



**DOING MORE FOR  
OUR CUSTOMERS**



# The energy market is changing, and so are we



Our business is built on our customers. We value each and every one of them and want to build engaged, informed, long-term relationships with them based on the value we offer. It's the only sustainable way to do business. This document sets out exactly what we are doing to build and sustain those customer relationships.

The energy retail market is in the midst of a radical transformation. It's come a long way since it was first privatised and is changing fast. It's more competitive, with over 40 suppliers giving customers more choice than ever before. It's easier and faster to switch than it's ever been. Smart meters will engage and empower customers and this digital upgrade to the energy system will open the door for all sorts of companies and enterprises to enter the market and create innovative, tailored products and services that make customers' lives easier.

## **Rising to new expectations...**

In this environment we can't take any of our customers for granted – and we don't. In order to meet our customers' rapidly changing expectations, we're changing too. We've totally transformed our digital services, making it quick and simple for customers to deal with us. We offer market-leading deals in phone, broadband and boiler cover, not just energy. Through smart we're offering to visit every customer's home to provide them with energy efficiency advice and better information. And we're developing new services that will in time enable SSE customers to manage and control all the appliances and essential services in their homes from the palms of their hands. The service we offer customers is already unrecognisable even from a few years ago.

## **While delivering on the basics...**

We also work hard to get the basics right. That means resolving problems quickly and we've shown that we do just that by leading the industry in the Citizens Advice Energy Supplier Performance report. Though we can't control the cost of energy, it also means providing a simple range of energy tariffs for customers to choose from, at a fair price, as well as providing them with the prompts and information they need to make active, informed decisions – whether that's the flexibility of a standard variable tariff or the peace of mind of a fixed-term deal. It means recognising that different customers have different needs and being able to cater for vulnerability in all its forms. It means rewarding customers' loyalty and giving them reasons to stay with us.

## **Fair profits, put to good use...**

Finally, it means being transparent about the profit we make so that customers can judge whether they are getting a fair deal. On average we make a profit of around 5p in the pound from our gas and electricity customers, before we pay our taxes, which we think is fair. And we put this profit to good use, employing over 20,000 people across Britain and Ireland, investing more each year than we make in profit and making a contribution of over £8bn a year to the UK's economy, according to independent analysis.

This document is just a brief summary of all the action we are taking to inform, engage, serve and reward our valued customers and we look forward to building on this in the coming months and years.

A handwritten signature in black ink, appearing to read 'Will Morris', located below the main text.

**Will Morris**

Managing Director, Retail

# Engaging our customers and helping them make active, informed decisions

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We want our customers to be engaged with us so that we can build deeper, long-term relationships with them based on service and value. In order to do that, we need to understand our customers' needs and preferences, as well as giving them the information and tools they need to make active, informed choices.

In 2016 alone, we sent over 16 million communications to customers designed to provide them with more information and help them get the best value possible out of their relationship with SSE – that figure doesn't include bills and annual statements. These communications ranged from information about SSE rewards and competitions, notification that their contract is coming to an end, details about the other tariffs SSE has on offer to help customers save money, information about smart meters and energy efficiency advice.

## **Moving in the right direction**

We think there's evidence that efforts to engage energy customers are bearing fruit. A survey by the Competition and Markets Authority found that the vast majority of customers are aware of their ability to switch tariff, payment method, and supplier. In recent years we have seen switching rates increasing as customers are given better information, prompts and tools to help them switch.

In our evidence to the CMA during its investigation, we showed that over 70% of SSE's existing domestic customers had switched to SSE from another supplier in the last decade and we had, on average, gained 1 million customers and lost 1.2 million customers every year since 2009 as millions of customers exercised their ability to choose.

Naturally, we hope they choose to stay with SSE – and there's plenty of evidence to show that loyal customers are active and engaged. Our submission to the CMA highlighted that we processed 1.4 million internal tariff switches in 2014 (up from 500,000 in 2013), and it should be noted that 90% of SSE's existing electricity customer base had switched within SSE, switched to/from SSE, or signed up to additional non-electricity services at least once in the previous decade.

