THE UTILITY REGULATOR’S CONSULTATION ON THE IMPLEMENTATION OF ENERGY SUPPLIER CODES OF PRACTICE (NORTHERN IRELAND) 2014

SSE Airtricity Response to

THE UTILITY REGULATOR

July 2014
INTRODUCTION

SSE Airtricity welcomes the opportunity to comment on the consultation on the implementation of the energy supplier code of practice 2014.

SSE Airtricity is the largest independent supplier operating in Ireland with over 800,000 customers served across both electricity and natural gas markets. SSE Airtricity is committed to the development of competition in energy markets in Northern Ireland and to presenting its customers with choice and quality customers services.
**General Comments**

SSE Airtricity is fully supportive of measures designed to protect and enhance customer service and the experience that customers have when dealing with their supplier or distribution operator. It is essential in a competitive market that customers can rely on a minimum service standard and can expect action where this standard is not met. At all times we strive to improve service and meet our customers’ expectations.

The minimum standards should allow for flexibility and innovation in the way the supplier codes of practice are delivered while allowing a base level of consistency between suppliers. Consistency is certainly seen as a good thing SSE Airtricity and we would always strive to excel in the services provided to all our customers. The approach should also reduce confusion for consumers, making it clearer what supplier’s obligations actually entail.

SSE Airtricity therefore welcomes the UR’s consultation on the implementation of energy supplier codes of practice. The introduction of a minimum code provides an opportunity for all suppliers to implement standard measures to protect customers while retaining their ability to determine practices and the best way of doing this for their business.

**Detailed Comments**

SSE Airtricity has set out its specific comments in relation to individual proposed standards below:

Q 1 Do respondents agree that customers and suppliers will benefit from a consistent approach to interpretation of the licence conditions?

SSE Airtricity agrees that customers and suppliers would benefit from a consistent approach to the interpretation of the licence conditions.

Q 2 Do respondents believe that the minimum standards guidance for Codes of Practice is the right approach? Please provide supporting information and evidence for your response.

SSE Airtricity agrees that the implementation of the minimum standards guidance for the Code of practice is the correct approach. The minimum standards should allow for flexibility and innovation in the way the suppliers codes of practice are delivered, while allowing a base level of consistency between suppliers. However, SSE Airtricity believes that regulation can sometimes give rise to anomalies and inconsistencies, given other regulations that are already in place in a particular area. This should be taken into account when defining final requirements.

Q 3 Do respondents agree that where this consultation has an impact on the groups listed above, those impacts are likely to be positive in relation to equality of opportunity for energy consumers?

SSE Airtricity agrees in general to this statement.
Q 4 Do respondents consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.

SSE Airtricity has no further comment in this area.

Monitoring and Enforcement of Codes of Practice

Q 5 Do respondents agree that the effective monitoring of Codes of Practice is essential? Are there any additional areas that should be covered in relation to monitoring, reporting and compliance?

SSE Airtricity agrees that effective monitoring of the Codes of Practice is essential.

Q 6 Respondents are asked their opinion on the proposed banding for Indicator 11 and 12, Customer Debt. Some price controlled suppliers already collect and submit information at this level of detail. Respondents are asked if it is appropriate for non-price controlled suppliers to also provide information at this level of detail. We would ask respondents to provide supporting information and alternative suggestions.

SSE Airtricity has no further comment in this area.

Q 7 Respondents are asked their opinion on what monitoring information should be published. We would ask respondents to provide supporting information on their proposal and be mindful of customer transparency as part of their response.

SSE Airtricity believes that it is important how the UR displays monitoring information so that it is of use to customers in choosing their suppliers. Monitoring should be available for use by all customers in order to compare suppliers on the basis of the performance on the codes.

Q 8 Respondents are asked to provide information in relation to changes in practice which may be required. In particular we will take into consideration appropriate evidence in relation to costs and benefits. It will be most beneficial if responses regarding changes in practices and associated costs and benefits first state the individual Code and particular requirement in question, secondly set out why the change in practice is required, and thirdly set out any evidence regarding costs and benefits linked to the change in practice.

SSE Airtricity believes that system changes associated with the implementation of the minimum standards should be minimized as the eventual costs will be passed onto the customer. We support changes that can be effectively implemented by suppliers. However some of the system changes identified below and will be costly. SSE believes it is essential to consider the most appropriate balance between cost delivery and service improvement.

