

Decision

Consumer standards - Decision

Publication date:	18 October 2023
-------------------	-----------------

Contact:	Jemma Baker
----------	-------------

Team:	Future Retail Markets
-------	-----------------------

Email:	RetailStakeholderTeam@ofgem.gov.uk
--------	------------------------------------

We are introducing new arrangements to drive up domestic consumers standards across the supply industry. The effect of these modifications will make it easier for domestic customers to contact their supplier and to help support domestic customers that are struggling with their bills. We are also requiring suppliers to provide their customers with information on their customer service performance.

This document sets out our decision to implement modifications to the standard conditions of the gas and electricity supply licence.

© Crown copyright 2023

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Contents

Consumer standards - Decision	1
Foreword	5
Executive Summary	6
Consumer standards workstream	6
July statutory consultation	7
Our decision	7
1. Introduction	12
Context and related publications	12
Our decision-making process	13
2. Improving contact ease	19
Cross-cutting feedback on proposals to improve the ease of customers being able to contact their supplier	20
Finding methods of contacting suppliers	23
Offer a range of contact methods that meet customers’ needs	24
Opening hours that meet customers’ needs.....	26
Open 24/7 for customers that are experiencing an interruption in supply caused by meter issues	28
Free to access for customers that are, or will have, difficulty paying their energy bills.....	30
Call waiting times	32
Prioritising customers in vulnerable situations may require immediate assistance, guidance or advice and representatives acting in their interest of and on their behalf.....	34
3. Supporting customers struggling with their bills	38
Cross-cutting feedback on our proposals.....	38
Our reflections on cross-cutting feedback	39
Early engagement to identify and provide support to customers that are struggling with their bills.....	40
Repayment plans to reflect ability to pay	42
4. Making information available on supplier customer service performance	46
Our objective	46
The issue we are seeking to address	46
Our July statutory consultation proposal	46
Summary of feedback received	47
Decision	47
Next steps on incentives for suppliers to improve performance.....	49
Appendices	50
Appendix 1 - Summary of decision	51
Appendix 2 – SLC modifications	55

Appendix 3 - Guidance on Ofgem’s expectations for consumers to be able to contact their supplier	61
Appendix 4 – Reasons for any differences between the proposed SLC modifications and Guidance on Expectations of Supplier Contact Ease and those set out in this Notice and Guidance on Expectations of Supplier Contact Ease	62
Contact Ease.....	62
Customers struggling with their bills	66
Making available information on supplier performance	67
Appendix 5 – Impact Assessment	68

Foreword

Energy is the lifeblood that fuels our homes and sustains our modern lives. As we head into another winter with high energy prices, we know that many consumers are going to struggle to pay their energy bills. We are working with the sector to ensure that we are doing everything that we can to support customers.

Providing customers with good service is a critical part of an energy supplier's role. Customers should find it easy to contact their supplier to understand their energy consumption, manage their bills and seek assistance if they are struggling to pay.


We have significant work already underway to drive up consumer standards for energy suppliers. This includes actively monitoring suppliers' performance and acting if suppliers fail to comply with existing rules.

We are strengthening rules to make it easier for domestic customers to contact their supplier and help customers struggling with their bills. These rules will be in place by the end of the year.

Some suppliers already provide aspects of this good service to their customers. Our proposals will ensure that all domestic customers are able to receive these levels of service.

These reforms form part of our work to create a more customer-centric energy future, where energy suppliers are more accessible and responsive to customer needs. This continues to be a key priority for us. We will continue to drive transparency on how suppliers are performing for their customers and the decision today on new rules for suppliers to tell customers of their Citizen Advice customer service rating is a key stepping stone towards this.

We really appreciate all the engagement that we have had from consumers, consumer groups, charities, energy suppliers, energy network companies and wider stakeholders. We know that this has been a busy year, and we really appreciate all the feedback that we have received.



Tim Jarvis

Director General, Markets

Executive Summary

Providing good customer service is a critical part of a supplier's role. Customers should expect their supplier to be easy to contact and to provide them with help if they are struggling with their bills.

This winter, if energy prices remain as forecast, it is likely that a large group of customers will struggle to pay their energy bills. As a sector, we need to be fully focused on how best to support customers in financial distress.

We have lots of work already underway to drive up consumer standards in the supply market. Earlier this autumn, we strengthened our protections on debt collection practices via Involuntary PPM.^{1,2} We have also enhanced monitoring of supplier performance and a more proactive approach to compliance and enforcement of existing rules. For example, earlier this year we conducted a Market Compliance Review (MCR) into supplier customer service³ and under existing rules we took action against a supplier for excessively long call waiting times.⁴ Following our actions, the industry has taken steps to address areas identified for improvement in our MCR and we will continue to monitor this.

In addition to compliance with existing rules, we have also considered the need for new rules on consumer standards and this document sets out our decision.

Consumer standards workstream

Whilst there are many examples of good service, overall domestic consumer satisfaction with the customer service from their energy supplier decreased from 74% in Q4 2018 to 66% in Q4 2022.⁵ Recent evidence also shows that customer satisfaction in the energy sector is the lowest level of any sector in the UK economy.⁶

We kicked off this workstream in January 2023 in response to evidence and feedback about suppliers' customer service during Winter 22/23. Since then, we have undertaken considerable engagement with stakeholders, including publishing a policy consultation in

¹ Involuntary PPM is the mandatory installation of a pre-payment meter under warrant and remote switching smart meters from credit to prepay mode for debt (without the consent of the consumer).

² <https://www.ofgem.gov.uk/publications/new-prepayment-meter-rules-extend-protections-vulnerable-people#:~:text=The%20energy%20regulator%20has%20today,for%20the%20most%20vulnerable%20households>.

³ <https://www.ofgem.gov.uk/publications/ofgem-completes-review-suppliers-customer-service-and-complaints-handling>

⁴ <https://www.ofgem.gov.uk/publications/ofgems-deep-dive-delivers-ps5m-boost-consumers>

⁵ <https://www.ofgem.gov.uk/publications/consumer-perceptions-energy-market-q4-2022>

⁶ ICS (July 2023), [UK Customer Satisfaction Index](#) (p12-13). In July 2023, customer satisfaction in the Energy sector fell by 5.3 points to 67.9 compared to July 2022 which was the lowest score of any sector. Note that this score includes scores from Energy Supply companies and Network operators.

May.⁷ Our engagement with stakeholders and the feedback and evidence received from stakeholder has been critical in shaping our thinking.

July statutory consultation

In July, we issued a statutory consultation proposing modifications to the standard conditions of the gas and electricity supply licences.⁸ Specifically we proposed:

- New rules, and associated guidance document, to ensure that all domestic customers, regardless of which supplier they are with, can easily contact their supplier.
- New requirements for domestic customers to get support if they are struggling to pay their bills.
- Compelling suppliers to make available information on their customer service performance.

As part of our consultation, we also engaged with industry and consumer groups via roundtables and bilateral meetings. We received over 50 responses to our consultation.

Responses to our consultation were mixed. Consumers' representatives were generally supportive of our proposals. They considered that suppliers' customer service is currently poor and that we need more prescriptive regulation to address issues. Network operators were also very supportive of our proposals to improve contact ease.

Some suppliers were very concerned about our proposals to improve contact ease for customers. Many of these suppliers were concerned that our proposals were too prescriptive, too expensive, required further clarification and needed longer to be implemented. Some suppliers were more comfortable with our contact ease proposals. Whilst suppliers had comments on our proposed licence drafting, most suppliers were generally more comfortable with our proposals to support customers struggling with their bills and compel suppliers to publish their customer service performance.

Our decision

Based on the feedback and evidence received, we have decided on new rules for consumer standards. We consider that these new rules reflect customers' basic expectations of their energy supplier.

For transparency and considering feedback received, we have also produced an Impact Assessment (IA) to accompany our decision. However, in line with our guidance on IAs

⁷ <https://www.ofgem.gov.uk/publications/consultation-framework-consumer-standards-and-policy-options-address-priority-customer-service-issues>

⁸ <https://www.ofgem.gov.uk/publications/consumer-standards-statutory-consultation>

we still do not consider that our new rules would have a significant impact on suppliers and hence we did not deem a Section 5A Impact Assessment as necessary.⁹

Contact Ease

To make it easier for domestic customers to contact their suppliers, we are adding new obligations to existing licence conditions, for supplier enquiry services to:

- Be available via contact methods that meet customer needs.
- Be open at times that meet customer needs.
- Be free for customers that are struggling to pay their energy bills.
- Prioritise vulnerable customers who need immediate support, or their representatives acting on their behalf.

Suppliers are responsible for making sure that a customer's meter works. It is critical that customers without supply due to a meter issue can access information, guidance and advice. We are giving suppliers further time to work with network operators to develop the most coordinated, efficient solution to provide guidance, assistance and advice to customers without supply due to meter faults. Accordingly, this licence requirement will only be brought into effect after consultation and with at least two months' notice. Since a coordinated industry solution will also need input from network operators, we will consider whether any further action is required to help facilitate this (eg new requirements for network operators or changes to network price control arrangements).