## **One size doesn't fit all**

We appreciate that not all of our customers want or need the same thing from an energy provider so we try to understand what is important to different segments of our customer base. This helps us to understand our customers better and define what they need from us as a supplier. We are constantly complementing this with further research and insight to improve the products, services and communications we offer them.

Fundamentally, we believe in engaging our customers by arming them with the information and tools they need to decide what products and services are right for them.

We've done a huge amount already, but we think there's more progress to be made.



## Case study: Research to gather insight into effectiveness of customer engagement prompts

### Objectives:

Along with the regulated RMR letter that is sent to customers as they approach the end of their tariff, SSE has been sending additional communications for our customers to ensure they are informed about the end of tariff and understand what they should be doing next.

#### **60 days before tariff expiration**

(Mail or email dependent on permissions)

Informing the customer their tariff is ending and prompting them to start thinking about their options. Customers are directed to a dedicated microsite to select their next SSE tariff.

#### **42-49 days prior to tariff expiration letter**

(Mail)

Regulated communication that energy suppliers are required to issue which informs customers they can switch their tariff or supplier, the date their tariff ends, and personal projections of their annual spend on available tariffs. Customers are either directed to the dedicated microsite or to our call centres.

#### **7 days after tariff expiration**

(Mail or email dependent on permissions)

Advises the customer their tariff has ended and prompts them to switch to another SSE tariff. Customers again directed to the SSE microsite or call centre.

SSE undertook research with customers who were coming to the end of their fixed tariff with the aim of understanding how customers felt about the timing and nature of these communications as well as exploring what other information they would like SSE to provide

### Key findings:

- The findings show that the current timing of SSE communications align with customers' preferences.
  - The majority would like to be contacted 2-6 weeks before the end of their tariff with a small proportion of customers who were newer to SSE expressing a preference for being contacted earlier, in line with the communications we send
- Customers stated that they found the communications clear – regardless of the timing or the format (mail or email) - over 90% rated the communications as quite or very clear
- They also felt that the amount of information provided was about right with only a small amount requesting more information on current tariffs or competitor information
- The current formats of email and letters were rated as the preferred methods of communication, however some younger customers showed interested in SMS which is something that could be considered in the future
- Overall, customers coming to the end of a fixed tariff were satisfied with the timing and content of communications
- We are now looking at how we can integrate greater use of SMS into our communications strategy, where possible and appropriate

In 2017/18 we will...

**Better understand the needs and preferences of our customers by:**

- Working with Ofgem to carry out a Randomised Control Trial (RCT) to test and learn different communications approaches to understand how best to engage customers; we will look to implement any resulting learnings as quickly as possible
- Completing the trial of an alternative to the smart 'in-home display' to gather evidence on whether alternative approaches can lead to greater energy savings and customer engagement. Previous pilots have seen 90% of respondents engaging weekly with their smart data, 76% expressing a preference over the IHD, and 50% claiming to have reduced their consumption as a result
- Increasingly using smart data to tailor products and services to customer needs
- Monitoring 'Net Promoter Scores' via customer surveys to gather customer feedback on a wide range of customer touch points and experiences, with findings used to enhance customers' experiences
- Running SSE 'Treating Customers Fairly' forums with customers in Scotland, Wales, southern and northern England, meeting a total of 13 times per year, to build qualitative customer views into our decision-making
- Carrying out a monthly survey of 1,800 British consumers who are solely or jointly responsible for their household utility bills, as well as an online customer feedback community with over 3,000 members, used to help tailor and improve SSE products and services
- Conducting in-depth complaint analysis to understand and tackle the root causes of issues affecting customers
- Trialling a new 'mystery shopping' service, where a third party will place calls to our General Enquiries and Homemoves contact centres as well as our boiler care engineers, with a view to rolling this out more widely
- Conducting surveys with customers who leave SSE to understand how we can improve