Q 9 Do respondents think that the publishing requirements outlined cover all relevant areas? Are there any further comments that respondents have with relation to publishing Codes of Practice?

SSE Airtricity has no further comment in this area.
Code of Practice on Payment of Bills

Q 10 Do respondents think that the section of the Code in Annex 1 relating to identifying customers in difficulty covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?

SSE Airtricity supports in principle most of the measures contained in Annex 1. In particular we support the formation of relationships with third party agencies. We currently endeavour to make contact details of these agencies available through various channels. We also ensure that all our agents are adequately trained to deal with customers who run into financial difficulty.

SSE Airtricity believes the list in Annex 1 is exhaustive and puts unnecessary levels of oversight in place for agents dealing with customers. For instance there is much that SSE Airtricity can do to proactively assist customers who themselves seek, or are open to, advice and assistance. It is difficult however to assess the situation of non-engaging customers when we are unaware and cannot ascertain their current circumstances.

SSE Airtricity opposes updating billing system records with customers identified as having difficulty paying bills, or perceived as at risk of not being able to pay. We do not believe that adequate data protection measures have been taken into account and it would need to be assessed in respect to this. A high degree of sensitivity is required in this area to avoid information requested and recorded being used out of context or in any way that a customer might question or find offensive.

Q 11 Do respondents think that the section of the Code Annex 1 relating to payment arrangements and monitoring covers all relevant areas? Are there any further comments that respondents have with relation to payment arrangement and monitoring?

In general terms, SSE Airtricity believes that there should be a clearer distinction made between a customer’s ability to pay and their actual willingness to pay. As a company we make every effort to engage with a customer who has made any effort to make arrangements for payment but are unavoidably restricted in our ability to deal with customers who are not as forthcoming.

SSE Airtricity would envisage significant resources being required to operate the increased level of monitoring suggested. The value of this type of obligation is unclear and it could be deemed inappropriate from a customer’s perspective. It would also put in place unnecessary requirements for suppliers.

SSE Airtricity does not support the specific provision to contact a paying customer to request information on their ability to cope with repayments. SSE Airtricity’s customers would always be informed of their payment options when appropriate. We believe customers could perceive such contacts as patronising and lead to complaints. SSE Airtricity supports the installation of a PPM in instances were a customer runs into some difficulty. We also support the requirement for consumers to request, in writing, a higher percentage of outstanding charges to be recovered through their vends than 40%.
SSE also supports the provision of Energy Efficiency advice. We currently implement such procedures in our processes.

Q 12 Is there any further information you wish to provide in respect of Fuel Direct or Third Party Deductions?

SSE Airtricity supports this in principle but wishes to highlight some items of concern. We do not currently promote this actively but could do so in future if of benefit to customers. However implementation would have to be considered in the light of its operational impact. The greatest value would be delivered by this facility if the industry had a universally agreed process.

Q 13 Respondents are asked for their opinion on the proposals for disconnection and reconnection fees. We would ask for supporting information on any comments made.

SSE Airtricity does not support the provision on disconnection and reconnection fees. There must be clarity regarding the allocation of responsibility, as Networks disconnect, while the onus is put on the supply company to bill the customer for these charges. Currently networks request the amount to be paid in full before reconnection, which is an obviously unnecessary burden on suppliers.

Q 14 Do respondents think that the section of the Code in Annex 1 relating to methods and procedures to avoid disconnection covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?

SSE Airtricity opposes any requirement to contact disconnected customers ask if they want to be reconnected. It is unreasonable to expect suppliers to contact a customer they have just disconnected for non-payment to see if that customer wants to reconnect. This would also include them having to pay the additional reconnection costs, which would be an illogical obligation from both a customers and suppliers perspective. In addition, we would note that suppliers stop being the registered supplier sometimes immediately i.e. in an unregistered or vacant/non-burn property or if the service is removed; and after six months in debt properties.

No allowance has been made for revenue protection issues and disconnections, which must sit outside the COP guidelines. Furthermore, some disconnections for revenue protection are carried out by the Network Operator outside of the influence of the supplier.

SSE Airtricity also opposes the requirement for suppliers to be present at disconnection visits. It is not clear what value this would offer and from an operational perspective it would be logistically tortuous.

