

BACK BILLING OBLIGATION - A BRIEFING.

IS YOUR SUPPLY BUSINESS READY FOR THE OFGEM BACK BILLING OBLIGATION?

Any suppliers giving their regulations a bit of 'TLC' will know by now that Ofgem has this week decided to modify the standard conditions of the electricity and gas supply licences by inserting new condition 21BA to protect consumers from lengthy back-bills.

The changes will take effect from 1st May 2018, and essentially makes the voluntary back-billing code, established in 2007, compulsory for all suppliers. This is to protect consumers from receiving back-bills going back further than a year.

Therefore, where a supplier has failed to resolve ongoing metering or read data issues, it can only back bill for reflective consumption over the past year. It is therefore essential that suppliers produce timely and accurate bills and ensure their industry exceptions are in good shape.

DDC Outsourcing Solutions (DDC OS) has a number of solutions that could help your business increase collectability, improve your billing accuracy and reduce revenue leakage.

SO, WHAT IS 'BACK-BILLING' AND WHEN WILL THE RULES APPLY?

A back-bill is a 'catch-up' bill, sent to a customer, where previous bills have been incorrect or absent. Back-bills can be for any amount but there is a principle in place defining when and for how far back suppliers can go with their charges.

If the supplier is at fault, it will not seek additional payment for unbilled energy used more than 12 months prior to the error being detected and a corrected bill being issued.

When the 12-month limit for back-bills may apply:

- When the supplier has failed to bill the customer
- When the supplier has failed to use accurate readings
- When the supplier has failed to do anything about a query raised by the customer regarding their account or meter and a large debt has built up as a result
- When the supplier has failed to reassess a payment arrangement (e.g. Direct Debit) within 15 months or failed to reassess based on a reasonable estimate of usage

WHAT CAN DDC OS DO FOR YOUR BUSINESS?

DDC OS are experts in Utilities Back Office Administrative processes. Our experience in working with Utilities providers of all sizes means we understand the issues that you will be facing in this area. Overleaf are just some of the services we provide to some of our Utilities clients:

JARGON BUSTER

EAC

Estimated Annual Consumption

SPAAs

Supply Point Administration Agreement

MRA

Master Registration Agreement



Billing Analysis

- Depending on your system capabilities, our consultants can analyse your billing volumes and make recommendations about the age of your delays to billing
- We can also do a general health check of any process volumes that affect billing and assess the impact
- The state of Direct Debit and payment reviews can be analysed
- An approach can be discussed and prioritised based on the age of accounts and larger EACs, larger value customers

Bill Processes

- Direct Debit Reviews can be conducted comprehensively and accurately, improving cash flow
- Aged billing issues can be monitored and prioritised, to achieve backlog reduction and improve collectability
- Unbilled accounts can be monitored and prioritised for root cause analysis and resolution
- Billing exceptions and errors can be resolved within shorter commit times
- When the collection path is in dispute, we monitor and target these exceptions
- We create synergy with industry processes to push a faster resolution

Industry Processes

- Customer focused approach to metering and data processes
- When billing is suppressed, we monitor and target the underlying process
- Proactive calling to customers and partners to diminish lead times
- Built-in escalations process to maximise success
- Read accuracy can be improved with proactive calling and agreeing a must-reads strategy
- Improve your collectability
- Improve your settlement performance
- With our holistic view, root causes can be identified and resolved quickly and the necessary parties engaged in a bilateral discussion.
- With all of this, we remain compliant with MRA/SPAAs processes and your complaints code of practice.

Get in touch today to see how DDC OS can help you with your billing obligations!

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