**Provide customers with more information and prompts about the choices available to them by:**

- Offering to millions and rolling out smart meters to hundreds of thousands of customers, providing accurate bills, real-time information and energy efficiency advice in the home
- Highlighting to customers if there is a better deal available to them on all bills, annual statements and bespoke communications – since May 2015, we've spent more than £350,000 on sending more than a million communications to customers encouraging them to take advantage of fixed deals
- Automatically prompt our customer service advisers with other options and help they can offer during customer calls
- Sending every customer a Citizens Advice booklet on our responsibilities and their consumer rights once a year, signposting them to independent advice, energy efficiency measures, Citizens Advice's price comparison tool and Ofgem's guide on being an 'energy shopper'
- Offering a new, effortless online home moves journey that makes it easy for customers actively to choose the right product for them when they move home
- Providing enhanced webchat and online functionality so that customers can easily switch between products, access information and resolve problems
- Developing and maintaining relationships with local agencies, through our agency team, to make sure our customers can access the help and information they may need from organisations in their community

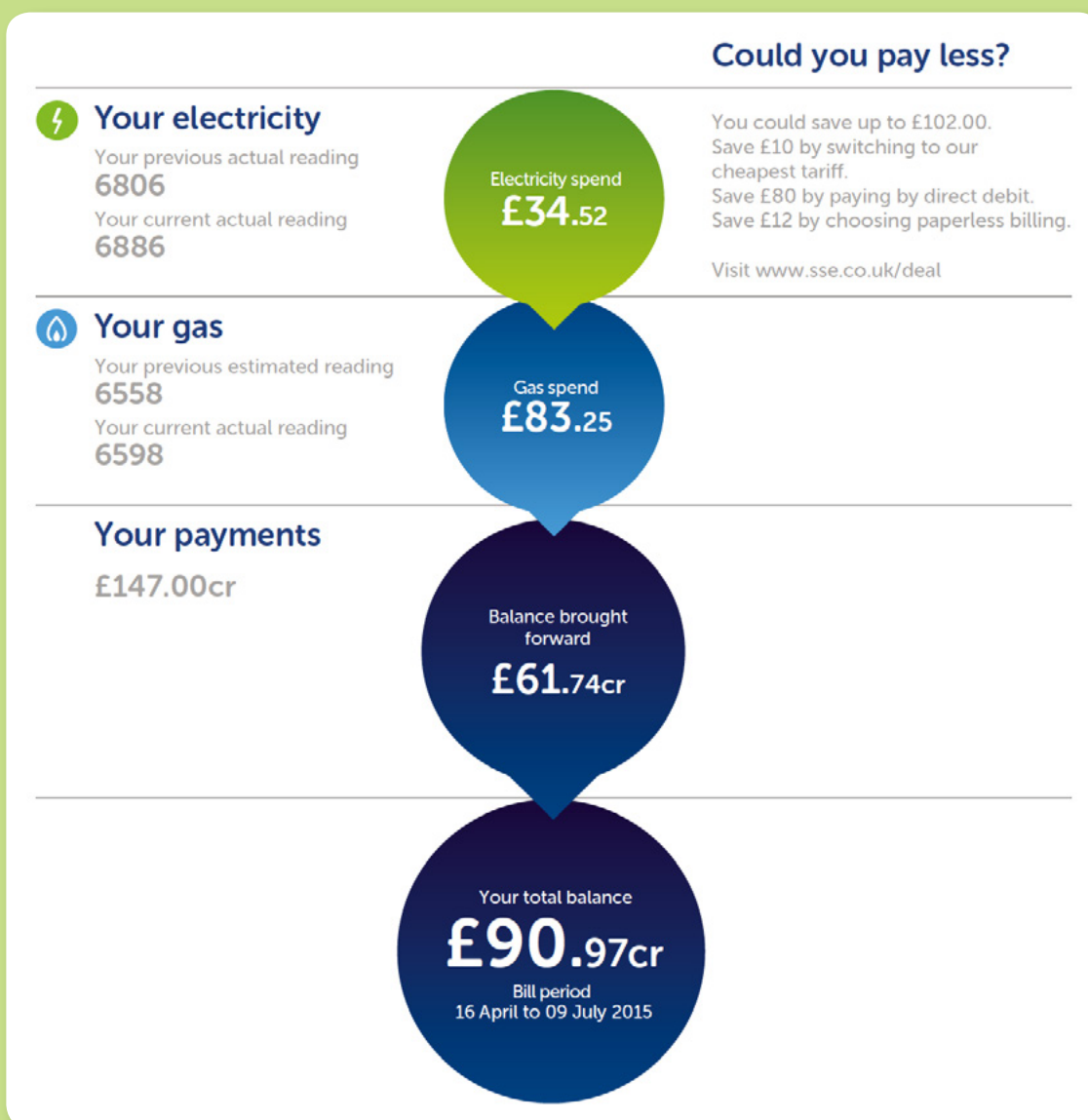


# Case study: Engaging customers with a better bill

Energy bills are an important communication channel between suppliers and customers. As well as providing information about payments, they can help inform customers about how to manage their accounts, change tariffs and save money.

At present, however, many customers find them confusing and unhelpful. In the past, suppliers have made minor improvements to bills, trying to present the same information in simpler, clearer ways. But we wanted to go back to the drawing board by placing customers in control: starting with a blank sheet of paper, we let customers decide what the bill should look like and contain.

After extensive qualitative focus groups, customers' ideas were worked into designs by illustrators before being tested through quantitative research with thousands of customers to identify the most engaging design. We've shared the results of our research with Ofgem to help inform work they are doing to improve bills for customers.



"We applaud SSE for a fine example of clear commercial communication.

"The bill gives the reader all the information they need in a simple, easy-to-read format. The bill is one of the better examples we've seen and we would definitely encourage other energy companies to use the bill as a template."