We asks that these issues be recognized as sitting outside the general guidelines.

Q 15 Do respondents think that the section of the Code in Annex 1 relating to providing accurate and timely bills covers all relevant areas? Are there any further comments that respondents have with relation to providing accurate and timely bills?
SSE Airtricity believes that application of this obligation is disproportionately applied to suppliers. Although many bills must be estimated, due to the date or period for which the customer requests their bill, this does not mean that actual reads are not taken into account. Furthermore reads entered into the system by the Network or customer may be inaccurate, leading to erroneous bills.

Issues of access to the meter must also be considered. In electricity we are dependent on Networks providing actual reads and if these are not provided suppliers cannot be held responsible. Therefore it would be inappropriate to apply this level of penalty to suppliers without clarifying the responsibility of networks, an appropriate industry service level agreement and a method for suppliers to recover costs from the network operator when the latter’s actions lead to inaccurate bills being passed to customers.

SSE Airtricity notes that the UR may be considering this requirement in the context of similar arrangements that already exist in GB. However, in GB, suppliers are responsible for metering and meter reading and therefore have direct responsibility and control over the information and service provided to customers. In NI, suppliers are reliant on the network operator to appropriately install and maintain meters and in the case of electricity, to read the meter.

SSE Airtricity does not support the 12 month back-billing rule, as the operational impact has not been considered. Billing issues of this nature are relatively new to the industry and there are still ongoing issues surrounding metering and data records. Once these issues are taken into account, there may be instances when consumption should be back-billed for extended periods.

Sometimes the Network Operator finds that a meter(s) is recording usage not recorded on its supplier systems. It must be decided if suppliers, who take on these customers should back-bill all the actual consumption. SSE Airtricity also seeks clarity on whether Revenue Protection issues, are, or should exempt from this.

**Q 16 Are there any other areas which the Code on Payment of Bills should cover?**

SSE Airtricity has no further comment in this area.

**Q 17 Do respondents agree that a consistent definition of debt across suppliers, for the purpose of the Code of Practice on the Payment of Bills, should be established?**

SSE Airtricity agrees that a consistent definition of debt across all suppliers is appropriate.

**Q 18 Respondents are asked their opinion on the proposed definition of debt with regards to the Code of Practice on Payment of Bills or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be appropriate and be mindful of monitoring procedures as part of their response.**

“Any amount which remains unpaid outside the payment terms in the supplier’s terms and conditions. For example, if a customer’s payment for a
In principle SSE Airtricity agrees that this definition is correct. We would presume that the actual scope of this definition is going to be used in the context of any outstanding bill.

Q 19 Respondents are asked to provide any additional comments on the attached draft Code minimum content, which they feel will help improve the Code.

SSE Airtricity has no further comment in this area.

Q 20 How could suppliers monitor self-disconnection and self-rationing in prepayment customers?

There are many reasons why a PAYG meter may ‘self-disconnect’. This may be because the customer has run out of credit and is unable to top up, but it may also be because of a range of other reasons; including the property being used for short term lets, planned disconnection when the tenant is away from the property, it is only occupied certain days of the week, other fuel source available etc. In particular this is the case with respect to lifestyle meters which are often installed by landlords.

SSE Airtricity recognises the merit in attempting to monitor the level of ‘self-disconnection’. However given the range of reasons that may lead to this happening; we do not consider it activity that is of particular benefit to customers.

**Code of Practice on Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick.**

Q 21 Do respondents think that the section of the Code in Annex 2 relating to the services provided covers all relevant areas?

SSE Airtricity supports the proposal for a password scheme and currently offers a similar service.

SSE Airtricity also supports the proposals on adaptors but needs clarity on some issues. The requirement for adaptors for gas meters is not supported by available technology. However we have previously offered a ‘Remote Unit’ that enabled the card-reader to be installed remotely from the meter location. This was of assistance to customers whose meter was in a difficult position to top up.

These units are no longer manufactured and the Network Operator has no further stock (other than units becoming available through recovery from properties no longer requiring them). Thus, the code does not take account of current technology and this area of customer service must be re-assessed

Q 22 Do respondents think that the section of the Code in Annex 2 relating to disconnection of customers who are of pensionable age, disabled or chronically sick covers all relevant areas? Are there any further comments that respondents have with relation to disconnection?
SSE Airtricity seeks clarity on the definition of the pensionable age. This is essential given the different possible interpretations. We believe that the state pensionable age is the correct interpretation of this requirement.

