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By email to: RetailStakeholderTeam@ofgem.gov.uk

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Dear Ofgem

I am writing in relation to your recent paper, *"Consultation on a framework for consumer standards and policy options to address priority customer service issues"*.

Background

The Credit Services Association (CSA) is the only national trade association in the UK for organisations active in the debt collection and debt purchase industry, and while our members are not directly impacted by Ofgem's proposals, many of our members act on behalf of energy suppliers and may be indirectly affected by changes to the way in which energy providers are regulated.

The nature of our members' work, combined with developments in the last 10-15 years such as the evolution of our Code of Practice and the expansion of FCA regulation to include debt collection, have positioned CSA members at the forefront of providing support and assistance to customers in the most vulnerable circumstances.

Given the potential indirect impact and our members' extensive experience with vulnerable customers, we felt it was appropriate to offer some brief input into the consultation and thoughts on next steps.

Feedback

As an organisation and industry that has long worked toward better treatment of customers in vulnerable circumstances, we welcome Ofgem's proposals.

The proposals set out in the consultation paper appear to be sensible steps toward improving the treatment of customers in the energy industry. In particular, the proposed requirement to offer tailored repayment plans and the removal of minimum payment requirements will make a significant difference in ensuring that customers can repay their debts in a sustainable way. Key to achieving good outcomes for vulnerable customers is ensuring that firms are equipped and empowered to respond flexibly and proportionately to the individual's circumstances.

On the proposal to require suppliers to offer tailored repayment plans at an earlier stage, we would encourage Ofgem to provide some specificity on its expectations of firms, to ensure that they are clear on when Ofgem expects intervention to occur.

In the collections sector, firms can face challenges in fully implementing their vulnerable customer policies when working on behalf of clients in sectors that do not have clear expectations for the treatment of vulnerable customers.

One of the biggest challenges to better treatment of vulnerable customers is tackling the inconsistency in approaches across sectors. Customers in debt should be confident in knowing what good looks like, no matter which creditor they are dealing with, but differing regulatory expectations and requirements mean that there is little consistency and it becomes much more difficult to identify and tackle poor practice, as one sector's poor practice is another's standard operating procedure.

We believe that this consultation, and Ofgem's broader plans to enhance the treatment of customers, present an opportunity to more closely align the treatment of vulnerable customers across sectors, to make sure that all customers can receive consistent and appropriate support regardless of the organisation they are dealing with.

With this in mind, we would encourage Ofgem to build on these and other recent proposals by setting out clear expectations for energy suppliers and their treatment of vulnerable customers. We would recommend Ofgem considers the expectations set out in our Code of Practice (especially section 3) and the FCA's guidance on the fair treatment of vulnerable customers as it enhances its own standards.

Aligning expectations and requirements across sectors is integral to ensuring that customers receive consistent treatment and support no matter which creditor they are dealing with. Tackling inconsistency in approach and making sure customers receive appropriate treatment in all cases may also go some way to reducing customers' reticence to disclose their vulnerability – knowing what to expect may provide necessary reassurance and comfort in being open with creditors.

We are committed to improving the consistency of treatment of vulnerable customers and would be happy to work further with Ofgem as it develops its requirements and expectations for the industry.

We look forward to seeing the further detail in Ofgem's statutory consultation later this year.

Yours sincerely



Daniel Spenceley
Compliance Manager, Credit Services Association