Alongside the new licence requirements, which represent obligations we will hold suppliers to account, we are also publishing new guidance on our expectations for domestic suppliers in relation to licence requirements on contact ease. In light of responses to our consultation, we are keen to clarify the status of this guidance. All suppliers will need to have regard to our guidance document. Whilst our guidance is specifically focused on contact ease as a key driver of customer satisfaction, we ultimately want suppliers to provide good service to their customers. We will continue to monitor outcomes on customer service performance and evidence on customer satisfaction. We will ask suppliers to justify and explain their performance if we see that their overall performance is potentially non-compliant or is otherwise poor, has been declining or is significantly lower than other licensees. This includes cases where suppliers are demonstrating poor performance by the most basic threshold set by Citizens Advice as part of their Star rating (eg in relation to average call waiting times).

⁹ See the accompanying Impact Assessment for full assessment.

The guidance document sets out what actions Ofgem currently expects suppliers may need to take to satisfy their underlying licence obligations and suggests possible delivery models.¹⁰ These are not intended to be exclusive, and it will be open to suppliers to demonstrate that they are meeting customers' needs in other ways:

- Be available via contact methods that meet customer needs: We highlight customer needs that we would expect suppliers to consider (eg customers who are digitally excluded or customers with special communication needs). We also clarify that we would expect suppliers to continuously review the effectiveness of their contact methods.
- Be open at times that meet customer needs: We highlight customer needs that we would expect suppliers to consider (eg customers that are unable to engage between 09:00-17:00 Monday to Friday). We state that we expect suppliers to review opening hours, to ensure that they are tailored to reflect customer needs.
- Be free for customers struggling to pay their bills now or in the future: We highlight different possible delivery models (eg dedicated freephone for these customers). We outline expectation that to meet customer needs, we would expect suppliers to provide a free telephone line to eligible customers but acknowledge that some eligible customers may choose to engage via other free contact methods (eg app). We would expect eligible customers to be made aware of free methods of contact, as soon as the supplier becomes aware of their eligibility and we encourage them to be as inclusive as possible in the design of their services taking into account their customers' characteristics and circumstances, including how these may change over time.
- Prioritise vulnerable customers who need immediate support or their representatives acting on their behalf: We highlight different approaches that suppliers could use to implement this requirement. We clarify that we would expect suppliers to have processes in place to easily facilitate a representative contacting a supplier in the interest of, and on behalf, of a customer in a Vulnerable Situation.
- In relation to existing licence obligations, we state that we expect customers to be easily able to identify methods of contacting their supplier. We also outline that we would expect a supplier to be able to justify and explain its level of performance if it took significantly or consistently longer than specific time periods to respond to queries (eg 5 minutes on average each month to answer phone calls).

¹⁰ See the Table A1 in Annex 1 for more details.

With the evidence available to us through the consultation process, we have assessed the impact of our proposals. We consider our proposals will deliver benefits to consumers both now and in the future. We consider that our proposals will make it easier for consumers, in particular customers in vulnerable situations, to contact their supplier. Overall, we consider that these proposals are consistent with our duties, will provide benefits to customers, and view the costs to suppliers of implementing these policies as proportionate.¹¹

Supporting customers that are struggling with their bills

To help support domestic customers that are struggling with their bills, we are introducing new requirements to existing licence conditions for suppliers to:

- Be proactive and offer debt repayment plans at the earliest opportunity.
- Give due consideration to offer temporary debt repayment holidays, where appropriate.

We are working with consumer groups, charities and industry to raise standards and ensure consistency across the debt pathway.

With the evidence available to us through the consultation process, we have assessed the impact of our proposals. We consider our proposals will deliver benefits to consumers by providing enhanced support for customers struggling with their bills. Overall, we consider that these proposals are consistent with our duties, will provide benefits to customers both now and in the future, and we view the costs to suppliers of implementing these policies as proportionate.

Improving overall customer satisfaction

To help strengthen the incentives on suppliers to deliver overall good service, we are also introducing new licence requirements to compel suppliers to publish information on their Citizens Advice star rating performance. We consider that this will help support competition and drive suppliers to focus on how they can improve their service to customers.

Over the next year, we will start to explore the development of a new measure of customer experience, alongside input from industry parties (eg consumers, suppliers and consumer groups). We consider that this reputational incentive, alongside a competitive market, can further drive suppliers to consistently provide better outcomes for consumers.

¹¹ See the Impact Assessment for full assessment.

Our way forward

The licence changes set out in the modification notices published alongside this document will take effect from 14 December 2023. Based on preliminary evidence, and in light of changes made to our policy proposals to account for feedback received, we would expect that suppliers should be able to meet the requirements on time. We would encourage any supplier that considers that they will struggle to comply with these new licence condition to proactively engage with us.

We expect suppliers' boards to take responsibility for the service that they provide and for their compliance with licence obligations. We will continue to monitor supplier customer service performance as a whole and compliance with their licence obligations. In accordance with our Enforcement Guidelines, we will take appropriate steps to address instances of supplier non-compliance with our licence conditions.¹²

We recognise that the current cost of living crisis, including high energy prices are causing more people to struggle and fall behind on their bills. In preparation for this winter, we are working with industry and consumer groups to ensure consumers in debt are protected and get the support they need. We have convened stakeholders to encourage the sector to raise standards this winter and welcome Energy UK's Winter 2023 Voluntary Debt Commitment as a result of this engagement. Energy UK's Voluntary Debt Commitments show the sector is pulling together to address the debt challenge. These Debt Commitments sit alongside our work, including providing more Additional Support Credit to avoid self-disconnection, levelling the cost of standing charges on prepayment meters, improving standards around the involuntary installation of prepayment meters (PPM), strengthening consumer standards, and the increased monitoring of near-time indicators of debt.

¹² <https://www.ofgem.gov.uk/publications/enforcement-guidelines>

1. Introduction

Section summary

This section sets out the context for our decision and informs stakeholders about the steps we have taken to arrive at our decision.

Context and related publications

- 1.1 With many consumers struggling with their bills, it is more critical than ever that suppliers provide them with good service.
- 1.2 Whilst there are many examples of great service, overall domestic consumer satisfaction with the customer service from their energy supplier decreased from 74% in Q4 2018 to 66% in Q4 2022.¹³ Recent evidence also shows that customer satisfaction in the energy sector is the lowest level of any sector in the UK economy.¹⁴ This is supported by feedback that we have received from many consumer organisations.
- 1.3 High-quality standards are a fundamental part of a well-functioning market¹⁵ and good supplier customer service is critical to achieving wider objectives for consumers.
- 1.4 We have a range of work already underway to drive up the service received by domestic consumers. We are improving our monitoring to better understand customers' experience of energy and ensure that suppliers comply with their existing obligations. To drive up the service received by energy customers, we undertook a Market Compliance Review (MCR) into customer service earlier this year. We are working with industry to address the issues identified through the MCR. We have also taken enforcement action against suppliers that have failed to comply with existing obligations.
- 1.5 Earlier this Autumn, we strengthened protections for consumers that may be moved to pre-payment meters involuntarily (ie Involuntary PPM).¹⁶¹⁷ Our decision builds on our Involuntary PPM Code of Practice, published in April 2023.¹⁸ Our

¹³ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

¹⁴ ICS (July 2023), [UK Customer Satisfaction Index](#) (p12-13). In July 2023, customer satisfaction in the Energy sector fell by 5.3 points to 67.9 compared to July 2022 which was the lowest score of any sector. Note that this score includes scores from Energy Supply companies and Network operators.

¹⁵ <https://www.ofgem.gov.uk/publications/development-competition-framework-domestic-retail-market>

¹⁶ <https://www.ofgem.gov.uk/publications/statutory-consultation-involuntary-ppm>

¹⁷ <https://www.ofgem.gov.uk/publications/involuntary-prepayment-meter-decision>

¹⁸ [Involuntary PPM - Supplier Code of Practice | Ofgem](#)

new rules will take effect from 8 November 2023, with the Code requirements remaining in place until this date.¹⁹

1.6 We are also considering how to drive up standards for non-domestic consumers through our separate non-domestic review.²⁰ The review summarises the key challenges that non-domestic customers face, and proposes a number of actions for the sector, Ofgem and Government.

1.7 Early this Autumn, the Energy Security and Net Zero Committee conducted an inquiry and issued a report into how to prepare for this coming winter. Their report included recommendations for improving customer service. We have considered their recommendations as part of our overall decision.²¹

Our decision-making process

1.8 In coming to our decision, we have engaged extensively with stakeholders. We issued a policy consultation on options to address priority customer service issues in May 2023. We then issued a statutory consultation on proposed licence changes to improve consumer standards in July 2023. The feedback and evidence received to these consultations has informed our decision making.

1.9 Alongside these formal consultations, we have also engaged informally with stakeholders. We have held multiple roundtables with interested industry stakeholders. We also met numerous stakeholders bilaterally.