Q 23 Do respondents think that the section of the Code in Annex 2 relating to raising awareness of services provided covers all relevant areas? Are there any further comments that respondents have with relation to awareness raising?

SSE Airtricity supports measures to make customers aware of this register and seeks to make customers aware of this whenever appropriate.

Q 24 Are there any other areas which the Code of Practice on provision of services for persons who are of pensionable age or disabled or chronically sick should cover?

SSE Airtricity has no further comment in this area.

Code of Practice on Complaints Handling Procedure

Q 25 Do respondents agree that a consistent definition of a complaint for all suppliers, for the purpose of the Code of Practice on Complaints Handling Procedure, should be established?

SSE Airtricity agrees that a consistent definition should be established.

Q 26 Respondents are asked their opinion on the proposed definition of a complaint with regards to the Code of Practice on the Complaints Handling Procedure or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be the most appropriate and be mindful of monitoring procedures as part of their response.

Definition of complaints

“Any expression (through various possible channels: letter, email, phone, physical claim or other method) of dissatisfaction for any person.”

SSE Airtricity does not support the above definition. Complaints provide a way of identifying where customers are experiencing issues and where appropriate, the use of complaints direct services improvements. However, we do not believe the proposed definition is practical to implement nor do we believe that it will lead to a higher service level or clearer understanding of issues in the energy markets for customers.

The definition of a complaint should be framed to support its practical use and reporting. If all expressions of dissatisfaction are recorded as complaints, it will be difficult to report and to identify trends on serious issues as these will inevitably become overwhelmed by lesser expressions of dissatisfaction. The UR should be seeking to identify areas for monitoring that are covered by regulatory remit and that should be monitored to ensure suppliers are acting appropriately towards their customers and that competition is developing appropriately.
The definition of a complaint should also be considered in the context of requirements being defining how complaints will be addressed and required standards of performance for gas suppliers. Addressing an expression of dissatisfaction using the requirements for complaint handling set out in the code of practice is impractical as it necessitates the recording of any dissatisfaction, expressed in any way, by any person, with respect to the supplier’s business and ensuring that that expression of dissatisfaction received the same level of response and explanation of the code of practice requirements. A supplier should be focused on addressing the needs of customers who are facing real service issues and resources should not be diverted to cases where there may be dissatisfaction for other reasons.

“The expression (through various possible channels, letter, email, phone call, physical claim) of a customer’s dissatisfaction and his/her explicit expectation for a response or resolution.”

SSE Airtricity suggests that the current CER definition, as noted above, would be more practical and would achieve a better understanding of the issues customers are facing with suppliers and be of greater use in monitoring the market.

Q 27 Do respondents think that the section of the Code in Annex 3 relating to the accessibility of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to accessibility?

SSE Airtricity is concerned with the level of information being required on customers’ bills through regulatory and legislative requirements. Ultimately it must be recognised that a customer’s bill or statement should primarily be to communicate information with respect to the customer’s consumption and charges. It has already been recognised that some customers find it difficult to analyse and understand their bills. Continuously adding further requirements to present additional, non-bill related information to bills and statements only serves to further clutter bills and confuse customers. We believe that this requirement should be limited to the content of the code of practice documents only.

Separately, SSE Airtricity does not support an absolute requirement to take complaints from customers orally. While we recognise that all customers must be assisted and given every opportunity to make their complaint, at times it is necessary to ask customers to make their complaint in writing to ensure that it is captured appropriately and addressed. We have found that customers may believe they have raised an issue orally but have not fully articulated all aspects of their complaint or they may change their complaint following the commencement of an investigation. This can lead to a customer believing that their issue was not addressed properly, or can lead to an incorrect outcome. Having a complaint in writing allows a supplier to clearly identify the issue of the complaint and any supporting information enclosed.

Q 28 Do respondents think that the section of the Code in Annex 3 relating to the transparency of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to transparency?
SSE Airtricity has no further comment in this area.

Q 29 Do respondents think that the section of the Code in Annex 3 relating to the promptness of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to effectiveness?

SSE Airtricity has no further comment in this area.

