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By email to:
energyretail@citizensadvice.org.uk

Citizens Advice Star Rating Review: Consultation 2024 - 2025

About us

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament. The Act defines consumers as individuals and small businesses that purchase, use or receive in Scotland goods or services supplied by a business, profession, not for profit enterprise, or public body.

Our purpose is to improve outcomes for current and future consumers, and our strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

Consumer Scotland uses data, research and analysis to inform our work on the key issues facing consumers in Scotland. In conjunction with that evidence base we seek a consumer

perspective through the application of the consumer principles of access, choice, safety, information, fairness, representation, sustainability and redress.

Consumer principles

The Consumer Principles are a set of principles developed by consumer organisations in the UK and overseas.

Consumer Scotland uses the Consumer Principles as a framework through which to analyse the evidence on markets and related issues from a consumer perspective.

The Consumer Principles are:

- Access: Can people get the goods or services they need or want?
- Choice: Is there any?
- Safety: Are the goods or services dangerous to health or welfare?
- Information: Is it available, accurate and useful?
- Fairness: Are some or all consumers unfairly discriminated against?
- Representation: Do consumers have a say in how goods or services are provided?
- Redress: If things go wrong, is there a system for making things right?
- Sustainability: Are consumers enabled to make sustainable choices?

We have identified choice and information as being particularly relevant to the consultation proposal that we are responding to.

Our response

We welcome the opportunity to respond to the proposed changes to the Star Rating methodology. Since the last methodology update in 2023 there has been considerable changes to how the energy market is operating and it is important that the Star Rating reflects these issues in order to continue to provide value to consumers.

The statutory function requiring Citizens Advice to consider publishing information about complaints, and which the Star Rating is published partly in response to, applies equally to Consumer Scotland.¹ Following a comprehensive review of the duty and available data, we chose not to make a separate publication in response to this statutory duty in part because of existing publications including the Star Rating which includes Scottish data in its calculation.² We therefore are particularly interested in ensuring that the Star Rating remains relevant and effective for all consumers.

Our response below engages with the consultation questions through two lenses: (i) what changes need to be made to ensure that the Star Rating still meets its initial purpose of providing consumers with accessible information about energy supplier performance and to encourage competition between energy suppliers to improve key areas of customer service; and (ii) that any changes to the methodology must take into account all types of energy consumers, reflecting their needs and avoiding any unintended consequences.

Our answers below have focused on areas that we have identified as most important through our stakeholder engagement and previous consumer standards work.

We are currently conducting our 2025 Energy Affordability Tracker, surveying the experience of Scottish energy consumers. We would welcome the opportunity to provide a supplemental response once analysis of the response is completed in Spring 2025 to further highlight any relevant findings from our engagement work.

Changes to Existing Measures

Question 1. Should we plan to make as many changes to the Star Rating as possible simultaneously, or to introduce new measures in a structured and ongoing manner, when possible?

Consumer Scotland agrees with the case for change set out in the consultation document. Conditions in the energy market have changed over the last 2 years, making information on

¹ Consumers, Estate Agents and Redress Act 2007 s. 45: Citizens Advice, Citizens Advice Scotland and Consumer Scotland must publish such statistical information as Citizens Advice, Citizens Advice Scotland or, as the case may be, Consumer Scotland consider appropriate relating to the levels of compliance with the standards which those regulated providers have achieved

² A short report summarising our review and conclusions is available at [Consumer Scotland and complaints handling statistics | Consumer Scotland](#)

supplier performance on billing, customer satisfaction, and smart meters important for consumers to make well informed decisions when choosing an energy supplier today.

There is an obvious benefit to consumers for supplier data and metrics on key issues to be introduced into an updated Star Rating as soon as possible. The considerable rise in billing complaints that has been seen by the advice sector provides a compelling case for the reintroduction of the billing metric more quickly than other changes, to avoid the risk of further consumer detriment. On the other hand, more scrutiny may be needed for designing new metrics even after Citizen's Advice has decided they are appropriate to include, assessing whether there is robust supplier and 3rd party data for a new metric, that it is comparable across different suppliers, and the weighting any new metric should be given.

