

Annual Activity Report for Ombudsman Services

July 2020 - June 2021 **[Energy]**



In June 2015 Ombudsman Services: Energy (OS:E) was approved by Ofgem to provide alternative dispute resolution services regarding energy supply to domestic and small business 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, OS:E 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

OS:E received 118,421 disputes during the reporting period. A dispute is defined as a request from a consumer notifying OS:E of an unresolved complaint for investigation. Of these cases 71,282 fell within scope of what OS:E 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 tables set out the types of domestic disputes that were referred to OS:E within the reporting period which came within the scope of what OS:E can deal with.

Non-Cross Border Complaints

Complaint Type	Number of cases
Billing	37,924
Payments/Debt	6,573
Transfers	5,606
Meters	3,365
Customer Service	6,268
Smart Meters	5,876
Back Billing	3,138
Feed in Tariff	428
Sales	1,492
Other	612
Grand total	71,282

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

The period has been dominated by the global Covid-19 pandemic which has affected both consumers and suppliers in a variety of ways. We have seen suppliers face different challenges over the year. These have included adapting to the initial lockdown and transitioning to remote working, alongside managing resourcing levels in the face of local outbreaks. Whilst the vast majority of suppliers have coped well, in some instances customer service response times and standards were affected. Understandably, priority switched to the consumers in vulnerable circumstances and emergency

situations. In this respect, routine tasks such as meter visits have been impacted and the smart meter roll out delayed.

In terms of the issues in dispute, billing remains the most common cause for dispute in the sector. In many of the disputes we received, the billing had either been accurate all along or problems had been fixed by the time the dispute was raised with us. However, suppliers regularly failed to provide clear explanations to consumers leading to unresolved disputes. Further common issues included meter mix-ups due to property meter registration errors in new builds, resulting in billing discrepancies and delays with issuing bills.

There have been a number of mergers and acquisitions in the energy sector during the reporting period. In the main, acquiring suppliers have handled these transactions well with minimal disruption. However, we are concerned that certain groups of consumers lose some of the protections they received after a transaction has taken place. This has brought about some challenges and while we have seen suppliers working to minimise disruption, more could be done to ensure all consumers retain the right to ADR whatever the circumstances.

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

To support suppliers, we held a number of sessions setting out advised approaches to pandemic related situations. Specifically, we recommended that suppliers consider a consumer's individual financial circumstances and adopt a flexible approach to repayment. Suppliers were also encouraged to devise processes to ensure urgent emergency situations were able to be handled quickly whilst managing the expectations of consumers with less urgent queries.

In regard to billing, we advise more time be spent on identifying the root cause of an issue to rectify a problem first time. This combined with a comprehensive explanation of the situation would go long way to prevent a dispute. We would also recommend industry work together to solve longstanding sector issues such as industry database discrepancies, especially of new build properties.

In the face of continued financial pressure and sector change, we would recommend that suppliers maintain a customer-centric position with a proactive approach to disputes. An ethos of preventing problems before the consumer transitions to a new supplier should be adopted with an emphasis on not inadvertently removing consumer protections following a trade sale.

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

The number of disputes which OS:E has refused to deal with during the reporting period was 31,107. 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	99.34 %
(b) The dispute is frivolous or vexatious.	0.25 %
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.38 %
(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.	0.03%

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, OS:E discontinued a total of 0 cases.

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

The average time taken to resolve a domestic dispute is 41 days. 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 112,741 remedies confirmed, of which 105,665 or 93.72% were implemented within 28 days and 5,169 or 4.58% implemented outside of 28 days. Of the total confirmed remedies 1,907 or 1.69% remain unimplemented.

OS:E follows a process to pursue traders who fail to implement a binding decision within the required timeframe. OS:E 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

OS:E 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.



0330 440 1624 | Partners.Ombudsman-Services.org | Ombudsman-Services.org

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