## THE CAMPAIGN FOR PLAIN ENGLISH

"Energy bills are notoriously difficult to decipher, and so SSE should be applauded for redesigning a bill based on such extensive research about consumers. The time for clearer energy bills is well overdue. To get more engaging with the market, it's vital that customers are armed with clearer, simpler information about their energy use and spend."

TOM LYON, uSWITCH

"Genuinely putting the customer at the very centre of this programme was key. SSE has spent time and effort both understanding what it is their customers want from their bills and responding accordingly. This approach should set the benchmark in the utilities industry for the design of this critical piece of customer communication."

JOHN MATHERS, DESIGN COUNCIL

"We support every effort to help consumers understand and engage with their energy bills. SSE's simplified energy bill is an example of how companies can put consumers at the heart of the design and contribute to building a more financially capable society."

CAROLINE ROOKES, MONEY ADVICE SERVICE

### ⚡ Compare your electricity

#### Electricity: Keeping track

How does this bill compare to your previous ones?

Category	Value
Last bill	£250
This bill	£350
Last years bill	£362

Over the next 12 months we estimate your costs will be around £611.37. These include VAT and any discounts you currently have.

**Electric supply number** 01 100 801  
20 0000 0000 000

**Estimated annual usage** 3756kWh

### 🔥 Compare your gas

#### Gas: Keeping track

How does this bill compare to your previous ones?

Category	Value
Last bill	£250
This bill	£262
Last years bill	£347

Over the next 12 months we estimate your costs will be around £513.21. These include VAT and any discounts you currently have.

**Gas supply number** 2345612345678

**Estimated annual usage** 13095kWh

### ⚡ About your electricity

Tariff name	Tariff ends on
SSE Energy Fix & More Nov 16	30 November 2016

Payment method	Exit fee
Cash / cheque	No exit fee

### 🔥 About your gas

Tariff name	Tariff ends on
SSE Energy standard energy	No end date

Payment method	Exit fee
Cash / cheque	No exit fee

### Get in touch

- Contact us at [www.sse.co.uk](http://www.sse.co.uk) or call a member of our team on 0800 912 3000 if you need any help.
- To find out more about your rights call the Citizens Advice consumer service on 03454 04 05 06 or visit us at [www.citizensadvice.org.uk/energy](http://www.citizensadvice.org.uk/energy)
- If you have an unresolved complaint you can also contact Ombudsman Services: Energy on 0330 440 1624 or [www.ombudsman-services.org](http://www.ombudsman-services.org)

**Power cut or electric emergency?**  
Call 0800 072 72 82 for 24 hour help.

**If you smell gas or have any emergency...**  
Call 0800 111 999 for 24 hour help.

**Question for your local network operator?**  
Contact them by phone on 0800 048 3516  
Or by post at: Southern Electric Power Distribution Plc, 55 Vastern Road, Reading, RG1 8BU.