Decision-making stages

Date	Stage description
03/05/2023	Stage 1: Policy consultation published on options to address priority customer service issues ²²
31/05/2023	Stage 2: Policy consultation closes.
26/07/2023	Stage 3: Statutory consultation on proposed consumer standards licence changes published. ²³ Responses to May Policy consultation published.

¹⁹ <https://www.ofgem.gov.uk/publications/involuntary-ppm-supplier-code-practice>

²⁰ <https://www.ofgem.gov.uk/publications/non-domestic-market-review-findings-and-policy-consultation>

²¹ <https://committees.parliament.uk/work/7829/preparing-for-the-winter/news/197652/action-needed-now-to-support-vulnerable-customers-this-winter-mps-say/>

²² [Consultation on a framework for consumer standards and policy options to address priority customer service issues | Ofgem](#)

²³ [Consumer Standards - Statutory Consultation | Ofgem](#)

23/08/2023 Stage 4: Statutory consultation closes.

18/10/2023 Stage 5: Decision on licence changes.

Our decision

1.10 Following our extensive stakeholder engagement, we are now formally deciding to make changes to Standard Licence Conditions (SLCs) to improve contact ease, strengthen support for consumers struggling with their bills and enhance incentives for supplier to provide good service to their customers.

1.11 Accordingly, this decision document is accompanied by Decision Notices to modify:

- SLC 27.5 by adding a new licence condition 27.5B;
- SLC 27.8A; and
- 31G SLC 31G.3, by adding new licence conditions 31G.3A - 31G.3E.

1.12 Alongside this decision document, we are also publishing a guidance document outlining our expectations of suppliers' licence obligations that relate to ease of contact.

1.13 This document is split into four chapters, with four appendixes:

- Chapter 1 - Introduction.
- Chapter 2 - Improving contact ease.
- Chapter 3 - Supporting consumers struggling with their bills.
- Chapter 4 - Making information available on supplier performance.
- Appendix 1 - Summary of our decisions.
- Appendix 2 - SLC modification.
- Appendix 3 - Guidance on Ofgem's expectations for consumers to be able to contact their supplier.
- Appendix 4 - Reasons for any differences between the proposed SLC modifications and Guidance on Expectations of Supplier Contact Ease, and those set out in this Notice and Guidance on Expectations of Supplier Contact Ease.
- Appendix 5 – Impact Assessment.

Impact Assessment

1.14 In our July statutory consultation we outlined our reasons for why we consider that our proposals do not require an Impact Assessment under section 5A of the Utilities Act 2000 ("a section 5A IA").

- 1.15 Some supplier responses to our statutory consultation argued that these policies would necessitate a full Section 5A Impact Assessment. These suppliers considered that our proposals were costly, may impact competition and would have significant impacts on suppliers.
- 1.16 Our guidance on Impact Assessments sets out the reasons why a proposal may be considered to be important for the purpose of section 5A. In line with that guidance, we still do not consider that these policies would have a significant impact on suppliers. As such, we consider our decision does not meet the definition of 'important' as set out in section 5A or our guidance. As such, we consider it is not necessary to carry out a section 5A IA for the following reasons:
- Our new licence conditions build upon existing supplier licence condition obligations, do not represent significant changes to the substance of these obligations or will not attract significant costs. For example, energy suppliers are already required to provide support to customers in payment difficulty and are already required to ensure it is easy to contact them. Further, requiring suppliers to publish information on their performance, as evidenced by the cost information provided to us, will not result in a significant costs burden to suppliers.
 - To build on this further, the cost information provided to us by suppliers indicate that the ongoing costs per customer per annum to suppliers still do not amount to significant costs for the market with a possible costs range of around £2-4 per customer per year not including any illustrative benefits we have monetised, and are more likely to be on the lower end of this scale.²⁴ These costs implications diminish further and are even less significant as some suppliers already meet these obligations. For example, some suppliers who responded to our statutory consultation indicated they already comply with various policy areas.
 - Furthermore, we have amended our licence and guidance drafting in response to feedback. For example, we have amended our guidance to be clearer that it does not add new prescriptive requirements on suppliers, and we have amended licence drafting to be clearer that some proposals only apply to targeted consumer groups (eg only requiring licensees to provide targeted free enquiry services to customers who are having, or will have, difficulty paying their energy bills). These changes may allow for suppliers to find further efficiencies in how they implement

²⁴ See the summary of costs in our Impact Assessment

our decision, compared to how they considered that they would implement our statutory consultation proposals.

- 1.17 Even though we do not deem these proposals as important proposals for the purpose of section 5A of the Act, nevertheless, we have carried out a qualitative and where possible, quantitative Impact Assessment for key areas of the policy options to ensure relevant evidence is provided and the benefits and estimated costs of the policies including estimates of monetised benefits for two policy areas are outlined.
- 1.18 Our statutory consultation included this assessment of the costs and benefits of our proposals alongside each specific proposal. To ensure that all the relevant evidence and information can be easily found, the accompanying Impact Assessment builds on the evidence previously consulted upon, to create a single final Impact Assessment for all of our proposals.

Implementation

- 1.19 The majority of our licence conditions will go live from 14 December 2023 (ie 56 days after the decision is published). We consider that it is important to make these changes.
- 1.20 Our proposals for suppliers to be available at all times for customers without supply due to meter issues will only come into effect following consultation and on at least two months via Notice so as to allow suppliers and network operators to implement a voluntary solution in a timely manner. We expect suppliers and network operators to collaborate to implement the most coordinated and efficient solution for consumers. We will monitor industry progress on this.
- 1.21 We acknowledge that as part of their consultation responses, some suppliers highlighted concerns with being able to implement these new licence conditions within 56 days of us making a decision (eg some suppliers considered that it would take several months to resource any extension of opening hours or make system changes required to facilitate compliance).
- 1.22 In response to this feedback, we acknowledge that suppliers need further time to work with network operators to implement our proposals to provide 24/7 support for customers without supply due to meter issues. We also consider that there may be opportunities for suppliers to implement our other proposals quicker than the timescales identified by some suppliers (eg temporary interim arrangements).
- 1.23 Based on evidence at our disposal, and in light of changes made to our policy proposals, we expect that most suppliers should meet the requirements on time.

We would encourage any supplier who may struggle to meet our implementation timescales to proactively contact us. We would expect any supplier with compliance concerns to provide us with information on the specific requirement that they are struggling to comply with, evidence to support this, and a proposed plan to become compliant.

- 1.24 We will be closely monitoring the service provided by suppliers and we will be carrying out proactive compliance work on these new rules. In accordance with our Enforcement Guidelines, if we observe that the new licence conditions are not being complied with and a supplier has not highlighted any compliance concerns, we will take action.

Next steps

- 1.25 To help improve the visibility of supplier performance, over the next year, we will start to explore the development of a new measure of customer experience, alongside input from industry parties (eg consumers, suppliers and consumer groups).
- 1.26 We recognise that the current cost-of-living crisis, including high energy prices are causing more and more people to struggle and fall behind on their bills. Some of our new rules are designed to support customers in these situations. We are focussed on monitoring the behaviour of suppliers and their representatives when recovering debts and will take compliance or enforcement action if necessary. We are working with consumer groups and suppliers to ensure that consumers' interests are protected across the whole customer journey, including during debt recovery. We have convened stakeholders to encourage the sector to raise standards this winter and welcome Energy UK's Winter 2023 Voluntary Debt Commitment as a result of this engagement. These Debt Commitments sit alongside our decision on consumer standards and other work including, providing more Additional Support Credit to avoid self-disconnection, levelling the cost of standing charges on prepayment meters, improving on the involuntary installation of prepayment meters (PPM), and the increased monitoring of near-time indicators of debt.
- 1.27 Some suppliers raised concerns with increased operating costs as a result of some of the measures proposed within the statutory consultation. In May 2023, we launched a call for input to support our review of suppliers' operating cost

allowances in the price cap.²⁵ The intention of the review is to consider whether changes to the allowances are appropriate, and if the allowances still reflect the efficient costs a notional efficient supplier may incur. This review does not necessarily mean that we will change supplier operating expenditure price cap allowances. It is an ongoing review, and suppliers should continue to provide evidence of changes in operating costs to feed into our analysis and decision. We intend to consult on our findings by Spring 2024.

General feedback

1.28 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this report. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned recommendations?
6. Any further comments

1.29 Please send any general feedback comments to stakeholders@ofgem.gov.uk

²⁵ [Price cap - Call for Input on the allowance for debt-related costs | Ofgem](#)

2. Improving contact ease

Section summary

We are adding new licence requirements for enquiry services to:

- Offer a range of contact methods that reflect customers' needs.
- Be open at times that meet customers' needs.
- Be provided by the supplier for free for customers who are having or will have difficulty paying all or part of their energy bills.
- Prioritise customers in vulnerable situations that require immediate support, or representatives acting on their behalf.

