



ADR Annual Report

July 2023 – June 2024



In June 2015, Energy Ombudsman (“EO”) was approved by Ofgem to provide alternative dispute resolution services regarding energy supply to domestic and microbusiness consumers under the Alternative Dispute Resolution (“ADR”) for Consumer Disputes (“Competent Authorities and Information”) Regulations 2015 (“the Regulations”).

As part of that approval, under Schedule 5 of the Regulations, Energy Ombudsman is required to produce an annual activity report which contains the information below:

a) The number of domestic disputes and cross-border disputes the ADR entity has received

Energy Ombudsman received 158,586 disputes during the reporting period. A dispute is defined as a request from a consumer notifying Energy Ombudsman of an unresolved complaint for investigation. Of these cases 111,921 fell within scope of what Energy Ombudsman can deal with.

None of the total cases received related to cross-border disputes.

b) The types of complaints to which the domestic disputes and cross-border disputes relate

The following table sets out the types of domestic disputes that were referred to Energy Ombudsman within the reporting period which came within the scope of what it can deal with.

Non-Cross Border Complaints

Complaint Type	Number of cases
Billing	61,687
Payments/Debt	8,024
Transfers	2,933
Meters	4,932
Customer Service	12,479
Smart Meters	12,703
Back Billing	3,376
Feed in Tariff	1,956
Sales	2,449
Other	1,382
Grand total	111,921

c) A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity

In the last reporting period (July 2022 to June 2023), we received an unprecedented number of disputes which appeared to be linked to significant increases in energy prices and a broader cost of living crisis. In this reporting period, we’ve started to see a reduction in dispute volumes back to more usual levels.

Dispute types

Billing complaints have historically been the highest dispute category that reaches us, and we've seen a return to a higher proportion of disputes in this period compared with the last.

In a typical billing dispute, the consumer has received an unexpectedly large bill. This is as a result of the consumer previously being undercharged – for example, before the supplier has underestimated the consumer's consumption – and therefore issues a catch-up bill. In many such cases, the consumer misunderstands the reason for the bill and believes they've been charged for more energy than they've actually used. In many cases, the supplier investigates whether the meter is over-recording usage – which is rarely the case – and fails to consider the underlying reason that caused the consumer's usage to be underestimated.

We've regularly received disputes from consumers who have experienced delays in receiving bills due to billing system problems. Suppliers have also sometimes struggled to issue final credit balances after a consumer has switched supplier. We've seen an increase in this type of issue recently, with a number of suppliers changing billing platforms or migrating accounts following supplier acquisitions.

Last year, we said that we were receiving more disputes about smart meters – where a consumer was waiting for a supplier to install a smart meter or where an installed smart meter was not transmitting readings to suppliers. We're pleased to report that both the number and proportion of disputes about smart meters has fallen this reporting period.

However, problems remain. For example, an emerging dispute issue we've seen relates to Electric Vehicle ("EV") tariffs. This is primarily relating to consumers being unable to enjoy the benefits of an EV tariff because it is dependent on a working smart meter. Consumers who've purchased an EV are understandably frustrated they can't access the cheapest rates due to issues obtaining a working smart meter.

Problems with smart meters are also generating disputes from consumers looking to benefit from the Smart Export Guarantee ("SEG") scheme. Again, a working smart meter is required to access this scheme and enjoy the financial benefits of exporting electricity back to the grid through their own renewable energy systems. The lack of access to a working smart meter prevents consumers from accessing the scheme.

Signposting to Energy Ombudsman

We're concerned that we've witnessed a decline in the proportion of disputes that are brought to us where the consumer has been informed of their right to use our service. This varies from supplier to supplier.

Signposting forms part of an energy supplier's regulatory obligations and should take place at the point it has become clear that a resolution to the dispute cannot be reached (deadlock) or if the dispute has been ongoing for eight weeks. Effective signposting also demonstrates a commitment to complaint resolution.

Reach and Accessibility

Access to and ease of use of our service for both consumers and energy suppliers is crucial to helping build consumer trust and confidence in the energy sector and it also helps suppliers provide a better consumer experience.