# In depth: tailoring our approach through segmentation

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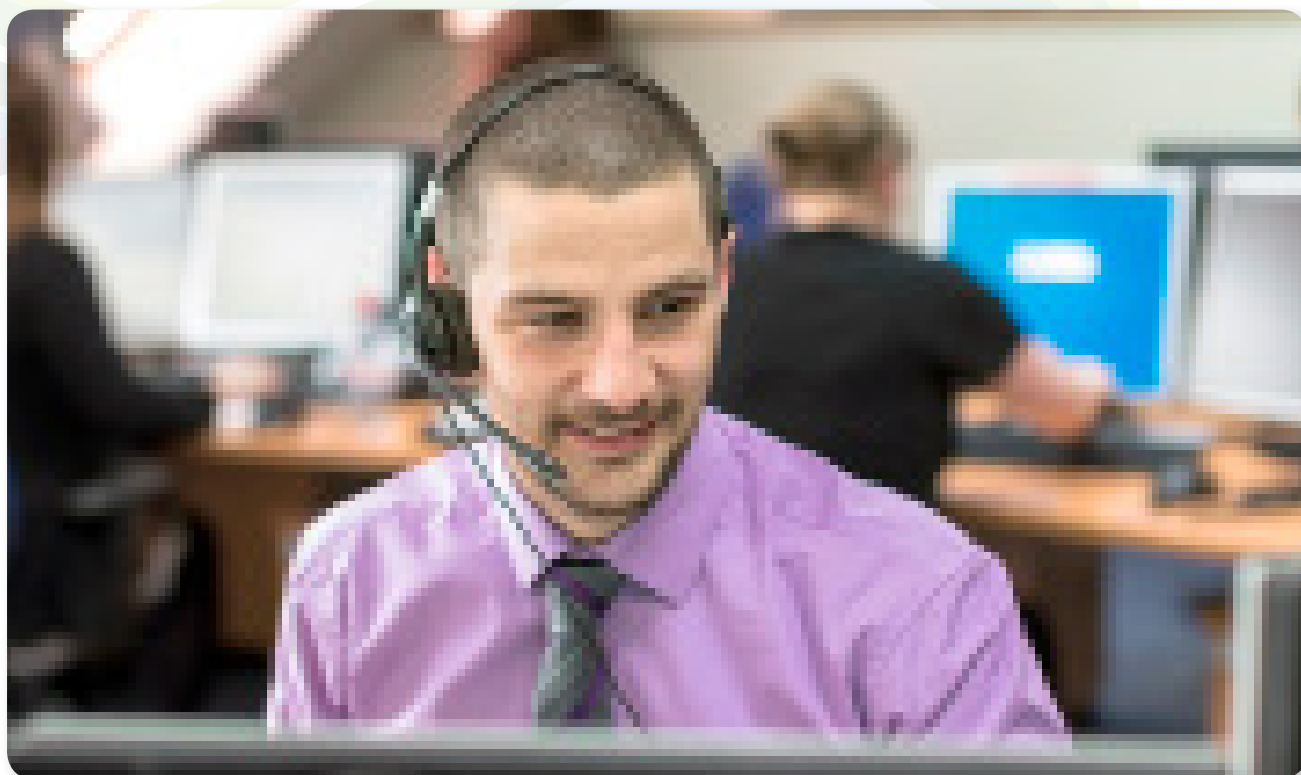
While it is important that all customers are treated as individuals when they contact us, it is important for us to understand what is important to broader segments of our customer base when developing products and writing communications. To help us with this, we have a segmentation model that gives us a better understanding of our customers.