Suppliers are responsible for making sure that a customer's meter works. It is critical that customers without supply due to a meter issue can access information, guidance and advice. We are providing suppliers and network operators further time to bring about a cost-effective, industry solution. We are therefore determining that this requirement will only be brought into effect after consultation and with at least two months' notice. We will monitor industry progress on this.

Alongside the licence conditions, we are also publishing a guidance document outlining our expectations in relation to customers being easily able to contact their supplier.

- 2.1 Whilst there are many examples of good service, it is becoming increasingly difficult for customers to contact suppliers to get information, advice and support. Between Q4 2018 and Q4 2022, of those consumers who had recently contacted their supplier, the percentage of consumers who reported that it was very or fairly easy to contact their supplier gradually dropped from 73% to 58%. In parallel, those who reported it as very or fairly difficult doubled from 13% to 26%.²⁶
- 2.2 We want customers, in particular those in vulnerable situations, to be able to:
 - Easily and clearly identify methods of contacting their supplier.
 - Identify a method of contacting their energy supplier that meets their needs.
 - Contact their supplier in a timely manner, via their chosen contact method, and get query resolution.

²⁶ [Ofgem and Citizens Advice, Consumer Perceptions of the Energy Market Survey, Q4 2022](#)

2.3 In this chapter, we provide an overall summary of the consultation submissions received and our response to them. For each element of our proposals, we then outline:

- Our objective.
- The issue we are seeking to address.
- Our July statutory consultation proposal and summary of feedback received.
- Our decision.

Cross-cutting feedback on proposals to improve the ease of customers being able to contact their supplier

2.4 Consumer representatives were generally supportive of our proposals to improve contact ease. Consumer representatives considered that supplier customer service is poor and needs addressing. Many consumer representatives provided us with evidence and case studies about poor supplier contact ease. Several also highlighted the impact on them of poor supplier contact ease (eg additional costs). Network companies were also very supportive of our proposals to improve contact ease, in particular a 24/7 service for customers with metering issues that are off supply.

2.5 Several consumer representatives questioned whether competition and principle-based regulation was in consumers' interests and encouraged us to adopt a more prescriptive approach to regulation to ensure that consumers were protected. Several suppliers considered that our proposals were too prescriptive and encouraged us to adopt a more principle-based approach to regulation, to help facilitate competition and innovation.

2.6 Some stakeholders considered that our focus should be on improving overall customer service, not just ensuring good contact ease. Some consumer representatives also encouraged us to improve the incentives for suppliers to deliver good customer service (eg removing shareholder dividends for suppliers that do not deliver specific levels of customer service). Some consumer representatives encouraged us to go further with our proposals and identified additional issues that needed addressing (eg supplier complaint handling).

2.7 Some suppliers considered that they would need additional funding through the price cap to deliver our proposed new licence conditions. In contrast, consumer representatives did not consider that suppliers should receive additional funding to deliver basic levels of customer service.

- 2.8 Several suppliers questioned the status of our guidance document, in particular with regards to how the guidance interacts with the licence obligations and were concerned about our ability to make changes to the guidance document. Many consumer groups and some suppliers requested us to be clear about expectations of suppliers. Some consumer representatives encouraged us to move more of the contents of the guidance document into the proposed licence conditions.
- 2.9 Several suppliers highlighted the improvements that they had already made this year to improve contact ease. Some suppliers also suggested different approaches to addressing issues (eg more proactive enforcement of existing rules or introducing new rules for underperforming suppliers only).
- 2.10 Several suppliers considered that longer was needed to develop and implement our proposed licence conditions. These suppliers were supportive of phased implementation. Several consumer groups highlighted the importance of addressing issues as soon as possible.
- 2.11 Some stakeholders highlighted the importance of proactive monitoring, compliance and enforcement of existing rules. Several stakeholders also sought further clarity about our approach to monitoring, compliance and enforcement of any new rules that we introduced.

Our decision

- 2.12 Based on the feedback and evidence that we have received from consumer representatives, we continue to consider that improving suppliers' customer service is of utmost importance. We prioritised reviewing the consumer standards for supplier contact ease in our consultation, following evidence and feedback that this was a key driver of poor customer satisfaction. However, our overall focus remains improving overall supplier customer service. We very much welcome the steps that suppliers have already taken to do this. We want to continue to work with the sector to ensure that we are all doing everything that we can to support customers.
- 2.13 Getting the right balance of prescriptive rules and principle-based rules can be challenging. Based on the responses received, we know that stakeholders have contrasting views on what the right balance is. We have listened to feedback. We consider that our high-level approach of new principle-based licence conditions, with a supporting guidance document, strikes the right balance of being clear about the overall outcomes that we want suppliers to deliver and being clear about our expectations for suppliers.

- 2.14 In light of consultation responses, we are keen to clarify the status of the guidance document. All suppliers will need to have regard to our guidance document. We have made changes to amend the guidance document, to amend wording that may have been misinterpreted as adding new prescriptive requirements. We have also made amendments to the guidance document to make the status of the document clearer and clarified that the guidance sets out what actions Ofgem currently expects suppliers may need to take to satisfy their underlying licence obligations while suggesting models of delivery of good customer outcomes. These are not intended to be exclusive and it will be open to suppliers to demonstrate that they are meeting customers' need in other ways. We will continue to monitor outcomes on customer service performance we will ask suppliers to justify and explain their performance if we see that their overall performance is potentially non-compliant with the licence obligations or is otherwise poor, has been declining or is significantly lower than other licensees'.
- 2.15 We also clarified that we will look more closely at suppliers performance if they are demonstrating poor customer service outcomes by the metrics used in the Citizens Advice customer performance measure (Citizens Advice star rating). For example, we would expect a supplier to be able to justify and explain if it took, significantly or consistently longer than 5 minutes on average each month to answer phone calls.²⁷ We have amended the licence drafting to clarify that we will consult on any future revisions of the document.
- 2.16 We note some suppliers' views that our proposals necessitate changes to the price cap. In May 2023, we launched a call for input to review suppliers operating cost allowances in the price cap. This review is ongoing. We encourage suppliers to provide evidence of any change in operating costs, including forecasts costs, to feed into our analysis and decision. We intend to consult on our findings by Spring 2024.
- 2.17 Over the last year, we have undertaken significant proactive monitoring, compliance and enforcement of existing rules. We will take action if suppliers do not comply with our rules.

²⁷ Answering the phone in under 5 minutes his equates to one "star" under Citizen Advice's methodology. More information on Citizens Advice's star rating methodology can be found here: <https://www.citizensadvice.org.uk/consumer/energy/energy-supply/get-a-better-energy-deal/compare-domestic-energy-suppliers-customer-service1/how-the-scores-are-worked-out/>

Finding methods of contacting suppliers

Our objective

2.18 Customers want and need to contact their energy supplier for various reasons. They may want to report a fault with their meter, query or seek support on their bill, arrange an appointment for a meter read, or crucially, they may be off supply and require urgent assistance. We expect customers to be able to identify methods of contacting their supplier easily and clearly.

The issue we are seeking to address

2.19 Our evidence suggests that many customers struggle to find methods of contacting their supplier. A Which? survey of energy customers identified that around a fifth (18%) of customers were dissatisfied with the ease of finding the right contact details.²⁸ Our evidence through qualitative consumer research highlighted that when consumers are in a crisis or more anxious, a prominent and identifiable phone line is helpful and effective.²⁹

Our July statutory consultation proposal

2.20 Suppliers are already required to make it easy for customers to contact them and make sure that customer service arrangements and processes are complete and thorough via our existing licence conditions, specifically SLC 0.3 c). We have therefore not added any new licence requirements related to finding methods of contacting suppliers.

2.21 We did propose to publish a new contact ease guidance document. In section 1 of the guidance document we outlined that we expect customers to be able to easily and clearly identify how to contact their suppliers (eg we would expect contact details on, or “one click away” from, the homepage of a suppliers’ website). In our proposed licence conditions, we proposed that suppliers should have regard to our guidance document.

Summary of feedback received

2.22 We received broad support from consumer representatives for our guidance. Some consumer groups considered that we should explicitly ensure that our

²⁸Which?, 2022, Annual Energy Customer Survey. They surveyed 10,197 adults in Great Britain between 14th and 26th October 2022 about their gas and electricity providers. Fieldwork was carried out by an external research provider on behalf of Which?. These percentages are based on those who contacted their energy company in the past year.

²⁹Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumerstandards-qualitative-research>, May-June 2023

proposals reflect the diversity of customer needs (eg consumers with learning disabilities).

- 2.23 Whilst we received some feedback, in general suppliers did not identify significant issues with our guidance. Several suppliers flagged that they considered that they were compliant with our guidance.
- 2.24 Several consumer groups considered that we should require suppliers to use a common, standardised template for consumer energy bills and statements. These groups considered that a standardised format would make it easier for consumers to find required information.

