

# Response to the Which? consultation on engaging energy customers

Flow was designed to be a different kind of energy company with a different approach. While we aim for our energy business to be profitable on a standalone basis, our real focus for creating value, both for customers and the business, is to cross-sell a wide range of products and services alongside energy.

This means that we have not pursued the usual method of generating profit – attracting customers with competitive tariffs in the knowledge that many of those customers will eventually lapse onto an expensive Standard Variable Tariff (SVT). Launched in April 2013, Flow has always consistently been amongst the cheapest providers in the market for both fixed rate tariffs and its SVT. Throughout 2013 and 2014, Flow’s SVT was roughly the same price as its leading tariffs – which were themselves amongst the cheapest on the market. At the time of writing, Flow’s SVT is its cheapest tariff and it is currently among the cheapest SVT on the market, beaten only by the smallest of suppliers.

Therefore, while Flow has a certain proportion of customers on its SVT, this is not the same issue as it is with other suppliers. While there is still the same argument to say that these customers may be unengaged hence why they are on our SVT, being on our SVT comes at no financial detriment to them. That said, this may not always be the case and therefore it is important that we engage these customers, just as it is that we engage all our customers – the difference with Flow is simply that its SVT customers do not represent a disadvantaged group who need special attention.

We have taken the approach we have in order to create a loyal customer base that trusts us as a business – which is the foundation for our strategy of generating value by cross and upselling. It is not in our interest for customers to be disengaged – whether they are on SVT or not. We need them to care about and trust our business, and the only way that we can ensure this is to treat our customers fairly in everything we do and make a continuous effort to engage them with Flow.

In 2017, we will work harder than ever to engage our customers. This will include the below. Please note that timings are subject to change due to operational reasons:

Action	Timeline	KPI	Reporting
Displaying details of our cheapest tariff on every monthly statement	Current	n/a	n/a
Alerting customers via email and text message when each monthly statement is available	Q2	Increase in customers viewing their statements	Privately to Which
Encouraging customers to log on to our online portal to monitor their account	Q3	Increase in customers logging in to their online account	Published on our website
Sending customers a paper copy of their latest statement if they haven’t logged in to look at their online statements for more than 6 months	Q3	Reducing the number of customers who haven’t looked at their online statements for more than 6 months	Privately to Which

Circulating a quarterly Flow newsletter to every customer	Q1	% open rate on newsletter	Published on our website
Separately, communicate once a quarter with customers about special offers on products and energy	Q2	% open rate and take up of customer offers	No reporting
Run significant customer research with 10,000 of our own customers and 5,000 non-Flow customers to understand how and why they want to engage with their energy company – segmented to fixed rate and SVT customers	Q2	n/a	Some findings published on our website and issued via press releases, others issued privately to Which

This is our commitment to putting the engagement of customers at the very heart of our business model.