

Jemma Baker
Future Retail Markets
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By email to RetailStakeholderTeam@ofgem.gov.uk

31 May 2023

Dear Jemma,

SSEN Distribution response: Consultation on framework for consumer standards and policy options to address priority customer service issues

SSEN Distribution welcomes the opportunity to respond to Ofgem's consultation on the framework for consumer standards and policy options to address priority customer service issues in the retail market. SSEN Distribution is the trading name of Scottish Hydro Electrical Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD). This response is being submitted on behalf of those licensees.

With a network reach to over 3.8 million households and businesses in the North of Scotland and Central Southern England, working alongside Ofgem and other stakeholders is a priority that remains unwavering. We welcome initiatives that seek to improve the general levels of service and the standards that customers receive.

We are broadly supportive of the amendments that Ofgem is proposing as part of this consultation, regarding the requirement for suppliers to increase their standards of customer service, including relevant provisions for customers in vulnerable situations. As a distribution network operator (DNO) we are close to the interactions that customers experience with their suppliers. It is often the case that when the general public experience a problem that should be resolved by their supplier, but they are unable to get through to their supplier, they contact us. When a customer is experiencing an issue with their meter that results in them experiencing a loss of power, the relevant party who is responsible for the equipment and therefore able to resolve the problem, should be available for them the customer in the same way that DNOs are available for customers experiencing network issues.¹ That this is not currently the case highlights a clear gap in the supplier framework of support for their customers, and we consider that the proposals Ofgem has made a part of this consultation will help to address this problem and begin to close this gap.

As Ofgem is aware, DNOs are subject to a number of licence conditions that hold us require to certain behaviours. We are also subject to Guaranteed Standards of Service in the circumstance of no supply following a network issue, all of which drive speedy restoration times.² In addition, DNOs are subject to penalty only incentives that drive our

¹ A DNO is responsible for its Distribution Network and an Electricity Supplier is responsible for the meter, as per Schedule 7, part 1 and Schedule 7 part 10, Electricity Act 1989.

² [The Electricity \(Standards of Performance\) Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2015/1013/contents/make)

rate of 24/7 telephony response. We see no reason why the same should not be required of suppliers, and we support Ofgem's proposal to ensure that suppliers provide customers with a 24/7 call service with staff who are appropriately trained to deal with customer meter- related issues over the phone.

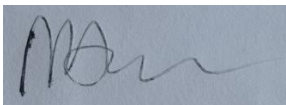
At Ofgem's recent Vulnerability Summit, 24 April 2023, within the keynote speeches it was noted that approximately one third of customers on the PSR rely on use of telephone calling for communication. While online message and chat provisions from suppliers are useful it should not be the sole method of communication available for customers during "out of hours" timeframes. Many of these "out of hours" start from 5pm each Friday until 9am the following Monday, and can extend beyond this over bank holidays, which results in significant numbers of customers being excluded from communication with their energy suppliers when they most need their help. As a DNO, we receive significant influxes of communications from customers who are experiencing meter related issues and are unable to contact their supplier during these "out of hours" periods. The majority of these customers have informed us that they had been diverted through to us either by their supplier directly, because it was "out of hours" for suppliers, or because they were following the instructions on the supplier website or their bill. Our experience is that this is frustrating for customers and only causes further delays for them being able to get the appropriate help they need. As a DNO group via the Energy Networks Association (ENA), we have presented on this issue previously to EnergyUK, and we welcome the changes proposed within this consultation to help address this.

We welcome the proposals included in this consultation and would add that it is crucial that this service also includes a requirement for suppliers to have appropriately trained meter operatives available to resolve meter issues out of hours where customers are prevented from being able to use electricity at their property. The current Retail Energy Code (REC) RFI to support the progression of R0053 – 24/7 Emergency Metering Service, a Change Proposal that is currently being progressed, emphasises the same problems.³ The problem and subsequent solution identified by the REC RFI are reflected by those included within Ofgem's consultation into the supplier framework for consumer standards, and we support the progression of both.

We support Ofgem's proposals within this consultation and believe implementation will result in a more coherent and complete service for customers across the industry. We will continue to work with Ofgem in its wider support of customers.

If you have any questions in relation our response, please do not hesitate to contact rose.tresidder@sse.com.