Decision

- 2.25 Suppliers are already required to make it easy to contact them through existing licence conditions SLC 0.3 and SLC31G.1. In our guidance document we have outlined our expectations in section 1, in relation to customers easily and clearly finding methods of contacting their supplier (eg we would expect contact details on, or “one click away” from, the homepage of a suppliers’ website). We also provide some options for possible models of delivery but clarify that these are not requirements and suppliers can deviate from these options to explain how they are meeting the outcomes required under the licence conditions. The guidance document is available in Appendix 3.
- 2.26 Our response to the specific guidance document drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Offer a range of contact methods that meet customers’ needs

Our objective

- 2.27 We want customers, in particular Customers in Vulnerable Situations, to be able to identify a method of contacting their energy supplier that meets their needs.

The issue we are seeking to address

- 2.28 We are concerned that not all customers are always able to identify a method of contacting their suppliers that meets their needs (eg digitally excluded customers). A Which? Survey of energy customers identified that 19% of customers who had contacted their energy supplier in the past year were

dissatisfied with the variety of contact options available.³⁰ In particular, this can impact Customers in Vulnerable Situations. Citizens Advice’s recent report into digital exclusion in the energy market highlighted that digitally disadvantaged consumers can struggle to participate and are at risk of being left behind by changes in the market.³¹

Our July statutory consultation proposal

- 2.29 In relation to offering a range of contact methods we have proposed a new licence condition, SLC 31G.3A that would require suppliers to offer a range of contact methods that meet domestic customer’s’ needs, including those in vulnerable situations.
- 2.30 We also proposed a new contact ease guidance document that suppliers must “have regard to”. Our proposed guidance document outlined our expectations in relation to offering a range of contact methods that reflect customers’ needs.

Summary of feedback received

- 2.31 We received broad support from consumer representatives for our proposals. Several consumer groups considered that our guidance document should explicitly state that meeting consumers’ needs includes ensuring that there are appropriate contact methods available for non-English speaking consumers. Some suppliers considered that, at this stage, we should not explicitly include a reference to meeting the needs of non-English speaking consumers.
- 2.32 Some consumer representatives also considered that in the licence we should explicitly require suppliers to provide a telephone enquiry service/a non-digital contact method.
- 2.33 Suppliers had mixed views on our proposals. Some suppliers were supportive and considered that they were already compliant with our proposed licence condition. Other suppliers raised concerns that our proposals were too prescriptive and too costly.

Decision

- 2.34 We have decided to proceed with our proposed introduction of SLC 31G.3A as set out in our statutory consultation.

³⁰ [The most common energy company complaints - Which? News](#)

³¹ <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/access-denied-digital-disadvantage-and-exclusion-in-the-energy-market/>

- 2.35 Section 2 of our guidance document sets out our expectations in relation to offering a range of contact methods. We clarified that we expect suppliers to provide a range of contact methods that reflect the needs of customers are (i) digitally excluded, (ii) find it easy to communicate digitally and (iii) have special communication needs. We also added that suppliers should regularly review effectiveness of their contact methods. The guidance document is available in Appendix 3.
- 2.36 We have not included an explicit reference in the guidance to customers that do not speak English. At this stage, we consider that we currently have relatively limited evidence of this issue, limited understanding of the consumer harm and limited information on the potential cost of addressing it. However, we do consider that SLC 31G.3A would already cater for instances in which a supplier has a significant customer base who do not speak English. If we see further evidence that suppliers are not supporting customers who do not speak English we will consider further policy interventions in this area.
- 2.37 Our response to the specific licence and guidance document drafting suggestions made can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Opening hours that meet customers' needs

Our objective

- 2.38 We want suppliers to take actions to determine customers' needs and the reasons why a customer wants to contact them. We expect suppliers to take these into account in setting the opening hours of their enquiry service.

The issue we are seeking to address

- 2.39 Consumers generally consider that it has got harder to contact their supplier A Which? Survey of energy customers identified that 15% of customers were dissatisfied by their provider's customer service contact hours.³²

Our July statutory consultation proposal

- 2.40 For opening hours that meets customers' needs we have proposed a new licence condition, SLC 31G.3A (b) where we expect suppliers to offer customers, in

³²Which?, 2022, Annual Energy Customer Survey from Which? response to our policy consultation

particular those in vulnerable situations assistance, guidance, or advice at times that meets customer needs.

- 2.41 We also proposed to publish a new contact ease guidance document. In section 2 of that document we outlined our expectations regarding opening hours. In our proposed licence conditions, we proposed that suppliers should have regard to our guidance document.

Summary of feedback received

- 2.42 Consumer representatives were supportive of our proposals. Some consumer representatives considered that we should be more prescriptive in the licence about our expectations. Other consumer representatives, and some suppliers, welcomed our proposed principle-based licence, that allowed suppliers to determine the hours that best meet their customers' needs. Some consumers representatives and network operators considered that our guidance should expect suppliers to be open longer. Some consumer representatives note the importance of ensuring that suppliers have sufficient, appropriately trained staff to serve customers whenever they are open.
- 2.43 Suppliers had mixed views. Some were supportive and highlighted where they were already compliant. Others considered that our guidance document was too prescriptive and questioned the evidence to support the thresholds identified in the guidance. Some suppliers questioned how our guidance applied to different contact methods. Some suppliers considered that the costs of our proposals outweighed the benefits and that further time was required to implement our proposals.

Decision

- 2.44 We have decided to proceed with our proposed licence condition to require suppliers to be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations.
- 2.45 In section 2 of our guidance document we outline our expectations in relation to opening hours that meet customers' needs. For example, we would expect suppliers to take into account the needs of customers that are unable to engage between 09:00-17:00 Monday to Friday.³³ To reflect needs of PPM customers, we

³³ Please see opening hours that meet customer needs assessment section in the July 2023 statutory consultation document, which can be found here: [Consumer Standards - Statutory Consultation | Ofgem](#)

would expect opening hours to be coordinated for friendly credit eligibility hours. However, we recognise opening hours may differ across different suppliers, and across different contact methods, to reflect specific customer needs. The guidance document is available in Appendix 3.

- 2.46 We note that we received contrasting views from consumer groups and suppliers about how prescriptive we should be about supplier opening hours. We consider that our proposals will allow suppliers flexibility to best meet their customers' needs, but also provide clarity about our expectations. We have amended the guidance document to make the status of the document clear.
- 2.47 Our response to the specific licence and guidance document drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Open 24/7 for customers that are experiencing an interruption in supply caused by meter issues

Our objective

- 2.48 We consider that suppliers should offer immediate information, guidance or advice where a customer is off-supply due to a meter fault.

The issue we are seeking to address

- 2.49 Where a customer is off-supply due to a meter fault, it may be the licensee's responsibility to solve this issue. In many instances, where a customer has gone off supply due to a meter fault, the customer is unable to contact their supplier out-of-hours. Instead, customers are relying on other parties to seek information, guidance or advice (eg network operators). In their consultation responses, and responses to the REC0053 Code Modification shared with us, network companies have indicated they receive a number of enquiries from customers who are off-supply due to issues that fall under the responsibility of suppliers (eg meter faults), and have been taking action to address these issues outside of their own regulatory requirements.³⁴

³⁴ Retail Energy Code (RECC) Modification RFI for R0053 – 24/7 Emergency Metering Service. The purpose of the RFI was to determine issues surrounding where customers are off-supply due to a fault with the Metering Equipment rather than DNO equipment and where DNO operatives attending are not able to resolve the issue, leaving the fault not fixed and customers without supply.

Our July statutory consultation proposal

- 2.50 We proposed a new licence requirement, for suppliers to be available 24 hours every day to offer assistance, guidance, or advice to, domestic customers who are experiencing an interruption in supply and it is the licensee's responsibility to resolve it.
- 2.51 We also proposed a new contact ease guidance document. In section 2 of our guidance document we highlighted our expectations for suppliers to offer a 24/7 enquiry service to receive reports and offer immediate information, and advice about issues where a customer is off supply and it is the suppliers' responsibility to resolve it. In our licence conditions, we proposed that suppliers should "have regard" to our guidance document.

Summary of feedback received

- 2.52 We received mixed support for our proposals from consumer representatives. Some consumer representatives were very supportive of our proposals and highlighted the importance of supporting consumers without supply. Some consumer representatives noted that this wasn't an issue that they had experienced. Other consumer representatives questioned the ability of consumers to determine the reason for being off-supply and championed a joint approach with network operators that reduced costs and potential confusion for consumers.
- 2.53 Suppliers were not supportive of our proposals. Suppliers had different interpretations about how they would meet the proposed new licence obligation. Most suppliers considered that they would provide their own, independent enquiry service. Suppliers considered that they would incur significant costs in providing this service and the anticipated demand for this service was low. Suppliers considered that significantly longer was needed to develop (eg clarifying "who" this service was aimed at) and implement these proposals. Suppliers proposed alternative ways forward (eg reviewing the Guaranteed Standards of Performance, procuring network operators to manage engagement with consumers and collecting data on the scale of the issue).
- 2.54 Network operators were supportive of our proposed new licence obligation. Network operators expressed disappointment at a lack of supplier ownership of this issue. Network operators were supportive of our prescriptive licence condition and considered that the service must include a telephone service.