Q 30 Do respondents think that the section of the Code Annex 3 relating to alternative dispute resolution covers all relevant areas? Are there any further comments that respondents have with relation to alternative dispute resolution?

SSE Airtricity requests that the UR removes the requirement to notify customers of their right to go to court should they be unsatisfied with the outcome of the process. We do not believe it is appropriate to channel people to court processes when there are alternatives.

Q 31 Are there any other areas which the Code of Practice on Complaints Handling Procedure should cover?

SSE Airtricity notes that in NI suppliers are regarded as ‘owning’ the relationship with the customer. As a result most issues and complaints sit with suppliers and not networks. We note that the EU’s third package does not limit complaint handling to suppliers and are unclear as to why NI network operators do not appear to be covered by this requirement. SSE believes similar requirements should be placed on network operators to ensure that consumers receive similar levels of service from all energy utilities. We note in particular, the dependence customers’ bills have on the services provided by network operators in Northern Ireland. This is not the case in GB where suppliers are responsible for metering and meter reading.

Code of Practice on Services for Prepayment Meter Customers

Q 32 Do respondents have any comments to make on the proposed industry standard to update prepayment meters for a change in tariff? Do respondents have any comments to make on how customers can be informed to ensure they understand this process?

SSE Airtricity has no further comment in this area.

Q 33 Do respondents think that the section of the Code in Annex 4 relating to the information provision covers all relevant areas? Are there any further comments that respondents have with relation to information provision?

SSE Airtricity is concerned by the provision to use best endeavours to provide the operating instructions in a language other than English. In practice we make every reasonable effort to cater for people who speak various languages other than English. However it is not logistically possible to do this in every instance. Considering the abundance of possible languages, there is a real possibility of incorrect translation which could cause a potential hindrance to customers trying to operate these meters. There would also be a potentially large operational cost associated with translating instructions on the basis of a ‘best endeavors’ obligation.
Q 34 Do respondents think that the section of the Code in Annex 4 relating to the suitability of a prepayment meter covers all relevant areas?

SSE Airtricity does not believe that the condition requiring proactive identification of any customer for whom a prepayment meter may not be suitable is appropriate as this denotes discrimination between customers. Although there are currently provisions for similar practices it is not as explicit as the above. SSE Airtricity considers that the word ‘proactively’ should be reconsidered as it could denote that judgment as to the attributes of different customer groups is being practiced.

Q 35 Do respondents think that the section of the Code in Annex 4 relating to payments for prepayment customers covers all relevant areas? Are there any further comments that respondents have with relation to payments?

SSE Airtricity seeks clarity on the requirement to provide the telephone number for advice on use of meters, complaints and emergency services. The current wording suggests that have to provide a separate designated phone number that deals solely with prepayment related enquires. The current contact details provided to customers is perfectly adequate for this purpose.

SSE Airtricity also seeks clarity on the requirement to assess the suitability of prepayment meters for a given customer. Where the supplier becomes aware that an existing prepayment customer is experiencing difficulty in physically using the meter, or accessing top up facilities, the supplier should work with the customer to make an alternative arrangement. SSE Airtricity seeks to accommodate changes in a customer’s circumstances and to address issues that may be troubling or perplexing to them, but this may be not be possible in every instance.

SSE Airtricity would like to highlight the conditions to consider a greater level of emergency credit for those customers on a customer care register who may have periods of incapacitating illness. SSE Airtricity always endeavours to accommodate customers who have found themselves in unfortunate situations and aims to provide all support in such cases to support customers through payment arrangements. However the exact and full criteria of the proposal on extending emergency credit has not been appropriately outlined or consulted on and it needs to be discussed in greater detail before any specific legislation is put in place. SSE Airtricity’s investigations suggest that current technology may not support a change of this nature.

Q 36 Are there any other areas which the Code of Practice on Services for Prepayment Meter Customers should cover?

SSE Airtricity currently has no additional comment in relation to this.
CONCLUSION

In conclusion, SSE Airtricity views the standards as a positive step for consumers by ensuring a minimum service level. We aim to meet our customer’s expectations at all times and recognise that if it is not possible to do this, action is required to provide a resolution for the customer. However, the logistical, financial and operational impacts of implementing these standards must be considered together with the other issues identified. We also believe sufficient time must be allowed for implementation once the final decision is issued, to ensure effective implementation.