

**ScottishPower**

31 / January / 2017

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# **Customer Engagement Plan**



## 1. The majority of our customers are on products

Since February 2016, over half of our customers are on products not Standard Variable Tariff (SVT).

We have introduced specific measures over the last two to three years:

- ✓ Encouraging customers to change to products through direct advertising;
- ✓ Consistently pricing competitively;
- ✓ Proactively contacting customers as their product matures and encouraging them to move to another one of our competitive deals.

## 2. All of our tariffs are available to new and existing customers

Unlike our competitors we have not launched any 'new customer only' deals since the relaxation of the 'four tariff rule' by Ofgem in September 2016. Whether you are new to ScottishPower or have been a loyal customer for years, we believe you should have access to all of our best deals.

## 3. All of our customers can move to our best deal for them at any time with no fee

Our customers should be on the best deal for them. All of our customers can compare and move to a new deal online or by phone at any time free of charge. By making it easier for loyal customers to move to our best deals, we have increased our market share in comparison to other major suppliers.

## 4. We have started to do more to encourage loyal Standard Variable Tariff customers onto the best deal for them

We are working with Ofgem to target our customers who have been on Standard Variable Tariff for over three years. We want to encourage them to take action to reduce their energy bills by moving to a better deal that suits them:

- ✓ We are trialling a number of different communications to understand the most effective ways to encourage these customers to engage ;
- ✓ 28,000 customers have been contacted initially;
- ✓ The people contacted will be compared against a similar segment of customers who have not been contacted to evaluate contrasting levels of tariff movement.





**5. We will extend these trials to additional segments of our SVT base**

Once we completed the trials with customers who have been on SVT for over three years, we will apply the lessons learnt to additional segments of SVT customers. We will use similar methods to understand the most effective way to engage with these different demographics to encourage them to move to the best deal for them.

**6. We are doing more to encourage Warm Home Discount (WHD) customers onto the best deal for them**

We are working hard to move more of our Warm Home Discount customers off Standard Variable Tariffs onto our competitive deals if that suits them better. We have launched a personalised campaign to target these customers showing how much they could save if they moved to one of our products.

- ✓ 55,000 customers have been contacted initially;
- ✓ We are using direct mail and emails as the most effective channels to prompt fresh engagement with this customer segment.
- ✓ Once we have completed the initial trial, we will apply the lessons learnt to further segments of WHD customers later in 2017. We want as many WHD customers to be on the best deal for them.

**7. Customers can control their own Direct Debit – up or down**

We want to put customers in control – our Direct Debit manager allows customers to choose what they want to pay each month for their energy use. This online tool aims to make it easier for our SVT customers to engage with us on a regular basis. This gives customers the control to adjust their payments to suit their needs – usage shows that on average 30% of customers put up their Direct Debit, 30% put it down and 40% keep the payments the same.

**8. Customers can request a credit refund at any time**

Customers should have control over their energy – that's why we have made it even easier to request a credit refund at any time. Our simple online tool allows customers to choose how they want to spread their balance by allowing them to request a refund when it suits them best. This is another important way to make it easier for SVT customers to engage with us regularly.





**9. We will keep bills simple**

We all know that energy bills can be confusing – that’s why we have launched a new, simpler domestic bill in December 2016 with our customers suggesting the changes. We’ve listened to what they want and included their ideas in the new design from beginning to end, creating a bill designed by customers, for customers. We have:

- ✓ Used multiple research methods to gather customer feedback on better design, including the introduction of icons to help prompt action where needed;
- ✓ Consulted our Customer Panel with over 15,000 members;
- ✓ Tailored our research to target Pre-payment customers;
- ✓ We will repeat quantitative research with our customer panel during 2017.

**10. We are investing in innovation to give customers more control over their energy**

Energy is changing. With the development of Smart Meter technology, we are doing things differently. In 2016, we launched Power-Up, a new way for customers to pay for their energy. Customers can pay in advance in ‘days’ – allowing customers to take control in a unit they understand, time, not just Kilowatt hours. Following initial success with existing customers, we have now extended the opportunity to join Power-Up to new customers. Future digital innovation will focus on giving even more control to customers.

**11. We are introducing more personalised tariffs to offer more choice to our customers**

We have recently introduced new tariffs to target customers based on their energy consumption. We can help ensure that customers are getting a personalised tariff that is suited to their usage - with low, medium and high consuming products now available. An example of this is a ‘low user tariff’ with a lower standing charge which may be more competitive for those with a lower than average energy consumption. We will continue to measure our success at attracting and retaining customers onto these products.





**12. We are making it easier for customers to get in touch**

We understand customers will want to contact us when it's most convenient for them. We have extended our call centre opening hours until 10pm on weeknights and 8.30am – 6.00pm on Saturday to accommodate busy lifestyles. We continue to improve our call answering times, with customers able to speak to an advisor in less than 90 seconds on average.

*All of these initiatives in our Customer Engagement Plan are designed to ensure as many customers as possible are on the best deal for them. That's why with each of our trials, we will be monitoring their progress closely and making improvements along the way. We will update Which? regularly on our progress.*

