



Dermot Nolan
Chief Executive
Ofgem

1 September 2015

Dear Dermot

Customer satisfaction with E.ON's complaints handling

I refer to your open letter of 10 August 2015.

Since I last wrote to you about our complaints handling process on 24 October 2014, we have continued to focus on improving our performance and, from independently conducted research, have seen positive results in our resolution of complaints.

Update

We have now fully rolled out our *Handle with Care* approach to employees who deal directly with our customers. To recap, the way we now manage and resolve complaints means that if a complaint cannot be resolved by a front line advisor, a customer is connected to a dedicated resolution manager who will take ownership of the complaint until it is resolved. If the proposed resolution does not satisfy our customer, the complaint is referred to a resolution reviewer for an impartial re-assessment. If the complaint still cannot be resolved, the resolution reviewer provides our customer with support and information to take their case to the Ombudsman.

We believe that our approach reflects our aim to put our customers at the heart of our business and we will continue to regularly train, communicate and engage with our colleagues to reinforce *Handle with Care*, helping to ensure consistency and customer satisfaction.

I advised in my letter last year that we had recently launched the *Handle with Care* accreditation programme for our front line colleagues on recognising, recording and managing complaints. This year we have further widened the programme to make it more engaging and comprehensive for customer facing colleagues of all levels. The 2015 accreditation has been extended to include our resolution managers, resolution reviewers and people managers within our customer facing areas, as well as relevant support staff (i.e. those who support our colleagues that speak with customers).

In addition, over the summer we ran a complaints 'masterclass' training session for resolution managers and resolution reviewers to improve the complaints handling ability of all the people who manage complaints after the customer's initial call.

Audit of Complaint Resolution Processes

We have worked on the recommendations which resulted from the published audit of our complaints resolution processes by Deloitte in November 2014¹, namely:

- We have amended our policy to make clear the requirement to signpost customers to the redress scheme if complaints cannot be resolved.
- We have implemented refresher training for colleagues, which included:
 - highlighting the importance of recording accurate comprehensive notes, including issuing guides on how to do this,
 - emphasising the importance of agreeing timescales with customers and providing updates against these,
 - reinforcing the necessity of explaining our offers of resolution clearly and of gaining our customers' agreement by always asking "can you confirm that I have resolved your complaint",
 - reminders around handling complaints effectively where the call has ended prematurely,
 - the importance of communicating with our customers in plain and simple language, and
 - emphasising the necessity of correctly adhering to our 'no contact protocol'.
- We have planned updates to our complaints system to:
 - support the quality of notes, and
 - prevent complaints being closed when actions have not been completed.
- We have fixed an issue in our complaints management system to ensure that letters with a copy of our complaints handling procedure are issued promptly.
- We have improved our internal reporting on management control checks to better equip people managers to quality check the correct volume of complaints.
- We have reviewed our plans to establish an independent quality assurance function, which resulted in these plans being changed, and we expect this to be set up by the end of the year.

How we measure progress

In my 24 October letter I informed you that we had repeated the research which Ofgem had commissioned from GfK with an independent company, using the same methodology as GfK. In January 2015, we repeated this, and will continue to do so on a regular basis to measure our progress.

As shown below, we have seen an improvement in the respective percentages of residential customers who agree with us that their complaint has been resolved, the resolution gap, customer satisfaction and customers agreeing we treated them fairly. We are not complacent about these results, which we will continue to try to improve.

¹ <https://www.eonenergy.com/About-eon/how-we-service-our-customers/our-letter-to-ofgem>

Research (based on complaints received - month)	Residential			Micro business
	Ofgem – GfK (Dec 2013)*	E.ON (Jul 2014)*	E.ON (Jan 2015)*	E.ON (Jan 2015)*
Agrees complaint is resolved	54%	56%	63%	57%
Resolution gap	49%	39%	35%	42%
Resolution satisfaction	36%	44%	50%	51%
Agrees treated fairly	32%	43%	46%	50%

*The dates quoted are the dates of the customers' complaints, not the dates the research was published

Listening to our customers

We are continuing to build a culture where a complaint is used positively as a source of feedback to help us better understand our customers, the reason for their complaints, how we need to improve and how we can help prevent the same issue happening to other customers.

We shared the letter I sent to you last year with our online customer panel and had 1933 responses. The results are positive and shown below. The two main areas where customers wanted to see improvements were in making information clearer and in staff training. We have taken action on both of these areas as detailed above and will continue to consider them as part of our plans.

	Agree	Strongly agree	Total agree/strongly agree
The letter clearly explains the action E.ON has already taken to improve complaints handling	33%	54%	87%
E.ON is taking appropriate steps to improve complaints handling	38%	47%	85%
E.ON's complaints process (called "Handle with Care") is clear	38%	47%	85%
The letter clearly explains the action E.ON will take in the future to improve complaints handling	39%	46%	85%

Source: E.ON YourSay Panel December 2014

Colleagues at all levels of our organisation take part in customer immersion or experience sessions, where we meet with customers so they can discuss their experiences with us, including some customers who have had cause to complain. We have also held online customer experience sessions where we research customers' views on how we should continue to improve. Through these

activities we continue to learn from our customers to make further improvements to our understanding of the resolution gap, customer satisfaction and how to continue building our customers' trust.

We see improvements in our resolution of complaints, along with the enduring reduction in causes of complaints, as being key building blocks towards our strategic aim of becoming our customers' trusted energy partner and being able to demonstrate and evidence that we are treating our customers fairly.

Through analysis, we continue to work to understand the root causes of our customers' complaints. This has provided us with the opportunity to improve the service we offer. Through our approach of developing a "heat map" of where we are seeing issues arising and capturing them in our system, we are able to investigate the causes, take action and help prevent those issues from happening for other customers. Dedicated analysts interpret this data to demonstrate where and why things go wrong within our organisation. Senior business owners (direct reports to Board members) are assigned to be responsible for driving the required improvements.

Looking ahead

We aim to continue to improve the level of satisfaction among our customers and to reduce the number of complaints we receive overall. Our Regional Unit UK Board, including our Complaints Steering Committee, which is a sub-set of the Board, and senior management team are actively involved in, and committed to improving the way we handle complaints.

Yours sincerely

Tony Cocker
Chief Executive