Decision

- 2.55 We continue to consider that it is critical that customers without supply due to meter issues have access to appropriate guidance, advice and support at all times. However, based on responses to our consultation, we are concerned that implementing our proposed licence condition for this winter onwards would not deliver the most efficient, coordinated outcome for consumers.
- 2.56 We have therefore decided to give suppliers further time to work with network operators to determine how to do this. In the first instance, we are keen for a voluntary industry solution to come forward in a timely manner. We have redrafted SLC 31.3GA (c) to make it clear that SLC 31.3GA (c) will only take effect following consultation and after the Authority has given the licensee at least two months' notice. Since a coordinated industry solution will also need input from network operators, we will consider whether any further action is required to help facilitate this (eg new requirements for network operators or changes to network price control arrangements).
- 2.57 To reflect our decision on the licence condition, we have currently removed the corresponding section from our contact ease guidance document. As and when we take action to give effect to SLC31.3GA (c), then we may also consult to amend the guidance document to provide clarity on our expectations in relation to this.
- 2.58 Our response to the specific licence and guidance document drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Free to access for customers that are, or will have, difficulty paying their energy bills

Our objective

- 2.59 We expect that domestic customers that are currently struggling to pay their bills or will have difficulty paying their bills in the future, are able to contact their suppliers without there being a barrier to engagement and without incurring additional financial detriment.

The issue we are seeking to address

- 2.60 We are concerned that the cost of contacting suppliers is becoming a barrier for customers that are in vulnerable situations, more specifically those that are, or will have, difficulty paying their energy bills.
- 2.61 In Q4 2022, the Consumer Perceptions of the Energy Market survey found that only around half (53%) of consumers do recall being provided with a freephone contact number to use if they have concerns about falling behind on paying their energy bills and/or running out of credit on their prepayment meter. By contrast, 27% do not recall being given this information from their supplier in the past 6 months.³⁵
- 2.62 Our evidence through qualitative consumer research showed that consumers felt it was important that enquiry services are free to access, and that there should not be additional costs onto those that are already financially vulnerable.³⁶

Our July statutory consultation proposal

- 2.63 We have proposed a new licence requirement, SLC 31G.3C where we expect suppliers to implement processes to identify and provide enquiry services free of charge to domestic customers in vulnerable situations who are at risk of detriment if there is a cost to the service.
- 2.64 We also proposed to publish a new contact ease guidance document. In section 2 of our proposed guidance document we provided further guidance on this new licence condition. In our proposed licence conditions, we proposed that suppliers should “have regard to” our guidance document.

Summary of feedback received

- 2.65 Consumer representatives were generally supportive of our proposals. Some consumer groups were disappointed that our proposals did not go far enough (ie requiring access to free services for digitally excluded customers or all customers). Others were confused about who was within scope of our proposed licence condition. Some consumer groups questioned the practicality of suppliers providing free services to targeted groups of consumers.
- 2.66 Many suppliers were not supportive of our proposals. Many considered that, as currently drafted, the licence and guidance document would require suppliers to

³⁵ <https://www.ofgem.gov.uk/publications/consumer-perceptions-energy-market-q4-2022>

³⁶Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

provide free services to all customers. These suppliers considered that this will significantly increase costs and that the benefits of this were unclear. Several suppliers encouraged closer alignment of our proposed licence and guidance drafting with Energy UK's Vulnerability Commitment. Some suppliers noted that they already provided free services to all consumers.

Decision

- 2.67 We have decided to proceed with our proposed licence condition to require suppliers to have appropriate processes to provide enquiry services for free to customers who may need it. However, following feedback to our statutory consultation we have updated the drafting of the licence and guidance to clarify this condition relates to customers who are having or will have difficulty paying their energy bills only. We have amended the licence and guidance document drafting to ensure that our proposals do not inadvertently require suppliers to provide free services to all customers.
- 2.68 In section 2 of our guidance document we outline our expectations in relation to free to access enquiry services for domestic customers who are having or will have difficulty paying their bills. We highlight different approaches that suppliers could use to implement this requirement (eg options to target either customers who are or will be struggling to pay their bills or all customers in vulnerable situations). We also clarify that we would currently expect suppliers to provide the option of a free telephone line for customers who are or will be struggling to pay their bills. However, we acknowledge that some of these customers may choose to engage with their supplier via different free contact methods (eg some customers who are having or will have difficulty paying their energy bills may prefer to engage via an app or social media). We encourage suppliers to design their services to be as inclusive as possible, using services targeted at specific customers with particular needs or circumstances where appropriate. The guidance document is available in Appendix 3. Our response to the specific licence and guidance document drafting suggestions made can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Call waiting times

Our objective

- 2.69 We expect that where an enquiry service is provided by phone, suppliers answer them as quickly as possible. Being able to contact suppliers and getting a timely

and appropriate response, is a critical part of a supplier being easy to contact and delivering good customer service.

The issue we are seeking to address

2.70 For some suppliers, the average call wait time³⁷ and time to resolve queries³⁸ can be improved. Through the qualitative research commissioned by Ofgem, participants fed back that long call wait times are a barrier to contacting their supplier when they are struggling to pay their bills.³⁹

Our July statutory consultation proposal

2.71 We have not added any new licence requirements here. Suppliers are already required to make it easy for customers to contact them and make sure that customer service arrangements and processes are complete and thorough via SLC 0.3 c).

2.72 Alongside the proposed licence condition, we also proposed to publish a new contact ease guidance document. In section 2 of our proposed guidance document we highlight that where an enquiry service is provided by phone, we want suppliers to answer the phone as quickly as possible. In our proposed licence conditions, we proposed that suppliers should have regard to our guidance document.

Summary of feedback received

2.73 Consumer representatives were broadly supportive of our proposed guidance. Some consumer representatives considered that we should be more explicit in the licence about our expectations for call waiting times. Some consumer and network operators noted the importance of how we measure call waiting times and encouraged more clarity about how we will measure performance (eg over what time period the "average" will be calculated). Consumer groups also welcomed further guidance in this area (eg response times for other contact methods).

2.74 Suppliers had mixed views on our proposed guidance. Some suppliers welcomed our proposed guidance. Others considered that there would be cost implications

³⁷ [Compare energy suppliers' customer service - Citizens Advice](#). Based on April to June 2023 data. While some suppliers perform well on call wait times, the data show there are a number of suppliers who could make improvements to their call centre waiting times.

³⁸ The [Q4 2022 Consumer perceptions of the energy market](#) survey outlines that other causes of consumer dissatisfaction with customer service include: taking a long time for queries to be resolved (37%).

³⁹ <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>

of our guidance and that our guidance needed to take into account the impact of exceptional events on supplier performance (eg “meter read day”).

Decision

- 2.75 We have not added any additional licence conditions as suppliers are already required to make it easy for customers to contact them through SLC 0.3 c). In section 3 of our guidance document we outline our expectations related to customers contacting suppliers and getting timely and appropriate response. We set out that, irrespective of the contact methods customers used to direct queries to their suppliers, we will use the Citizens Advice star rating thresholds to ask a supplier to be able to justify and explain its level of performance if its performance is poor or it has been declining. For example for phone queries, if the supplier took, significantly or consistently, longer than a monthly average⁴⁰ of 5 minutes to answer phone calls. The guidance document is available in Appendix 3.
- 2.76 Our response to the guidance document drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

Prioritising customers in vulnerable situations may require immediate assistance, guidance or advice and representatives acting in their interest of and on their behalf

Our objective

- 2.77 We expect suppliers to be able to implement appropriate processes to prioritise enquiries from domestic customers who may require immediate assistance, guidance or advice, or representatives contacting suppliers on their behalf.

The issue we are seeking to address

- 2.78 There are already obligations for suppliers to serve customers who are in vulnerable situations via SLC 0.3 d). However, we are concerned that some customers requiring immediate support may need to wait for considerable time to receive guidance or support. In our statutory consultation we highlighted that several consumer organisations also noted issues with long supplier call waiting

⁴⁰ [The average for call wait time is calculated as a median value per calendar month in the format HH:MM:SS. The figure does not involve any time spent on Interactive Voice Response \(IVR\) up until the point 'talking to an agent' is chosen.](#)

times. We also noted our recent enforcement action in relation to long call waiting times, following our market compliance review into energy supplier standards.

- 2.76. Our evidence from consumers who participated in our qualitative research showed that participants reported that long call waiting times are a barrier to contacting their supplier when they are struggling to pay their bills.⁴¹

Our July statutory consultation proposal

- 2.79 We have proposed a new licence requirement, SLC 31G.3B where we expect suppliers to have appropriate processes in place to identify and prioritise enquiries from domestic customers and/or representatives of domestic customers in vulnerable situations who may require immediate assistance, guidance or advice.
- 2.80 We also proposed to publish a new contact ease guidance document. In section 2 of our proposed guidance document we highlight our expectations in relation to identifying and prioritising customers that require immediate support. In our proposed licence conditions, we proposed that suppliers should “have regard to our guidance document.