We believe that we deal with less than a third of the disputes that we should do. Whilst this is partly due to low signposting rates, we're also aware that awareness of our service is low and there are a number of misconceptions about how the service works.

- d) Any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices**

Dispute types

In relation to billing disputes, suppliers should ensure that their bills are:

- As clear as possible
- Using up-to-date and accurate information to bill consumers

When a consumer raises concerns about the amount they're being charged suppliers should take things seriously and conduct a thorough investigation of the account.

We think suppliers could also be better at explaining charges to consumers. Some of the solutions are in the hands of individual suppliers, but some might require different stakeholders to work together to solve them. Ofgem's Consumer Confidence report highlights better billing practices and we agree that this is something that should be focused on.

In relation to non-functioning smart meters, there are a number of complex issues that can cause problems – including signal strength and availability, the roll out of smart meters across the country, as well as software and hardware problems and a number of stakeholders involved. Many issues need stakeholders to work together to find solutions to issues to ensure that every consumer who wants a smart meter can access one.

Signposting to Energy Ombudsman

We've already written to affected suppliers regarding our plans to improve signposting rates but we'd also recommend they:

- Put controls in place to ensure that all consumers are effectively signposted
- Are consistently identifying when consumers have made an "expression of dissatisfaction", allowing them to log complaints and start the complaint handling procedure
- Don't close a complaint until the consumer is satisfied with the resolution offered
- Are implementing any agreed actions in a timely manner
- Are prepared to reopen a closed complaint if it comes to light that the proposed resolution hasn't solved the problem

Reach and Accessibility

We're committed to making our service more accessible by:

- Extending our reach to consumers who can bring an unresolved complaint to us, but for whatever reason currently do not do so
- Working with energy suppliers and small businesses around the remit extension of the Energy Ombudsman service to cover small businesses

We're continually improving our service so that it's easy for consumers and energy suppliers to use when they access it. We're looking to make the consumer complaint journey as joined up and timely as possible. Using technology and integrating more with energy suppliers will ease the burden on consumers, whilst at the same time enabling us to devote resource to help consumers most in need of additional support.

e) The number of disputes which the ADR entity has refused to deal with and upon what grounds

The number of disputes which Energy Ombudsman has refused to deal with during the reporting period was 18,616. The percentage breakdown of the reasons for refusal is given below.

Reason for refusal	% of cases
(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	99.13 %
(b) The dispute is frivolous or vexatious.	0.09 %
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.73 %
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.00 %
(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than 12 Months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	0.00 %
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.00 %

f) The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation

During the reporting period, Energy Ombudsman discontinued a total of 0 cases for operational reasons.

g) The average time taken to resolve domestic disputes and cross-border disputes;

The average time taken to resolve a domestic dispute is 16 days from receipt of the complete complaint file. No cross-border disputes were received.

h) The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures;

In the reporting period, there have been 303,444 remedies confirmed (there are often multiple remedies required on individual cases), of which 276,995 or 91.28% were implemented within 28 days and 23,938 or 7.89% implemented outside of 28 days. Of the total confirmed remedies, 2,511 or 0.83% remain unimplemented.

Energy Ombudsman follows a process to pursue traders who fail to implement a binding decision within the required timeframe. Energy Ombudsman will report a trader to the regulator for sustained failure to implement binding decisions within the required timeframes.

i) The co-operation, if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes

Energy Ombudsman is a member of the National Energy Ombudsman Network ("NEON"). NEON acts to promote alternative dispute resolution in Europe, facilitating cooperation between ADR entities that handle consumer and small business disputes about energy suppliers.



Getting in touch

☎ 0330 440 1624

📍 Energy Ombudsman
P.O.Box 966
Warrington WA4 9DF

✉ enquiry@energyombudsman.org

Additional support:

We are committed to treating everybody with fairness and respect. Our commitment includes providing additional support to consumers needing help to access our services fully.

Please see below some of the services we can help with:

- Speaking to us in a foreign language & translation services
- Visual impairments (including Braille)
- Hearing impairments (including Sign language)
- Accessibility

If you need anymore information or would like to request access to any of the services above, you can do this over the phone, online or in writing.

www.energyombudsman.org