolve the complaint which shall not be longer than three months, including a prompt first answer or acknowledgement within 5 working days of the receipt of the complaint and the lead time to deal with a complaint'.

- b) We also recommend that suppliers issue all customers with an automatic confirmation of receipt when they contact their supplier by email. This should include expected timelines for reply to manage customer expectations.

¹⁰ See NI Waters latest figures in their [Annual Information Return 2022 for Public Domain](#), found in Block C of Table 5.

¹¹ CRU's Regulatory Framework, Incentives and Reporting Decision Paper ([CRU/20/154](#))

¹² Working day being Monday – Friday.

Supplier processes for setting fixed direct debits – UR Guidance

- 3.7 Further detail on the guidance for suppliers' processes for setting fixed direct debits is set out below:

1. Setting the fixed direct debit for a new customer: the fixed direct debit value should be calculated specific to the individual customer and based on up-to-date and accurate information.

This means:

- a) For new customers, payments should be based on a number of factors which includes information provided by the customer. This should, as a minimum, include the following:
 - i. Up to date meter reading;
 - ii. Size of property;
 - iii. How many people live in the property;
 - iv. Occupation pattern of property (e.g. if the property is occupied during the day);
 - v. Type of heating; and
 - vi. If there is any high energy use medical equipment at the property.

2. For any fixed direct debit payment plan - suppliers should provide clear and accessible information to the consumer on how this payment plan operates.

This means:

- a) When signing up a customer to a fixed direct debit payment plan, the supplier should clearly explain how the fixed direct debit works. This should be articulated at point of sign up (verbally if in person or via phone, or written if online) and confirmed in writing by the customer's chosen means of contact. The supplier should include the following minimum information:
 - 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 3.8) and processes for discussing with the supplier any debt that has accrued on the account).

3. Reviewing the fixed direct debit - the fixed direct debit review should be conducted on a regular basis, the value should be based on up-to-date accurate information and must be reviewed at set regular intervals.

This means:

- a) Suppliers should conduct a regular review of fixed direct debits to ensure they accurately reflect the customer's actual energy usage. This should occur (i) at least every 3 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.

UR Rationale

If there are no specific triggers we consider reviews every 3 months as a timely interval to review a customer's fixed direct debit which is also in line with the meter reading cycle.

- b) Customers can submit their own meter reads to their supplier, these should 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 should receive clear, informative and timely communications on the fixed direct debit change including the supplier's reason for the change. This communication should be sent by the customer's preferred means of contact. The communication cannot be solely through information on the face of the bill.

- d) Suppliers should have controls in place to identify and trigger a review when a customer has excessive credit or debit amounts accrued. For example, this could be calculated as a reasonable set monetary value, or a percentage value based on a customer's annual usage to ensure it is neither too high or low.
- e) Suppliers should have both clear internal documented processes and training on how they review and calculate fixed direct debits, to ensure all staff carry these out in a clear and consistent way.

Supplier processes for return of customer credit – UR Guidance

3.8 Further detail on the guidance for suppliers' processes for return of customer credit is set out below:

1. Customer Credit – customers on a fixed direct debit should not have excessive credit on their account and any accrued customer credit should be easily obtained from their supplier.

This means:

- a) Any customer in credit can, on request, receive payment of their credit in a timely manner and this should not require multiple contacts by the customer. We view a maximum of 28 days from the request being made by the customer to the payment of the credit as being timely, but have an expectation that it should be as soon as practical.

UR Rationale

Under Licence Condition 27.4 for electricity and 2.22.4 for gas, where a customer has demonstrated a history of timely payment over a year their security deposit must be returned as soon as is reasonably practicable or at most within 28 days. Therefore, we are of the view that this is achievable at this juncture and we will review this again in our consultation.

- b) Excessive customer credits should trigger a review by the supplier to ensure the customer's fixed direct debit is set at the correct level (refer to 3.7 for trigger amounts). 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).

