



Making a positive difference  
for energy consumers

**Gas and electricity suppliers,  
consumer organisations, and  
other interested stakeholders**

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5 December 2022

Dear Stakeholders,

We have published proposed guidance<sup>1</sup> on the enhanced Financial Responsibility Principle, which forms part of the proposals set out in the Ofgem statutory consultation on Strengthening Financial Resilience<sup>2</sup>, published on 25 November 2022.

This document provides guidance to suppliers on how they should comply with obligations under our proposed enhanced Financial Responsibility Principle, SLC 4B; our proposed licence condition on Protecting Domestic Customer Credit Balances (where directed to do so), SLC 4D; as well as sets out existing guidance for obligations under SLC 4A, the Operational Capability Principle. It provides information on how the principles are implemented and fit within our existing regulatory framework.

The document is intended to supersede the original Financial Responsibility Principle guidance document, most recently updated in May 2022. This guidance would be given effect by direction as set out in the proposed modifications to the licence in our statutory consultation Strengthening Financial Resilience. Subject to these consultations, we intend to publish a final version of the guidance in line with the appropriate process following our decision on this statutory consultation.

We invite stakeholders to submit comments on any aspect of this proposed guidance on or before 3<sup>rd</sup> January 2023.

Yours sincerely,

David Hall

Deputy Director of Financial Resilience and Controls

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<sup>1</sup> <https://www.ofgem.gov.uk/sites/default/files/2022-12/FRP%20Guidance%20Format%20DH.pdf>  
<https://www.ofgem.gov.uk/sites/default/files/2022-12/FRP%20Guidance%20Format%20DH.pdf>

<sup>2</sup> [Statutory Consultation - Strengthening Financial Resilience | Ofgem](#)