Yours sincerely,



Mark Askew

³ [R0053 Request For Information - REC Portal](#) - 24/7 Emergency Metering Service, originally raised in June 2022. It proposes that Energy Suppliers should provide a 24 hour, 7 days a week (24/7), metering service to consumers to ensure that, where the fault is related to metering, it can be addressed in a timely manner.

ANNEX 1

Consultation questions

Questions relating to our approach to addressing priority customer service issues – Chapter 3

1. Do you agree with our assessment on what good looks like for the issues consumers are facing relating to the priority issues of contact ease and identification and support/advice for consumers struggling with their bills. Are there any issues missing?

Yes, we agree with Ofgem's assessment of what good looks like in this area, as well as the areas of focus identified within Table 4 from the consultation.

2. Do you have any views on potential options to address priority issues and do you agree with the extra requirements we are proposing?

Yes, we agree with the priority issues identified by Ofgem and proposed within Table 3 from the consultation.

3. Do you have any evidence that suggests that we should be considering additional and/or different rules beyond what we have proposed?

We support Ofgem's proposal to ensure that suppliers provide customers with a 24/7 call service with staff who are appropriately trained to deal with customer meter- related issues over the phone.

In addition, we suggest this service should also include a requirement for suppliers to have appropriately trained meter operatives available to resolve meter issues out of hours that are preventing customers being able to use electricity at their property. Within our SHEPD licence area, there is a particular problem with customers in the Highlands and Islands who struggle to get appropriate assistance from their suppliers, due to the lack of availability of meter operatives in these areas. While we also see this issue in our SEPD licence area, it is particularly prominent in our SHEPD area where we have concerns over the level of service from suppliers in this regard.

As noted in our cover letter, we receive significant influxes of communications from customers who are experiencing a meter related issue and are trying to get hold of their supplier during these "out of hours" periods. The majority of these customers have informed us that they had been diverted through to us either by their supplier directly, because it was "out of hours" for suppliers, or because they were following the instructions on the supplier website or their bill. This is very frustrating for customers when they experience this, and only causes further delays for them being able to get the appropriate help they need.

As such, we support Ofgem's proposal to ensure that suppliers provide customers with a 24/7 call service with staff who are appropriately trained to deal with customer meter- related issues over the phone, and to extend this requirement for suppliers to have appropriately trained meter operatives available to resolve meter issues out of hours that are preventing customers being able to use electricity at their property.

4. Do you agree with our proposed approach of introducing reputational incentives in our priority areas?

Yes. This approach has proved effective in driving up standards that customers receive from DNOs, and we see no reason why this would not have the same impact for suppliers.

Questions relating to Assessment and Monitoring of Options – Chapter 4

5. Do you agree with what we have set out in the assessment chapter? Please provide supporting evidence with your views. For evidence regarding additional costs, please provide quantitative data.

Yes, we agree with Ofgem's approach as identified in the assessment chapter.

6. Using the list of prospective data items we present in the monitoring chapter as a guide, what other additional data items could we aim to collect and from what data sources? Do you consider there are any challenges you may face when collecting/providing these? If so, please provide any supporting evidence you have.

We consider the prospective data items identified in Tables 6, 7 and 8 of the consultation to be appropriate.

Consumers Standards Framework – Chapter 5

7. Do you have any comments on the factors that should be considered in determining whether to use principle-based or rule-based approach to setting standards?

While a principles-based approach can be perceived to provide a useful framework to encourage innovative responses to specific problems or requirements, perceived ambiguity of this approach can also lead to unintended consequences. A principles-based approach has been taken in this area of the supplier consumer standards framework to date. With this in mind, and noting the gaps that Ofgem has identified in the industry framework alongside the impact these have for customers in relation to ease of contact, billing and issues with pre-payment installations, we believe a rules based approach would provide a clearer framework for new requirements.

8. Do you agree with our early view of reputational based incentive options for winter 2023 and the potential incentive options for development over the longer-term? Please provide explanations to support your responses.

Yes, we agree with the incentive options identified. Similar incentives have been established as part of the RIIO framework, to which DNOs are subject, to successfully drive positive customer outcomes. We consider this would be replicated in the retail market with great success for customers. As part of this process Ofgem could also undertake further benchmarking of performance in customer service against existing DNO benchmarking which can be used to set incentive targets.