

## **'The view from the customer side' at Energy UK Annual Conference**

**22 October 2014 – Ian Peters, Managing Director for Residential Energy at British Gas introduces a panel discussion at Energy UK Annual Conference**

Good morning, and thank you to Utility Week for inviting me to speak today.

I've only got a few minutes, so I'm going to do just three things: I'm going to confess one thing; I'll make a promise; and then I'll bowl a challenge at the panel before joining them to debate 'the view from the customer side.'

First, the confession: there's no denying our sector has not always got it right for our customers. Suppliers haven't always matched what's been offered closely enough with what customers actually need. And in the past, too often there have been poor behaviours right across most of our sector. Partly as a result, customer trust is low in our industry. All that will come as no surprise to anyone in this room.

What's driven that is more complicated. Rising prices and bills – inflated by cold winters in recent years – falling incomes, and suspicions around transparency and rising profits behind higher prices. Really, it boils down to our customers feeling they're not sufficiently informed and in control.

I'd go further: as an industry, we haven't always been fast enough in adjusting the way we do things to meet changing customer expectations.

Each of us now expects to manage every aspect of our lives when and how we want to. Be that booking flights through an app, asking questions about a product by tweet, or having a weekend appointment at the bank – perhaps not every bank! However, I'm proud to say we're now making great strides in giving our customers more choice and control. I believe our industry has changed more in the past two years than in the past twenty, and with more competition, new business models, more switching stimuli including collective switches and MiData, and new technologies. We're giving customers more choice in a market where the pace of change will only accelerate.

At British Gas, we're on a mission to exploit technology fully to put our customers in control and make their lives a little simpler.

Our market-leading Hive Active Heating is in more than 100,000 homes now - just one year since it launched, enabling remote control of heating and hot water from a mobile phone. That means no more heating an empty house when your train's delayed, or worrying about the pipes freezing when you're with relatives for Christmas. For the first time, our customers are in control of their heating no matter where they are. One of them – Mrs Wilcock – even baked us a Hive cake for our first birthday she was so delighted with hers.

We've now got over a million smart meters in homes, and a trial of smart pre-payment meters underway. They give our customers accurate bills – removing the number one gripe of estimates - and, with the in-home display, insight they've never had into which appliances are guzzling energy and how to make simpler energy choices. One of our customers – Lynne Kovacs who's taking part in an experiment we're running currently – told us her smart energy monitor is like her 'new best friend', it's that invaluable to her. In the near future, Lynne will be able to get this information on her mobile phone if she wants to, replacing that 'physical' best friend in her kitchen with a 'virtual' one in her pocket at all times.

Our Smart Energy Reports use the data from smart meters to show our customers when they've used energy – by day, by week, or even by appliance type, and to compare their use with that of similar homes.

We're even using eye-scanning technology to better understand what our customers are looking at on their bills so we can make them even simpler in future.

For our business customers, we know the last thing they want to do is grapple with energy bills and contracts. So we were the first supplier to put an end to contracts that automatically renewed with a more expensive tariff. And we recently launched an online account management tool, making it easier for our business customers to stay on top of their accounts in a simple and hassle-free way, so they can get on and do what they do best.

So: we haven't always got it spot on. We haven't always moved quickly. But now for the promise: we are going to put this right. At British Gas, we're doing this by starting with the view from the customer side.

Every Monday, each of our employees across the UK begins the week with an email called 'The Customer Voice'. In it, we see the good, and indeed the bad, from recent customer experience.

We can click through to listen to a call from a customer trying to decipher the hieroglyphics on their bill. Demanding payment in kilowatt hours is like asking to be paid in roubles. We want to make bills even simpler.

It may include a tweet from a customer thanking an engineer for incredible service, next to a tweet from an irate customer who's tied up in knots over a convoluted switching process – and that's another one we'll be the first to fix when we speed up switching from next month.

And it might profile a customer who's recently moved homes, sharing their experience of dealing with us while juggling the movers, the decorators and mortgage negotiations.

The point is, we are starting each week in the shoes of our customers.

This is something I'm proud of, and something that's helping my 30,000 colleagues at British Gas – all of whom just want to do the right thing for our customers – to understand some of

the pain points, and some of the pleasures!, of doing business with us. That's also why I personally engage with my customers every day.

So I've confessed: we haven't always got it right. And promised we're going to put it right, starting with the customer view.

And now to the question to the audience and my fellow panellists: if as an industry we really cracked customer service and our customers were happy and trusting of us to the extent that switching rates fell significantly, would that be a good thing?

Contact information:

British Gas Press Office

British Gas

0800 107 7015

media@britishgas.co.uk