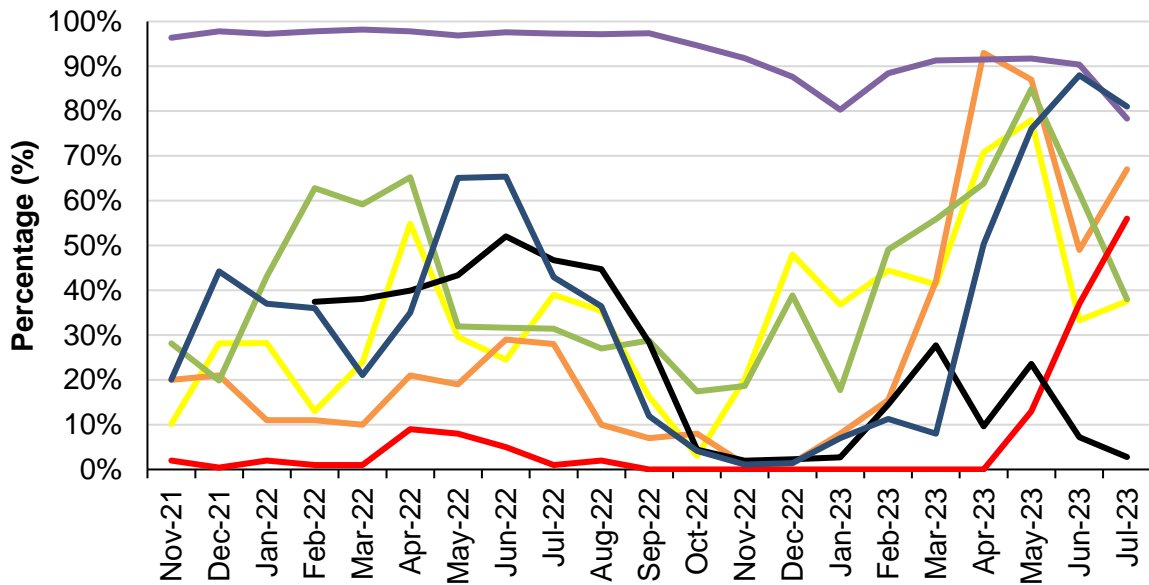
- c) Suppliers should have both clear internal documented processes and training on how they return credit to their customers to ensure all staff carry these processes out in a clear and consistent way.

5. Next Steps

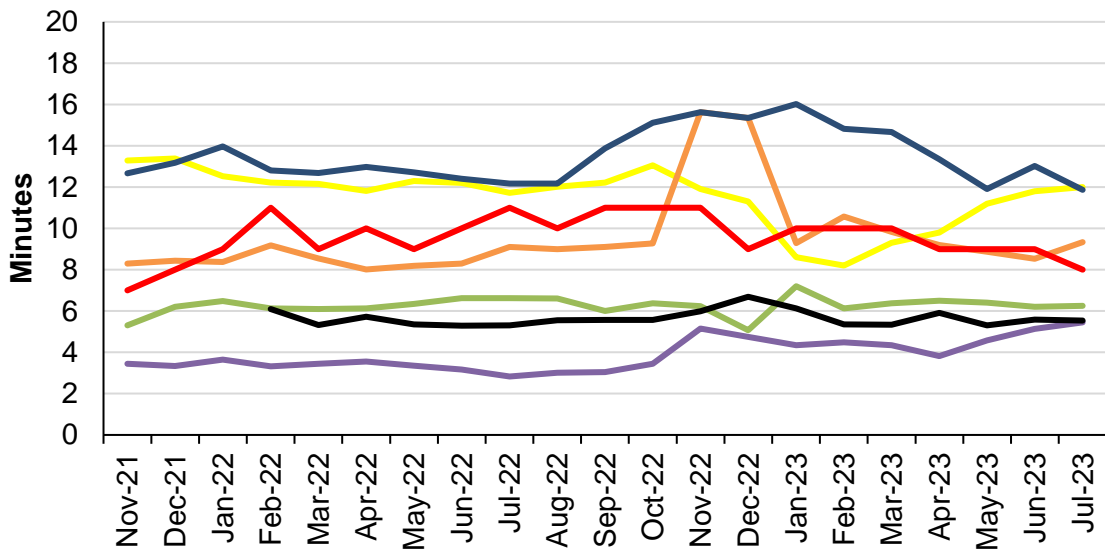
- 5.1 Following the publication of this Guidance Note, we will contact suppliers individually to discuss their plans to align with this guidance across the three areas.
- 5.2 We would expect suppliers to carry out an assessment of their current processes and establish any gaps in their customer service provision across the three areas. Suppliers should then take the necessary steps to meet the provisions in this Guidance Note (if they do not already do so). This is in the context that mandatory requirements will follow from the upcoming consultation.
- 5.3 We will continue to monitor contact centre performance through our ongoing receipt and review of customer contact centre KPIs. In addition to this, we will also monitor consumer contacts received by the UR as well as feedback from consumer bodies to identify any specific issues arising with regard to supplier customer service levels. If we consider any supplier's performance is falling below what we would consider acceptable and/or current licence conditions or CoP requirements, we will engage with them individually and discuss options for resolution.
- 5.4 Likewise in relation to supplier processes for setting fixed direct debits and the return of customer credit, we will continue to monitor suppliers' performance, through consumer contacts received by the UR as well as feedback from consumer bodies to identify any specific issues arising.
- 5.5 We will continue the work to develop mandatory measures for the three areas outlined in this paper and aim to publish a consultation later in year.

