

Ombudsman Services: Energy

Annual Activity Report





In June 2015 Ombudsman Services: Energy (OS:E) was approved by Ofgem to provide alternative dispute resolution services regarding energy supply to domestic and small business consumers under the Alternative Dispute Resolution for Consumer Disputes [Competent Authorities and Information] Regulations 2015 [the Regulations].

As part of that approval, under Schedule 5 of the Regulations, OS:E is required to produce an annual activity report which contains the information below:

a) The number of domestic disputes and cross-border disputes the ADR entity has received

OS:E received 114,311 disputes during the reporting period. A dispute is defined as a request from a complainant notifying OS:E of an unresolved complaint for investigation.

Of these cases 59,694 fell within scope of what OS:E can deal with.

Only 1 of the total cases received was a Cross Border complaint and this did not fall within the scope of what OS:E can deal with.

b) The types of complaints to which the domestic disputes and cross-border disputes relate

The following tables set out the types of domestic and cross-border disputes that were referred to OS:E within the reporting period which came within the scope of what OS:E can deal with:

Domestic Complaints	
Complaint Types	Number of Cases
Billing	34,032
Customer Service	3,628
Meters	2,755
Transfers	3,663
Payments/Debt	5,461
Backbilling	1,793
Smart meters	1,749
Other	6,613
Grand Total	59,694



Cross Border Complaints	
Complaint Types	Number of Cases
Billing	0
Customer Service	0
Meters	0
Transfers	0
Payments/Debt	0
Backbilling	0
Smart meters	0
Other	0
Grand Total	0

- c) A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity

OS:E has continued to see issues and reminded a number of (new) suppliers of their obligations around applying the correct calorific values to consumers gas accounts. This problem has resulted in consumers receiving incorrect bills and refunds have been required in some circumstances. There have been other issues with new entrants to the market not being familiar with industry rules. These have included concerns regarding applying Guaranteed Standards of Service payments, inappropriate blocking of transfers due to debt, and non-compliant bills.

OS:E has assisted a number of suppliers and provided guidance/support around the new back billing rules which were introduced during 2018 to ensure consumers were receiving appropriate redress in the relevant cases. It is evident that there have been inconsistent approaches from suppliers leading to some consumers not receiving reductions in their bills if the supplier has been at fault for providing underestimated bills.

There have also been problems caused by suppliers failing and entering administration. Whilst there is an established industry process in place which ensures that consumers remain on supply and a new supplier takes over, OS:E has seen instances where consumers have experienced delays in receiving credit refunds.



- d) Any recommendations the ADR entity may have as to how the problems referred to in paragraph [c] could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices

OS:E would advocate stringent checks on new entrants and ongoing auditing to ensure companies are following the industry rules set out in the sector and have sufficient infrastructure to maintain a customer base.

Further scenario-based examples and guidance would also assist suppliers in understanding how to apply rules in certain situations.

- e) The number of disputes which the ADR entity has refused to deal with and upon what grounds

The number of disputes which OS has refused to deal with during the reporting period was 31,342.

The percentage breakdown of the reasons for refusal is given below:

Reason for Refusal	Number of Cases
[a] Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	98.28%
[b] The dispute is frivolous or vexatious.	0.25%
[c] The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	1.46%
[d] The value of the claim falls below or above the monetary thresholds you have set.	0%
[e] The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than 12 Months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	0.01%
[f] Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0%

- f) The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation

The number of complaints that were discontinued by OS during the reporting period for operational reasons was 23,106. Below is the percentage breakdown of the reasons for the discontinuation:



Reason for Refusal	Number of Cases
The subject matter of the dispute did not fall within the scope of what OS: Energy can consider under its scheme rules	12.71%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	62.65%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	9.7%
The consumer was not a 'customer' of the trader	14.94%

g) The average time taken to resolve domestic disputes and cross-border disputes

The average time taken to resolve domestic and cross-border disputes was 26 days.

h) The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures

In the reporting period there have been 102,351 remedies confirmed, of which 93,182 or 91.04% were implemented within 28 days and 6,701 or 6.55% implemented outside of 28 days. Of the total confirmed remedies 2,648 or 2.41% remain unimplemented.

OS:E follows a process to pursue traders who fail to implement a binding decision within the required timeframe. OS:E will report a trader to the regulator for sustained failure to implement a binding decision within the required timeframes.

i) The co-operation if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes

OS:E is a member of the National Energy Ombudsman Network (NEON). NEON acts to promote alternative dispute resolution in Europe, facilitating cooperation between ADR entities that handle consumer and small business disputes about energy suppliers.



0330 440 1614

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