Summary of feedback received

- 2.81 Consumer representatives were broadly supportive of our proposals. Some suppliers were supportive and highlighted where they considered that they were already compliant. Some consumer representatives and suppliers raised concerns about our proposals.
- 2.82 Several consumer representatives questioned whether our proposed approach would ensure that consumer representatives’ queries would be prioritised. As an alternative, some consumer representatives suggested that we should require suppliers to provide a direct telephone line for consumer representative queries.
- 2.83 Some consumer representatives and suppliers questioned whether this was needed if suppliers improved their call waiting performance for all customers. They also questioned whether this could lead to a “two tier” level of performance and create a risk of consumers “gaming” proposed arrangements.

⁴¹ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

- 2.84 Some stakeholders considered that we needed to provide more guidance about which customers required immediate assistance and should therefore be prioritised.
- 2.85 Some consumer representatives and suppliers highlighted challenges with being able to ascertain whether a customer needed immediate support. Suppliers considered that these challenges were exacerbated when a third-party representative is contacting the supplier on behalf of a customer.

Decision

- 2.86 We have decided to proceed with the implementation of SLC 31G.3B where we expect suppliers to have appropriate processes in place to prioritise enquiries from domestic customers and/or representatives of domestic customers in vulnerable situations who may require immediate assistance, guidance, or advice.
- 2.87 We have considered feedback from consumer groups suggesting we require suppliers to provide a prioritised, dedicated phone line for consumer representatives to contact suppliers. We consider that our existing proposals will already prioritise consumer representatives that contact suppliers on behalf of customers that due to their characteristics or circumstances require immediate assistance, guidance or advice.
- 2.88 We want all customers to receive good customer service, not just those who contact a consumer group. We are concerned that providing consumer representatives with priority access to energy suppliers could create additional consumer demand for consumer representatives support and increase the burden on these organisations (eg consumers that may have contacted their energy supplier directly may decide to contact a consumer representative if they are perceived to have priority access).
- 2.89 If our proposed solution does not meet the needs of consumer representatives, then we may consider whether any further reforms are required.
- 2.90 In section 3, of our guidance document we outline our expectations related to prioritising consumers who may require immediate support and representatives acting in their behalf. In response to feedback received during our statutory consultation we have updated our guidance to provide further clarity on the customer characteristics and circumstances that we expect would require immediate support (non-exhaustive list). The guidance document is available in Appendix 3.

2.91 Our response to the licence and guidance document drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision, including assessment of costs and benefits, can be found in our Impact Assessment.

3. Supporting customers struggling with their bills

Section summary

We are adding new licence requirements for suppliers to:

- Engage, understand ability to pay and offer support at the earliest opportunity (i.e. after two consecutively missed monthly payments or one missed quarterly payment, or when a customer has informed the supplier that they are unable to make the next scheduled payment).
- Repayment plans must be based on ability to pay, including considering temporary pausing of scheduled repayments when customers are unable to pay.

- 3.1 In supporting consumers struggling with higher living costs, we want suppliers to:
- Make proactive contact with customers in payment difficulty through a range of communication methods.
 - Support customers at risk of payment difficulty to help manage their finances.
- 3.2 We have also been working with consumer groups, charities, and industry to find ways of raising standards and ensuring consistency across the debt pathway. We will provide an update on our work.

Cross-cutting feedback on our proposals

- 3.3 Consumer representatives welcomed our proposals to support customers struggling with their bills and considered that suppliers could be doing more to help customers. Some consumer representatives provided us with evidence and case studies about energy debt and the impact it has on customers and consumers. Network companies also welcomed our proposals in this area.
- 3.4 Consumer representatives considered that suppliers need to take into account the current economic climate, especially during winter. Some consumer representatives suggested that the introduction of cheaper/social tariffs may alleviate financial constraints on suppliers. Some consumer representatives also suggested the provision of free debt advice services for those customers that are struggling with their bills, as well as suppliers being innovative in their approach to protecting customers and proactive in their use of data to help identify and prioritise customers struggling with their bills.
- 3.5 Suppliers were broadly supportive and mostly welcomed our proposals for customers struggling with their bills. Both suppliers and consumer representatives

suggested that we could focus more on the compliance and enforcement of our existing rules.

- 3.6 One supplier also questioned why we are introducing licence obligations that mirror existing government schemes such as the 'Breathing Space' policy. They stated it may be better to improve existing legislation rather than introduce new requirements.

Our reflections on cross-cutting feedback

- 3.7 Based on the feedback and evidence we received from stakeholders, we will continue our work in helping those customers that are struggling with bills and continue our debt pathway workstream as a whole. Our overall focus remains on improving not only issues surrounding customer debt, but also improving overall supplier customer service. We welcome the steps that suppliers and relevant stakeholders have taken to do this. We want to continue working with the sector to ensure that we are doing all we can to support customers.
- 3.8 We acknowledge the feedback received from consumer representatives regarding the introduction of cheaper/social tariffs. On affordability, we see actions which redistribute substantial costs, such as a social tariff, as a matter for government. We do, however, liaise with government to help inform on potential options to ensure consumers are protected from high prices. Most suppliers currently have voluntary hardship funds in place to help their customers in payment difficulty and we welcome some suppliers increasing their funding of these schemes this winter. Regarding the suggestion for suppliers to provide free in-house debt advice, while this is not something we are currently considering, we expect that suppliers should ensure staff receive appropriate training and provide information for customers struggling with their bills on how to access appropriate assistance and advice, including debt prevention and management.
- 3.9 Our compliance and enforcement activities are hugely important to the work we do. We will continue to focus on the compliance and enforcement of our existing rules that provide protections for customers struggling with payments, as well as our new requirements.
- 3.10 As mentioned in 2.14, getting the balance right between prescriptive rules and principle-based rules can be challenging. Based on the responses we received, we know that stakeholders have contrasting views on what the right balance is. We have listened and taken into consideration the feedback. We consider that our high-level approach provides clarity and sets the required expectations from suppliers.

3.11 We acknowledge the Breathing Space scheme and its policies which include protection from creditors for up to 60 days, pausing of enforcement action and freezing of interest and charges on debt. We know that suppliers receive tens of thousands of notifications for Breathing Space every year and encourage them to promote the scheme for eligible consumers. We note that whilst Breathing Space can help some customers in financial difficulty, it does not directly affect what measures suppliers can take to provide tailored support to customers struggling with their bills. Therefore, we do not think our proposals conflict with or duplicate the Breathing Space scheme.

Early engagement to identify and provide support to customers that are struggling with their bills

Our objective

3.12 We want to ensure that suppliers are identifying and offering proactive support to customers that are struggling with their bills.

The issue we are seeking to address

3.13 Some customers that are struggling with their bills are not being proactively identified and being offered support by their suppliers. Evidence gathered through our qualitative consumer research suggests that proactive contact from their supplier would have a tangible benefit.⁴² In our consumer research, participants were also supportive of our proposals for contact after two missed payments. The Q4 2022 Consumer Perceptions in the Energy Market survey showed that 60% of credit meter consumers who had fallen behind in their bills got in contact with their supplier for support. This continues to be driven by consumers reaching out first (43%), rather than suppliers contacting consumers to offer support (18%).

Our July statutory consultation proposal

3.14 In our July statutory consultation we proposed introducing new requirements by making changes to SLC 27.5B and 27.8A that would require suppliers to engage, understand ability to pay, offer support at the earliest opportunity (i.e. after two missed monthly payments or one missed quarterly payment, or when a customer has informed the supplier that they are unable to make the next scheduled payment) and regularly review methods of proactive contact.

⁴² Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

Summary of feedback received

- 3.15 Consumer representatives welcomed the proposed changes in this area. In the feedback we received, consumer representatives suggested that suppliers should not only be proactive in their contact but supportive too. They called on suppliers to be more empathetic and understanding of customers' circumstances and financial needs. There was the suggestion that to improve on this, suppliers could provide specific training on vulnerability and debt to their customer service teams.
- 3.16 Consumer representatives were also appreciative of regular reviews of proactive contact and for suppliers to engage using customers' preferred method of contact to ensure that customer needs are met, but suggested that there needed to be more clarity on the expectations of this requirement.
- 3.17 Whilst there was broad support from suppliers on our proposals regarding early engagement, most suppliers, and one trade body alongside suppliers, suggested the use of the wording "all reasonable steps" or "best endeavours" in order to allow for flexibility in implementation of this requirement and for them to meet the objective of the licence condition. They had also raised the question on how Ofgem could measure increased proactive contact and what can be deemed as 'successful' contact.
- 3.18 Some suppliers also asked for a clarification on the number of attempted contacts they are required to make after missed payments and of the timescales they take place within. Some suppliers also argued that some customers may refuse to engage, regardless of the policies or innovative strategies that are put in place.