This was first developed in 2014 and was built on a large number of data fields, principally reflecting our customers' demographics and life stage, backed up by primary research into the different segments. We monitor key metrics against these to understand how the make-up of our customer base changes and, where appropriate, we have designed different marketing communications to serve these groups.

We currently supplement this with a large amount of bespoke research to understand our customers better. Each year we ask about the key customer needs for each of our product categories and how different suppliers perform against these. We cut this data based on our segmentation model, as well as other factors.

Ad-hoc research is also carried out with certain groups of customers that are determined by the challenges we're trying to solve. For example, to get a better understanding of how we integrate our energy and home services products, we seek to understand the views of home owners specifically as they are responsible for the care and maintenance of their boiler, as opposed to renters who are more likely to defer this to their landlord. Another example is the ongoing work we are doing to tailor our smart meter installation journey to accommodate the specific needs of vulnerable customers.

We are always looking for ways that we can improve the insight we have into our customers including our understanding of our segments to reflect the changes in the market and their associated attitudes, needs and preferences.



# Providing extra help for customers when they need it

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We know that energy is an essential service and, with the energy market changing fast, it is vital that no customers are left behind or lose out due to a vulnerability of any kind.

At SSE we take our responsibilities seriously and work extremely hard to ensure that the service we provide is tailored to the needs of our customers. In order to do this, we must recognise that vulnerability takes many forms, and that anyone can be vulnerable at some time in their lives. We also need to ensure we can adapt our services to cater for different situations and vulnerabilities. We want to engage with and look after all our customers – and sometimes that means doing things differently or going the extra mile to accommodate their needs.

There's already a huge amount of help available and our proactive approach is making a real difference to the lives of some of the most vulnerable in society. For example, through the Warm Home Discount scheme we provided a £140 rebate to over 300,000 people, spending around £46m; and through referring customers for benefit entitlement checks we've been able to help around 2,000 vulnerable people access extra financial help that increased their household income by an average of £60 per week.

## Case study: making a real difference

- Our customer service advisers are encouraged to be proactive in finding ways to help vulnerable customers
- Between September 2015 and August 16, in partnership with IncomeMax, we carried out benefit checks for around 2,400 customers
- Of these, additional benefit entitlement was identified for almost 1,900 customers
- On average, this led to a household income increase of just over £60 a week, or over £3,000 a year, making a real difference to these customers' lives
- In one instance, a referral by one of our advisers helped a vulnerable customer access extra help worth over £10,000 a year



We want to keep on building on this good work.

## In 2017/18 we will...

- Work to achieve the British Standard for Inclusive Service Provision, the gold standard in recognising and catering for vulnerability in all its forms
- Help around 300,000 customers access financial assistance through the Warm Home Discount, and in doing so proactively contact all WHD customers with the offer of bespoke advice on the best available tariffs and other support available to them
- Offer a SignVideo service to enable deaf customers who use British Sign Language to communicate with us in real-time
- Proactively refer thousands of customers for benefit entitlement checks
- Partner with National Energy Action, Citizens Advice and Energy Action Scotland to offer help to vulnerable customers on low income, through the provision of energy efficiency advice or measures. This includes the provision of training on energy efficiency for local organisations working in the community to support customers in vulnerable situations
- Develop a project with National Energy Action to explore how to maximise the benefits of smart meters for certain vulnerable customer groups
- Continue to roll-out training and advice to help our customer service advisers identify and support customers suffering from dementia
- Help non-English speaking customers talk to someone in their own language through 'LanguageLine', a market-leading translation service which can help us translate over 200 languages
- Fund delivery of energy efficiency improvements to thousands of homes to deliver hundreds of millions of notional lifetime bill savings (300,000 improvements already delivered through ECO)
- Increase the number of our Smart Community Liaison Officers working in local communities to raise awareness and understanding of smart meters and offering post-installation support
- Enhance the service offered to our electric heating customers through a bespoke Electric Heating customer service team, improved website content, and proactive campaigns to ensure customers are getting the best from their heating system



**Justin Tomlinson MP, then Minister of State for Disabled People, tries out SSE's sign language service**

# Engaging customers by rewarding loyalty

As well as providing fair prices and high-quality customer service, we believe in rewarding our customers' loyalty – recognising that they have chosen SSE from the 40-plus other suppliers competing for their custom.