In the interest of balancing relevance of the Star Rating to current consumer interests, with ensuring a good quality system, it would be appropriate to introduce new measures in a structured and ongoing manner.

We expect that suppliers will have views on the practicalities of providing the required data within any timeframe. However, it would be expected areas that have previously been included in the Star Rating (e.g. billing) could be reimplemented more quickly than others.

Question 2. Should we change the thresholds for the top and bottom levels of complaints? If so, at what level should the revised thresholds be set?

Consumer Scotland does not believe that the top and bottom levels of complaints need to be changed at this point. The handling of complaints is an important metric for consumers. This can be especially so when price competition in the market is still relatively narrow. We agree with Citizen's Advice position that changing thresholds would send the wrong signal to suppliers and the market that higher levels of complaints are to be expected, especially if there is data to support that some suppliers are improving and achieving top scores. Changing the threshold at this point risks undermining this positive work.

Question 3. Do you agree with the approach of incorporating half stars for complaints scores into the Star Rating? Do you think there are risks or potential unintended consequences for this approach?

While suppliers may favour a change to half-stars for solely complaints scores, if it provides a perceived improvement in their scores and greater differentiation from their competitors, it is important to consider the effect the introduction of half-stars would have on the Star Rating's aim of providing useful information to consumers.

It appears from the discussion of modelling that Citizens Advice undertook when setting out this proposal, the introduction of half-stars does provide some differentiation between

suppliers where there was maybe not beforehand. This, on the face of it, would then provide consumers with more information to weigh different suppliers against each other.

However, the change should be considered across the whole of the Star Rating, and whether altering the scale for one metric but not others would cause consumer confusion or unintended assumptions. This may risk undermining the Star Rating aim of providing accessible information to consumers as opposed to a more uniform scale.

Question 4. Should we make changes to the weightings for complaints made to specific third parties? Please indicate which third parties you would suggest we reweight, if any.

Consumer Scotland agrees that it is important that 3rd party data on supplier performance is still considered appropriately as part of the Star Rating.

We agree with Citizen's Advice analysis that there are a number of good reasons why a consumer may not engage with their supplier before contacting an organisation like the Extra Help Unit. Discussions with consumer networks in Scotland reflect that there are number of reasons and barriers, such as difficulties with complex issues, personal circumstances, or previous unsatisfactory experiences with suppliers, that may cause consumers not to engage with their supplier at the outset of a complaint. It is important that the Star Rating accurately considers this reality to ensure it provides a fair assessment of suppliers. Therefore, we believe Citizens Advice should be hesitant to change the weighting of complaints made to specific third parties.

Question 5. Should we consider adding further Ombudsman data into the Star Rating? If yes, which metrics would warrant consideration, and where should we aim to include it?

We agree with Citizen's Advice analysis on the use of closed cases as a sufficient metric for Ombudsmen Service data currently.

Question 6. Is there anything else you would like to tell us about our approach to complaints? Please include any additional relevant evidence you would like to share.

No answer.

Question 7. Are there any changes you would propose to the telephone waiting times component of the Star Rating? Please give reasons if so.

Consumer Scotland believes that the telephone waiting times must remain a key part of the Star Rating for the reasons set out in the consultation document. From the data presented, telephone contact continues to be important means for the vast majority of consumers to reach their supplier.

Timely contact over telephone can also be very important as means for consumers in vulnerable circumstances to engage with their supplier in urgent cases, such as during a power cut or for prepayment customers who are self-disconnected, where the lack of electricity may limit how a consumer can urgently speak to their supplier through digital channels.

Therefore, we would urge caution in reducing the weighting of telephone waiting times in case it would risk suppliers' incentives to invest in continuing to improve waiting times, and at worse reverse the improvements made over recent years.

Question 8. Should we remove the social media component entirely? Alternatively, should we explore including other social media channels such as WhatsApp into the social media component?

We partially agree with Citizens Advice's proposals on this question. If RFI data is showing that only one supplier is meeting the 5% customer usage benchmark currently, there is an argument that this data is unhelpful to consumers, and at worse may skew the output of the Star Rating. However, consumer trends in how they contact suppliers should be kept under review should this change.