Appendix 1 – Supplier customer contact centre performance metrics

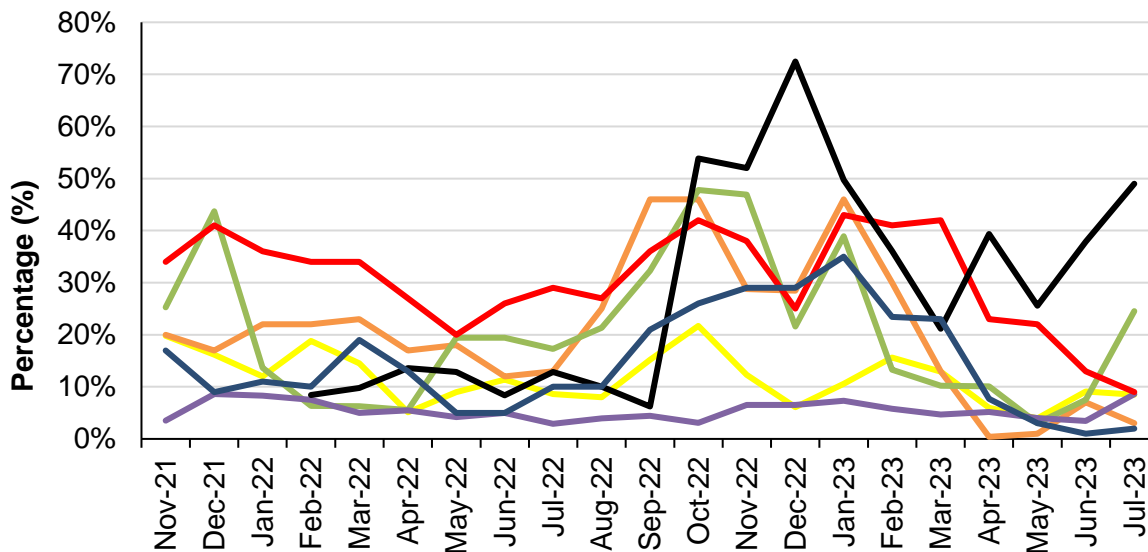
Service level (% of calls answered within 30 seconds)