Existing SSE customers are our number one priority. That's why some of our best offers – like our free boiler rescue for SSE customers potentially worth around £300 – have been made available exclusively to them during the past year. We offer award-winning customer service in broadband, as well as energy.

But we also want to engage and reward our customers through the things that they enjoy most – ultimately powered by energy. So our SSE Reward programme engages customers by offering early access to tickets and money-can't-buy experiences at some of Britain's biggest entertainment venues – exclusively for SSE customers.

## Case study: SSE Reward

- In 2016 around 80,000 customers and their friends took advantage of our advance ticket access
- A further 8,000 received free upgrades to our exclusive lounges.
- 40,000 entered competitions only available to SSE Reward customers
- Prizes included 'meet and greets' with artists like The Who and Wet Wet Wet, as well as backstage tours for shows like Strictly Come Dancing or The X Factor



Giving customers more reasons to stay with SSE by rewarding their loyalty will continue to be a top priority for us next year.

### In 2017/18 we will...

- Offer all SSE customers the chance to access exclusive ticket presales for the biggest shows at some of the UK's leading entertainment venues, including the SSE Arena, Wembley, the SSE Hydro in Glasgow and the SSE Arena, Belfast
- Offer SSE customers the chance to apply for free upgrades to SSE's VIP lounges at these venues
- Give our customers exclusive opportunities to win prizes and money-can't-buy experiences
- Launch new homes and essential services offers targeted exclusively at existing SSE customers to reward their loyalty
- Launch a new 'no ties' broadband proposition, so that customers can opt for a flexible energy in broadband as well as energy
- Make sure that existing SSE customers are the first to access the new products and services available through our new connected and essential home services partnership with Dixons Carphone Warehouse, which will be developed through 2017/18 and ultimately enable SSE customers to control and manage all their home appliances and services from the palms of their hands
- Continue rolling our smart meters to existing SSE customers, including in-home energy efficiency advice

# Where could further collaboration help drive better outcomes for customers?

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We share government and Ofgem's aim of continually improving the market for customers and enhancing customer engagement in the energy market and want to keep working together. There are a number of areas in which we think further action could help unlock greater customer engagement and benefits:

**Internet access can be a barrier to people identifying the best tariffs available:** as well as improving broadband access and speeds, we must ensure that online services such as third-party switching sites are working in customers' best interests.

**Simplify rules around customer communication:** rules dictating how suppliers communicate with customers are there for the right reasons but have become over-complicated. Taking a principles-based approach could help simplify these rules and lead to more effective customer communications. Ofgem is already taking leadership on this.

**Ensure those in rented accommodation are not disengaged:** the CMA survey showed that customers in private rented accommodation are statistically less likely to switch energy supplier. Ensuring that landlords are not creating barriers to switching should be a priority.

**Make Warm Home Discount available through all suppliers:** the CMA survey also showed that those in receipt of WHD rebates were also statistically less likely to switch. This may be due to the fact that, for the Broader Group, eligibility criteria can vary between suppliers while some smaller suppliers do not provide the WHD at all, restricting choice for these customers. Obligating all suppliers to provide rebates would help remove this barrier.

**Make better use of data sharing to identify customers and target support:** requiring suppliers to find and verify which customers are eligible for support is costly and inefficient. New data sharing powers could enable us to quickly and easily identify eligible customers to make sure support goes to where it's needed and remove a further barrier to WHD customers switching.

**Combine financial and energy efficiency support to tackle fuel poverty:** there are a range of schemes in place designed to provide support for vulnerable, fuel poor customers, including WHD and ECO. A more targeted, holistic approach, based on data sharing to target support and combine short-term help in the form of financial support with long-term solutions in the form of energy efficiency measures, could maximise the effectiveness of these programmes.

This document set out exactly what SSE is doing to build and maintain these customer relationships. We look forward to working with government, Ofgem and other stakeholders to deliver more improvements for customers.

