



Ofgem  
10 South Colonnade,  
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E14 4PU

07 April 2021

**Ofgem Ref:** Consultation to review the Energy Industry Voluntary Redress Scheme,  
**E Ref: Reg 293**

For the attention of Sophia McGuigan at [redress@ofgem.gov.uk](mailto:redress@ofgem.gov.uk),

Dear Sophia,

E (Gas and Electricity) Ltd is a medium challenger UK energy retailer focussing on serving prepayment customers through our UK base call centre. We are currently ranked 13th on the Citizen's Advice Supplier (rating for Oct – Dec 2020), which is the highest ranked prepayment specialist supplier in the market. We welcome the opportunity to respond to this consultation, especially due to our experience of managing a predominantly prepayment portfolio.

We do not have a view on all the questions asked and therefore have only provided answers where we are able to provide input.

**Question 3. Should a fuel voucher fund remain a permanent feature of the overall Energy Redress Scheme, so that it can react quickly to specific crises?**

Yes, but the management of this scheme needs to be improved, it is our view that the management of voucher distribution should be done centrally by a single organisation able to react to customer's needs quickly whilst maintaining value for money with regards to operating costs. This is based on the below details of our experience of how this fund has been managed to date and we would strongly suggest that this are considered when designing future schemes.

**1. Awareness of Voluntary Redress Scheme**

As a prepayment supplier specialist, we believe that both Ofgem, Energy Saving Trust (EST) and Citizen's Advice (CAB) should have done more initially and during covid restrictions to promote the availability of the Voluntary Redress Scheme, especially the £10m grant to support prepayment customers impacted by COVID-19. We were first made aware of this fund through the publication of Citizen's Advice paper – '[The end of the beginning](#)' dated June 2020 that refers to Ofgem's Energy Redress Fund and a £10m grant to support prepayment customers impacted by COVID-19. Since June 2020 we have sort clarity from both EST and CAB regarding how our vulnerable customers could benefit from the £10m grant ('The Grant'). To date we have received unclear or contradicting information, this includes: -

1. EST advising us to direct the customer to CAB Energy Service.
2. CAB and Extra Help Unit (EHU) colleagues not being aware of The Grant process works.
  - During our bilateral calls with CAB and EHU we have raised questions regarding how The Grant operates, unfortunately both CAB and EHU were not familiar with how the scheme runs and were not able to provide answers.
  - To further put it in context regarding the importance of CAB and EHU awareness, with the new addition of the self-disconnection requirements into supplier licence obligations; suppliers are required to provide additional support such as Additional Support Credit (ASC).

There are occasions though (for example due to high or existing debt) that through an ability to pay assessment, a supplier may establish that ASC is not the best option for the customer, and this is where suppliers would signpost the customer to CAB's Energy Advice Service. In practice what tends to happen is that CAB escalate this customer's case to the EHU who then contact suppliers and request we provide ASC regardless of the customers' ability to pay status. Rather than adding further debt to the customer's account, this would be a good opportunity for EHU / CAB to provide fuel vouchers as part of this service.

3. EST advising that we should then direct customers to local walk in Citizen Advice centres.
  - This seems to contradict stay at home / covid messaging etc. and may not be suitable to prepayment customers in shielding unable to leave their homes.
  - This process also seems to be very time critical during which time the customer could be off supply.
4. EST advising that they are not able to share contact details for the Redress grantees due to data protection rules.
  - In our view, any organisation awarded funding should be published on a publicly available register.
  - It is unclear how the sharing of this information is breaching any data protection regulations.
5. EST confirmation that Ofgem confirmed that "we (EST) should not set up any direct referral mechanism with energy suppliers to avoid any potential breach of the scheme rule on avoiding benefit to energy companies from redress grants (through avoided costs), to help grantees manage demand and also to ensure compliance with our data protection rules".
  - It is unclear how any direct referral of customers to The Grant would constitute cost avoidance. As an energy supplier with both ECO and WHD obligations, it is our view that both ECO and WHD schemes have hard target obligations that need to be completed within their respected scheme periods in line with scheme requirements. Any ECO energy efficiency measure provided to the customer would need to be a validated ECO measure submitted through the ECO portal and approved by Ofgem.
  - Any WHD industry initiative measure would also need to be compliant with original industry initiative applications for each scheme year; and any deviation from this delivery would be subject to further validated as part of the WHD end of scheme year submission process with Ofgem.

It is our view that this uncertainty has led to missed opportunities to help more vulnerable customers; and that energy suppliers in addition to the provision of any Additional Support Credit, ECO and WHD based on scheme eligibility would be well placed to signpost vulnerable customers to The Grant if it were managed centrally.

**Question 4. If a fuel voucher fund is set up, what type of consumer should be eligible to apply for these vouchers? e.g. vulnerable consumers, pre-payment meter consumers.**

Any fuel voucher scheme should be based on a consumer's financial situation. Utilising an ability to pay assessment process ensuring that The Grant is going to the right individuals not able to cover their energy consumption / debt costs whilst considering their income and other expenditures.

## **2. Widening the eligibility scope to other organisations**

**Question 5. What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)**

Our only concern of increasing to other organisation types is the overall value for money across the scheme. We have not been able to locate information relating to value for money of the funding rounds to date. It may be published but it is not clear of how much of the funds issued in the rounds to date have gone towards customers

and how much of said funds are used to cover a proportion of overhead costs for more organisations. If more organisations are awarded funding, then on this basis there is more potential for a greater proportion to be funding overhead costs and not fulfilling the purpose of the redress scheme as indicated below: -

*'The purpose of setting up the Energy Redress Scheme in this way was to ensure that funding is well targeted and maximises the long-term positive impact of voluntary redress payments for energy consumers across Great Britain, and in particular those in vulnerable circumstances'.*

Yours sincerely

Richard Masterson  
**Regulation & Compliance Manager**



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