



Which? Energy Customer Engagement Campaign, Nov 2016 - Jan 2017

Response from E.ON

E.ON believes that it is a sign of a healthy well-functioning competitive market that, when procuring any product or service, a customer can find a variety of options and prices from a range of providers to suit their needs and the customer is freely able to make a decision that suits them.

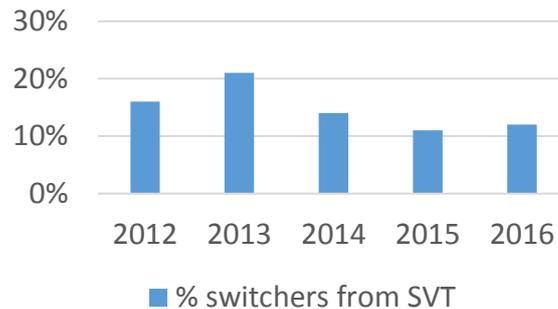
Just as with any product or service, a customer who knows what they want and actively searches for it is more likely to find a product or service that meets their own specific search criteria.

The CMA noted that the energy market was currently undergoing rapid and comprehensive change as new technologies became available that enabled new services and products and new ways of engaging with customers. There is a general expectation that many of the perceived barriers and problems that may currently cause some customers to be less engaged in the energy market will be significantly reduced over the next few years as those new technologies and options replace older methods. For example, around 80% of customer complaints to energy companies arise from estimated billing. The delivery of smart meters to homes across the country over the next few years will mean that estimated billing will be significantly reduced.

At E.ON, we believe that we should always be innovating in and improving our range of products and services, and the way we engage with our customers. New products or methods of making our interactions with our customers better are continually being trialled and assessed, new products launched, or engagement activity changed as a result, and learnings integrated into future development and activity.

Our product development work, including trials and testing and learning activity associated with improving customer engagement, is endorsed by the E.ON UK CEO, Tony Cocker.

We have a good understanding of our customer base and use customer segmentation to actively focus our innovation in products and engagement with specific customer groups. We currently have 2.4m customers (3.68m accounts) on our Standard Variable Tariff (SVT). Just over one million customers have been on our SVT for three years or more. The graph below shows some of the results of the work we have done to prompt our SVT customers to review their tariff in case there is a tariff that better suits their needs.



The CMA identified a number of findings in relation to customer engagement, including market complexity, lack of confidence, access to information such as price comparison websites (PCWs) and the challenges that some customer groups face. We are committed to continuing to work closely with Ofgem to implement the remedies around customer engagement including the establishment of the proposed database in 2018. We are ready and have volunteered to trial different engagement methods as part of Ofgem’s development work.

We are also developing our own engagement plan. Our approach is two-fold:

- Supporting those who can’t engage adequately or are unable to find the support they need
- Targeting those who have chosen not to engage by challenging this group’s perception of the barriers to engaging successfully in the energy market.

‘Can’t Engage’ - Vulnerable customers:

For those customers who are vulnerable and are not able to adequately engage in the energy market, we have supported a range of measures designed to help and will continue to do so.

As well as supporting Government-led schemes, such as the Warm Homes Discount and Energy Company Obligation, we work closely with partners such as National Energy Action and Citizen’s Advice to gain an external, expert view and to support further action aimed at specific customer groups.

Clear, concise guidance and advice for customers on a wide range of topics – from understanding your bill to using less energy – is available on our website and through these partner organisations and other support organisations.

Along with other companies, we are able to place certain customers on a Priority Services Register at their request. The Priority Services Register (PSR) is a scheme offered by energy suppliers to provide certain free services to people who need extra help. These services include:

- Protection from cold callers with a password protection and identity card scheme.
- Bills in talking braille or large print if a customer is blind or their sight is impaired.
- Minicom or textphone facilities to get in touch with us easily.
- Arrange to read the meter at least quarterly so the customer gets more accurate bills, making it easier to budget.
- Priority reconnection if an energy supply is interrupted and advance notice if we have to stop a customer’ supply.
- Alternative facilities for cooking and heating if a customer’s energy supply is interrupted.
- Arrangements for a customer’s bills to be sent or copied to someone else, such as a carer, who can help the customer read and check them.

- Annual gas safety checks to keep customers and their property safe.
- If a customer has a prepayment meter, we can arrange to move it so it's easier to reach.

Also we have developed a 'Care & Assessment' tool that complements the Priority Services Register and allows each of our customer service advisors to more accurately and reliably assess and record a customer's specific needs and ensure they get the support and help they need to engage effectively with us.

'Won't engage' – Due to time or complexity:

This group of customers are those that have chosen to disengage themselves from the energy market due to perceptions around the time required or complexity of interaction required to deliver a good outcome.

We believe that by trialling innovative new products and by creating new and different customer touch-points specifically designed to provide the customer with confidence that a good outcome is achievable in a fast and hassle-free way along with a prompt to take immediate action, we can persuade these customers to engage with the energy market.

In 2017, we will engage this customer group in particular through a variety of means including:

- Continuing our quarterly "Could You Pay Less" marketing campaigns: Each quarter a marketing campaign across a variety of communications channels, including digital and non-digital channels, aims to engage new and existing customers with a number of key messages including tariff switching as one of its core messages
- Targeted switching campaigns in H1 2017
- Continuing Test and Learn activity on engagement communications, including bill design and other options
- Launching a number of innovative tariffs
- Continuing to test and develop new communications channels and processes including simpler, faster switching methods and face-to-face communications channels.

We have a dedicated Customer Insight team that helps facilitate structured qualitative and quantitative customer feedback on a range of issues across our business, including our test and learn process for new products, services and engagement activity.

We believe that the best way of sharing progress on these activities is directly with our customers through the new and innovative products and engagement activity that will result from the work. However, through the course of our work we will continue to engage with customer advocacy groups, such as Which? and others, to discuss developments and compare best practice.

We are always willing to work with external, expert groups, such as Which?, or with Government or Ofgem to explore the most effective ways to measure customer engagement and other indicators on the health of the energy market and make sure our customers are equipped with information they need to find an energy product that's right for them.

E.ON, Jan 2017

Tony Cocker, E.ON UK CEO