We believe that the use of WhatsApp for customer service is better considered as part of the wider suite of digital channels for customer service, such as webchat and/or in-app messaging (together, the 'digital channels'). There are greater similarities between the applications in the digital channel, being primarily direct, private messaging platforms, compared to the primarily public and multi-functional platforms like X (formerly Twitter) and Facebook. We have therefore considered the digital channels together in our answer to question 9 below.

Question 9. Should we include webchat and/or in-app messaging in the customer service metrics score? What weight would you recommend applying to these? Are suppliers collecting sufficient data to allow comparability across the market?

Consumer Scotland would welcome a metric that measures both ease of contact and outcomes through digital channels where possible.

Digital channels are an important and growing area of customer service contact as set out in the consultation document. Such channels provide an additional option for consumers

during peak telephone times, greater control over how they speak to their supplier and greater convenience for consumers that may find it easier to engage in webchat over a telephone call.

Further, some consumers in vulnerable circumstances may prefer contacting their supplier through non-telephone channels. For example, the Money and Mental Health Policy Institute found telephone contact a particularly distressing form of contact for consumers with a mental health condition.

It will be important that Citizens Advice work with suppliers to understand the types of contact that are seen through digital channels to ensure a new metric incentivises improvement and accessibility. For example, if more consumers in vulnerable circumstances are preferring to use digital channels for customer service, this may bring with it more complex problems to be solved through these channels compared to telephone channels. Depending on how this metric was designed, there would be a risk that suppliers may be concerned that lengthy conversations on webchat would have a negative impact on their Star Rating and perversely focus on length of contact over the quality of outcome.

We accept there are challenges in accounting for customer satisfaction, as set out by Citizen's Advice in the consultation and discussed in more detail below. However, we believe that, where possible, different contact channels should be considered in similar manners to provide consumers with clear and useful information.

Question 10. Should we consider reweighting the 'contact ease' element of the Star Rating? If so, what balance should we strike between contact ease, complaints and customer commitments

We do not hold sufficient data to comment on reweighting elements of the Star Rating. However, we view that balancing contact ease, complaints and customer commitments is essential to a fair standard, and look forward to further analysis and wider stakeholder engagement Citizens Advice obtain through this consultation to determine an appropriate balance.

Adding New Measures

Question 11. Would you advocate including customer satisfaction metrics into the Star Rating? If so, how would you envisage that these would improve consumer outcomes and avoid conflict with other publicly available customer satisfaction metrics?

It is important that there are further considerations given to including customer satisfaction metrics into the Star Rating despite the practical challenges implementing it would face.

Consumer Scotland has frequently engaged with the advice sector in Scotland since the last Star Rating changes and poor customer satisfaction issues and the need for improved customer outcomes has been repeatedly raised, as we set out in our response to Ofgem's Consultation on the Consumer Standards Framework and Consumer Standards.

While price competition is still relatively narrow in the market, customer satisfaction will still be an important differentiation between suppliers for consumers. This can be more important for consumers in vulnerable circumstances who may rely on the customer service support more frequently and for more complex issues.

Customer satisfaction metrics can also be useful to understand the difference in experience between consumers that may not be caught by other metrics. For example, our previous energy tracker data suggests that prepayment consumers are more likely to report poor consumer standards than consumers on direct debit.

However, we recognise the practical challenges Citizens Advice has set out in obtaining customer satisfaction data as part of their joint Ofgem Customer Satisfaction Survey. We appreciate that including different supplier contact methods, such as digital channels, would be an important factor of the metric, but presents additional practical challenges for data collection. Citizens Advice could consider incorporating their Ofgem Customer Satisfaction Survey results into the presentation of the Star Rating, making it clear to consumers that this is an annual rating to help deal with practical challenges of delivering an updated satisfaction rating on a quarterly basis.

We would welcome further consideration and engagement on how a customer satisfaction metric could be included in the Star Rating.

Question 12. Are there other methods of measuring positive aspects of the consumer-supplier relationship which you would recommend we consider? Please include specific metrics where possible.

As set out above, we believe there is value in further exploration of the inclusion of a consumer satisfaction metric and have not considered any other metrics that would fit within the Star Rating currently.

Question 13. Do you support the reintroduction of a billing metric? If so, what should it measure to drive improvements for consumers?