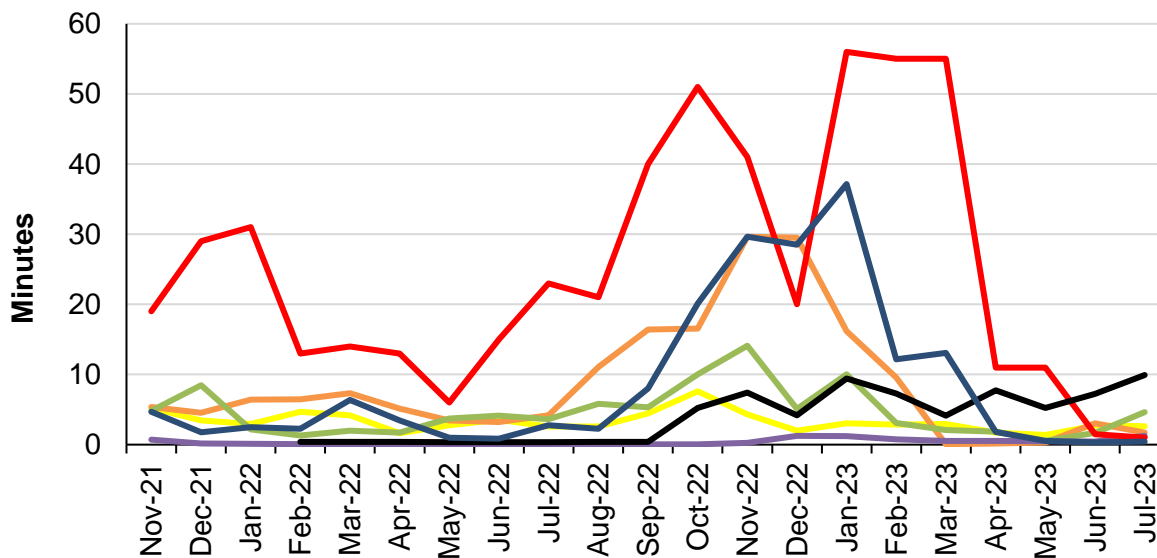
Average handling time



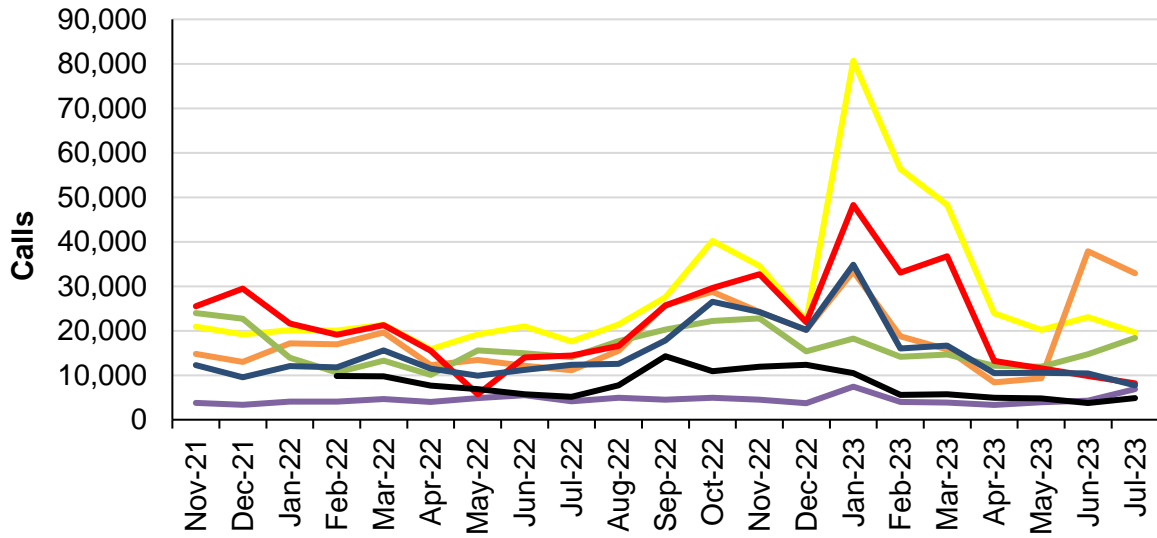
Abandonment Rate



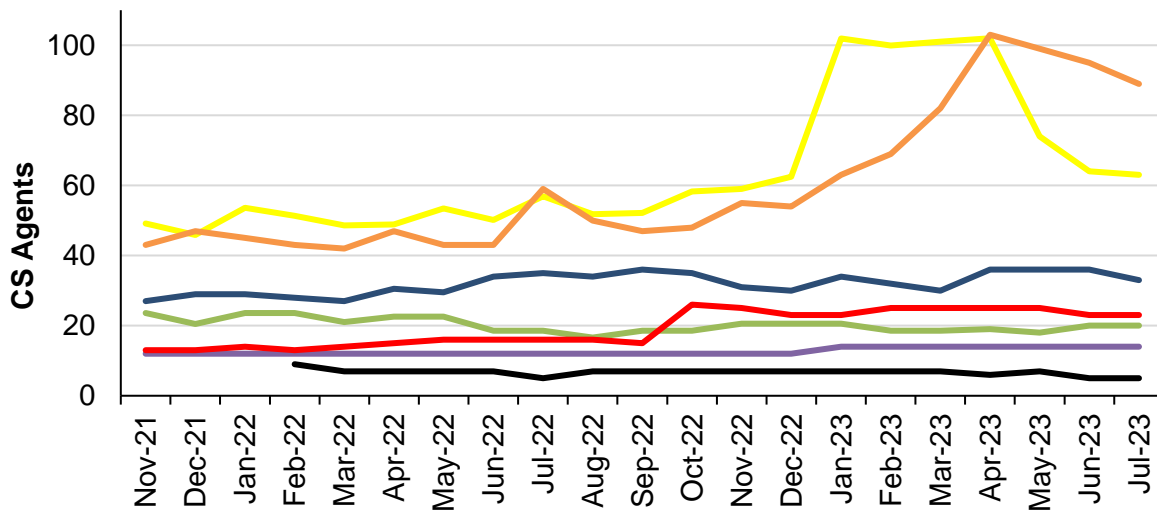
Average Call Wait Times



Total number of calls



Average number of Full Time Equivalent (FTE) customer service agents taking calls



FTEs per 1,000 calls

