



ERRONEOUS TRANSFERS

ARE ERRONEOUS TRANSFERS CAUSING HEADACHES FOR YOUR CUSTOMERS?

At the Independent Suppliers Forum in October 2017, Ofgem drew attention to the high rates of Erroneous Transfers (ET) in today's retail market.

An ET occurs when a customer is switched without their consent, this could be due to selecting the incorrect supply on registration, some confusion over the metering set up at a property or because the customer changed their mind and withdrawal from the switch was no longer possible.

This causes considerable customer inconvenience as well as causing damage to customers' perception of the switching process and retail market. It can discourage future customer engagement in the market and reduce switching, making the market less competitive.

For suppliers, it can damage reputations on both sides of the transfer as well as, costing both parties in the process of agreeing and resolving ETs and transferring the customer back. For that period when the supply was erroneously supplied, the gaining supplier cannot recover charges for the period, even though they are paying for the energy wholesale.

WHAT HAS THE CITIZENS ADVICE BUREAU FOUND OUT FROM ITS CASES?

Domestic consumers feel that Independent Suppliers are often unaware of the ET Customer Charter and the ET Resolution Process right through to the MRA/SPAA Supplier Escalations process.

Losing suppliers often refuse to deal with the ET and refer the customer to the gaining supplier (and vice versa). Remember, it is the obligation of both suppliers to resolve an Erroneous Transfer. This is now monitored and incentivised as part of the update to the Guaranteed Standards of Performance (May 2019). Based on feedback and complaints that the Citizens Advice Bureau has received and relayed to Ofgem, many Erroneous Transfers are caused by mis-selling.

The Citizens Advice Bureau also notes that some suppliers, particularly new entrants, have been in the past, unwilling to make goodwill payments for the ET, despite the disruption caused to consumers. This depends on how efficiently the supplier handles the ET. If done well, it should cause minimum disruption to the customer. But clearly, prevention is the key. Since May 2019, consumers are now awarded compensation for delays in the ET process, this can be a bi-lateral award from suppliers involved in the loss/gain.



WHAT IS THE ET CUSTOMER CHARTER?

1. If a customer believes that they have been erroneously transferred then they can contact either their old or new supplier. The contacted supplier will liaise with the other supplier to resolve the matter.
2. An appropriately trained representative of the contacted supplier should explain to the customer:
 - What action will be taken;
 - When they can reasonably expect to be transferred back to their original supplier;
 - That they will only pay once for the energy consumed and where possible, how their billing arrangements will be treated;
 - How they will be kept informed of progress towards resolution; and
 - On request, how complaints will be resolved and, where appropriate, how compensation claims will be dealt with.
3. The contacted supplier will send written confirmation of the details provided above within 5 Working Days of the customer contact. Where possible the supplier will include an explanation of why the erroneous transfer took place.
4. The customer will be provided with confirmation within 20 Working Days of their initial contact that they will be returned to their old supplier.

WHAT HAS OFGEM FOUND AND WHAT'S NEXT FOR SUPPLIERS?

ET rates of some independent suppliers are far too high and the ET resolution process takes too long for customers. This is often avoidable with a well-managed process that is aligned with the industry.

Ofgem encourages all suppliers to make full use of data that available to them to understand their ET rates and what can be done to reduce them.

Ofgem's Switching Programme seeks to introduce faster and more reliable switching and reducing ETs is a key part of making switching more reliable and improve the consumer experience.

Remember: Ofgem now has access to ET performance data for all suppliers in the energy market, which it will use to support, through shared practice and learning, poorly performing energy suppliers.

Jargon Buster

MRA

Master Registration Agreement

SPAA

Supply Point Administration Agreement

What can DDC OS do to help you tighten up these associated processes?

Highlights

- Depending on your system capabilities we can monitor your ET rates
- Prevent ETs via tighter sales and registrations processes
- Improve your customers' experience after an ET

Sales

- Plan and manage an outbound sales campaign
- Agree and work towards sales targets

Registrations

- We can ensure we identify the correct supply points on registration and ask the right questions at the right time.
- We can keep on top of your withdrawals making sure they are submitted in a timely manner, preventing avoidable switches.
- Mobilise a registrations team to manage any bulk switching such as Ofgem's collective switching initiative.
- Manage registrations exceptions through efficient front office processing, answering calls and emails quickly and efficiently, dealing with as much as possible 'on the call'.

Exceptions

- Manage registrations exceptions through back office cohesion. Not just ETs, but withdrawals, objections, disputed reads, as well as tracking and managing supplier and agent escalations processes.
- A customer focussed approach to industry processes, proactively managing customer expectations Prevent complaints but proactively chasing supplier responses but agreeing and knowing when to offer the right goodwill gestures at the right time.
- With our holistic view, root causes can be identified and resolved quickly and the necessary parties engaged in a bilateral discussion.

With all of this, we remain compliant with MRA/SPAA processes and your complaints code of practice.

Get in touch today to see how DDC OS UK can help you deliver better value to more customers!
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