

Professor Stephen Littlechild

As competition has evolved in the retail energy market, the main focus has been on price and the number of competitors. Comparison websites provide a constant flow of information about these aspects. Quality of service is also important and can be measured in different ways. Various regulatory and consumer bodies have each proposed and calculated their own customer service indexes.

As we accumulate several years of these measurements, we can pose and answer questions like: how has the overall level of customer service provided by energy suppliers evolved over time? Have the various different measurements of the score moved consistently or at variance with each other? How have different types of supplier – such as the original Big Six suppliers, larger and smaller new entrants, and those suppliers who left the market – been rated relative to each other? And what interesting differences are there between individual suppliers?

I have argued for some time that, in addition to the measurements of different aspects of customer service made by various consumer bodies, it is important to look at the overall picture. To that end, I have proposed and published an Overall Customer Service (OCS) score. This is calculated as the average of four ratings: those provided by Ofgem, Citizens Advice, Which?, and by customers themselves on Trustpilot.

With the recent publication of the latest energy supplier ratings by these entities, we now have six years of quarterly data, from Q417 to Q323. We may use this to calculate the OCS for present and previous suppliers. This article attempts to answer the first two questions posed above: how has the overall level of customer service evolved over the last six years, and how far are the four different measures consistent with each other?

Figure 1 shows how the level of customer service has evolved over the last six years, by each of the four component ratings, averaged over all the suppliers that were in the market and evaluated at the time. The average Which?, Ofgem, and Citizens Advice scores (all here expressed as %) rose gently from around the low 60s in late 2017 to around the mid-60s by mid-2020, then declined to a wider range – between low 50s and low 60s – by the end of 2022. The Which? and Ofgem scores improved during 2023 but the Citizens Advice score, after an initial increase, fell back severely.

In contrast, the average Trustpilot score was consistently higher throughout the period and increased steadily from around 70% initially to 80% by late 2021, then more sharply to over 85% by Q323.

The OCS score, as the average of these four ratings, increased slightly jerkily from the low 60s in Q417 to 70 in mid-2020, then declined gently to around 64 in early 2023, before increasing to 66 later that year. (Note that the OCS score shown in the graph is not the simple average of the four curves shown. Rather, it is the average OCS score of the smaller number of suppliers that were actually rated by all four methods in that particular quarter. The simple average would be slightly higher initially and slightly lower mid 2020.)

Over this period, the number of suppliers evaluated by Ofgem, Which?, and Citizens Advice increased from around 26 initially to the low 30s by early 2020. In contrast, the number of suppliers evaluated on Trustpilot was 36 initially then reduced to the low 30s by early 2020. Then numbers rated by all modes declined sharply to 18 by 2021 and slipped further to 16 in Q323.

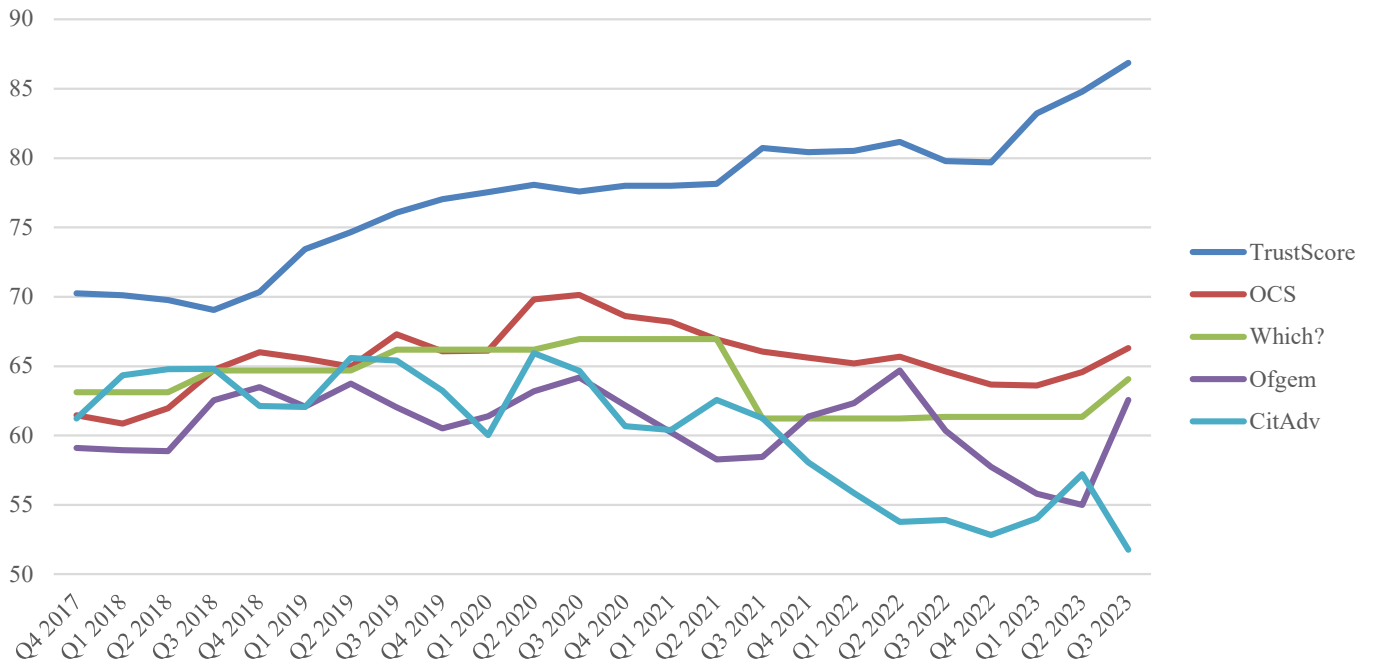
As noted previously (*Energy Spectrum* Issue 886, 15 January 2024), the average level of customer satisfaction, as indicated by the OCS score, broadly increased as the number of suppliers in the market initially increased, then fell as the number of suppliers later reduced.

Over the period as a whole, the Citizens Advice and Ofgem scores averaged 60% and 61% respectively. Which? was more generous at 64% and the TrustScore much higher at 77%. Perhaps suppliers became more adept at inviting favourable Trustpilot reviews? But there is surely another factor. The Ofgem and Citizens Advice scores are primarily measures of problematic service, no doubt to largely dissatisfied customers. In contrast, the TrustScores, and in part the Which? scores, are measures of what customers as a

whole thought of the supplier's service as a whole. Both scores will reflect the views of satisfied as well as dissatisfied customers. It is not surprising, then, that the Which? and especially TrustScores scores are higher. I would argue that the OCS combination of the four different perspectives gives a fuller and more accurate view of suppliers' performance overall.

The OCS average over the period was about 65%. If the overall average score is about two-thirds of the maximum possible, this seems not a bad mark. It suggests that, on the whole, customers and rating entities find supplier performance broadly acceptable. But of course, within the average are significant variations between suppliers. Later articles will explore these variations.

**Figure 1: Average score for each rating element**



Source: Professor Stephen Littlechild