Consumer Scotland supports the reintroduction of a billing metric. We agree with the case for change Citizens Advice set out in the consultation paper, such as the increasing number of billing issues being reported by advice services.

We would hope that the introduction of this metric may reverse some of the increase in billing issues since the last Star Rating update in 2023 by incentivising suppliers to address billing issues.

It is important for Citizen's Advice to work with its own local offices and other advice sector third parties to understand what the prevailing issues with billing are. This could be combined with findings from Citizens Advice and Ofgem's consumer satisfaction survey that recognised that difficulty in understanding how bills were calculated was the top reason for dissatisfaction with ease of understanding billing. This is especially important with the increasing roll out of smart meters. This may imply that when the rating is considering accuracy around billing, that the issue isn't about automated readings, but possibly the transparency in how bills are prepared and presented to consumers so that they can understand and challenge the information when necessary.

There should also be considerations for how different payment types may change the importance a consumer puts on billing issues. For instance, pay on receipt consumers may put more weight on the timeliness of accurate bills than direct debit consumers.

Questions 14. Is the current approach for measuring switching through membership of the Energy Switch Guarantee working? Please share any suggestions for improvement.

We agree with Citizen's Advice initial view set out, though we recommend that this important area remains under consideration to ensure it remains relevant in a changing market.

As a member of the Energy Switch Guarantee Expert Panel Group with Citizens Advice and other organisations, we contribute to the compliance panel and encourage best practice across all suppliers in this area. While switching has not reached the same historic levels that the market saw before 2022, this group has worked with ESG Signatories to ensure that they still provide a speedy, safe and simple switching process in the current energy market using shared consumer-focused best practice.

As the market changes, with an increase in competition in tariff options, it will be important that organisations keep switching performance under review, and this metric should be kept under review should poor switching practices emerge as the volume of customers switching increases again.

Question 15. Do you support including smart meter metrics into the Star Rating? Please suggest any specific metrics which you would like to see considered.

The introduction of a smart meter connectivity metric must have due consideration for geographical and signal technology differences affecting consumers in Scotland and other

rural areas to ensure it does not create perverse incentives for suppliers to avoid these consumers.

The operation and connectivity of smart meters is an important issue for consumers in Scotland. This is especially so in rural areas of the Highlands and Islands which have lower coverage and face geographical connectivity issues. Additionally, the Data and Communications Company has highlighted “not-spots” affecting 0.75% of homes that sit outside its wide area network coverage.

A connectivity metric may encourage improvement in technical issues with individual faulty smart meters. However, there could be a risk of perverse incentives for suppliers not to take on consumers in known areas with connectivity issues in order to protect their star rating if the metric does not recognise geographic and signal technology challenges outside of suppliers’ control.

Other Changes to the Rating

Question 16. Are there benefits or drawbacks to presentational changes which would result in increasing the distinctions between suppliers based on agreed characteristics? If so, which characteristics should we prioritise.

We would welcome further information from suppliers and stakeholders on why proposed changes to the Star Rating would improve consumer clarity, and how they would be designed to avoid unintended consequences.

While a series of tables may provide more granular data for consumers who want it, this would need to be tested with consumers to understand the demand for it, and the risk of complexity it causes that undermines the first aim of the Star Rating to provide clear and informed information to consumers.

We look forward to seeing feedback from suppliers on the benefits to consumer clarity with the proposed introduction of a “medium” sized supplier table, or redefining supplier size based on other categorisations. While we expect suppliers of differing scales may face different challenges because of their business size, it is unclear how splitting up the Star Rating further may improve consumer clarity.

Further, there is a risk that size of supplier is inadvertently seen to justify or excuse poorer customer service. This would also be an issue if the proposed adjustment of complaint metrics based on prepayment customer numbers, or by those in receipt of Warm Home Discount, was introduced. It is important to remember that Ofgem licensing conditions and various consumer commitments apply to all suppliers, regardless of the size of the supplier, or volume of different consumer types a supplier may have.

Question 17. Should we consider requiring director-level sign-off on responses to our statutory RFIs? Would this be a proportionate approach to the possibility of misreporting?

No answer.

Question 18. Is there anything else you would like to share about how the Star Rating operates now, or could do in the future?

No answer.