Decision

- 3.19 We consider that proactive engagement can help provide clear debt pathways for customers and help reduce debt management and collection costs for suppliers.⁴³ In their response to our May 2023 policy consultation, the University of East Anglia argued that financial difficulties faced in energy are usually part of wider financial challenges and are linked to other spending choices on areas such as food, housing and health.⁴⁴ Proactive engagement with customers struggling with their bills could therefore have broader benefits for these customers.

⁴³ One supplier and University of East Anglia responses to our consultation

⁴⁴ References provided include: Pay (for it) as you go: Prepaid energy meters and the heat-or-eat dilemma, by Burlinson, Davillas and Law, 2022; Fuel poverty and financial distress by Burlinson, Giulietti, Law and Liu, 2021; and Getting warmer: Fuel poverty, objective and subjective health and well-being, by Davillas, Andrew Burlinson and Liu, 2022

- 3.20 As seen in the conclusion chapter of our Impact Assessment, our evidence suggests that customers value proactive support, with participants who took part in our qualitative research indicating that proactive contact from their supplier would have tangible impacts for those customers struggling with their bills.⁴⁵
- 3.21 As some stakeholders had asked for some clarity regarding proactive contact or suggested the use of the wording “all reasonable steps” when making contact with customers, in our new redrafted licence requirement, we added a reference to SLC 27.8A (b) to improve clarity about the meaning of proactive contact. We have updated our licence drafting on SLC 27.5B (a) on the requirement that suppliers should contact customers at the earliest opportunity to identify whether they are in payment difficulty no later than after two missed monthly scheduled payments. We have clarified that this means contacting them after two consecutive missed monthly payments.
- 3.22 Our response to the licence drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision can be found in our Impact Assessment.

Repayment plans to reflect ability to pay

Our objective

- 3.23 Our objective here is for suppliers to provide customers with tailored support that meet their needs.

The issue we are seeking to address

- 3.24 Some customers are not being offered tailored debt support that meets their needs, and some customers are not being offered suitable repayment plans in line with their ability to pay. Tailoring debt support to reflect an individual customer’s situation can significantly impact that customer’s ability to pay their debt. For example, in July 2023, average household debt where a repayment plan was in place was £714, which was significantly lower than households without a repayment plan with average arrears of £1,686.⁴⁶

⁴⁵ Ofgem, Qualitative Consumer Standards Research, <https://www.ofgem.gov.uk/publications/consumer-standards-qualitative-research>, May-June 2023

⁴⁶ [Debt and Arrears Indicators | Ofgem](#) We are aware that there may be various reasons not outlined above for the differences between those on repayment plans and those not on repayment plans, and debt growth figures including the impact of inflation and differing characteristics amongst customers. Ofgem analysis of data collected from suppliers.

3.25 The Q4 2022 Consumer Perceptions in the Energy Market survey showed that a fifth (20%) of credit meter consumers in debt disagreed that suppliers were offering support that is appropriate to the consumers' needs, and a fifth (20%) also disagreed that suppliers were offering support options that are helpful. A tenth (10%) of consumers reported they received no support options at all.⁴⁷

Our July statutory consultation proposal

3.26 In our July statutory consultation we proposed introducing new requirements by making changes to SLC 27.8A, in which we expect that repayment plans must be based on ability to pay. This includes considering temporary pausing of scheduled repayments when customers are unable to pay.

3.27 Alongside the proposed licence conditions, we also proposed to continue to work with consumer groups, charities, and industry to find ways of raising standards and ensuring consistency across the debt pathway.

Summary of feedback received

3.28 Consumer representatives welcomed the proposals in this area. There was support for repayment holidays, as the consensus here was that repayment pauses could act as a circuit breaker for customers in payment difficulty and offer them some flexibility. Consumer representatives also acknowledged that long repayment pauses could lead to customer accruing extra debt, and that the pauses should be used appropriately by suppliers in accordance with customers' financial situations.

3.29 Some consumer representatives suggested suppliers thoroughly examine and take a holistic view of customer finances to help calculate and make sure debt repayments are manageable.

3.30 Some suppliers were broadly supportive of our repayment plans proposals, with some suppliers highlighting that they already have appropriate systems in place that enable them to provide flexible and tailored support to customers. However, some suppliers were more apprehensive on our proposal of pauses to repayments as part of a repayment plan. They considered the risk that this may not be appropriate for some customers and that it could put them into further debt.

3.31 Some suppliers asked for more prescription on the requirements on pauses to repayments, such as the duration of payment holidays and the measures used to

⁴⁷ [Consumer Perceptions of the Energy Market Q4 2022 | Ofgem](#)

determine customer needs. Some suppliers also voiced their concerns that temporary repayment pauses may not be an appropriate solution in some instances and that there should be a level of flexibility for suppliers to consider how to support their customers.

Decision

- 3.32 We continue to consider that ensuring repayment plans reflect customers' ability to pay, including the pausing of repayments where necessary, is important. This may allow for more flexibility and could support the ability for financially vulnerable households to maintain consumption for other essential needs. There are precedents for similar measures in other sectors such as payment deferrals being offered in Financial Services⁴⁸, as well as an International Monetary Fund study during the COVID-19 pandemic showing that mortgage payment holidays allowed for liquidity-constrained households to maintain a higher annual consumption growth compared to those who weren't eligible for the policy.⁴⁹
- 3.33 Suppliers voiced concerns about the need for flexibility in the way they support customers when temporarily pausing debt repayment. We consider that our proposed licence condition changes provides flexibility as it requires suppliers to give due consideration to offering a pause in scheduled repayments for an appropriate period of time. Where a supplier assesses that it is appropriate to pause scheduled repayments, we have re-drafted SLC 27.8A (d) (iv) to make it clear that, prior to re-instating the payments, suppliers should review the customer's repayment plan and the customer's ability to pay.
- 3.34 Our response to the licence drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision can be found in our Impact Assessment.

Next steps

- 3.35 We expect customers in debt to be treated fairly and compassionately by their energy supplier. This includes ensuring that the action taken by energy suppliers to recover any debt is proportionate to the circumstances and amount owed.
- 3.35 We have also acknowledged that in our statutory consultation responses some consumer representatives have asked for an end to additional charges and late

⁴⁸ Chancellor agrees new support measures for mortgage holders - GOV.UK (www.gov.uk)

⁴⁹ Consumption Effects of Mortgage Payment Holidays: Evidence during the COVID-19 Pandemic (imf.org)

payment fees. This is an aspect of the debt pathway that we have not made any changes to, but is something that we are currently monitoring.

- 3.36 We are monitoring supplier behaviour and will take swift action if rules are not being followed. We are working with the sector to ensure that consumers receive good service across the whole customer journey, including the tail end when debts are being recovered.

4. Making information available on supplier customer service performance

Section summary

We are adding a new licence requirement that will ensure suppliers publish their customer service performance as measured by Citizens Advice, where this is available.

This information should be published as soon as possible after it becomes available, at a prominent location, in a format that is readily accessible and that meets the needs of Domestic Customers, including those in Vulnerable Situations.

Over the longer-term we will put in place an Ofgem led measure of customer experience. In the year ahead, we will kick-off engagement with stakeholders to inform our thinking on this bespoke reputational based incentive to ensure it is robust and representative.

In this chapter we summarise stakeholder responses to the July 2023 statutory consultation and set out our minded-to decision on these proposals.

Our objective

- 4.1 We aim to raise overall customer satisfaction across the board with use of reputational incentives that will promote continuous improvements in supplier customer service standards.
- 4.2 Consumers should be able to easily access a supplier's customer service data to make more informed choices about entering into an energy supply contract or switching suppliers.

The issue we are seeking to address

- 4.3 We are concerned with declining levels of overall supplier customer service.
- 4.4 We consider that consumers can benefit from more transparent, easy to access information on supplier customer service performance. This could help consumers make more informed choices about their energy supplier.⁵⁰

Our July statutory consultation proposal

- 4.5 In our July statutory consultation we proposed introducing new requirements that suppliers must publish information on their customer service performance as measured by the Citizens Advice (CA) star rating at a prominent location, in a

⁵⁰ S. Littlechild [2027-Text_UPD.pdf \(cam.ac.uk\)](#) – Section 2.5

format that is readily accessible and that meets the needs of Domestic Customers, including those Domestic Customers in Vulnerable Situations.

- 4.6 We expect this to be an interim measure that will remain in place until a longer-term reputational incentive is implemented. Over the next year, we will begin the process of engaging with CA, suppliers and other interested parties to explore the development of a new, bespoke measure of customer experience.

Summary of feedback received

- 4.7 Broadly, stakeholders were supportive of our proposed new licence requirement for suppliers to publish their customer service data. Stakeholders were also supportive of the proposal to develop a longer-term reputational incentive that provides a measure of customer experience.
- 4.8 Most respondents agreed that the proposed new licence requirement will help drive up customer service, increase competition on customer service and increase transparency to enable consumers to make more informed choices.
- 4.9 We received some specific comments on our proposed licence drafting.
- 4.10 There were also some concerns over the revised CA methodology not being wholly representative of customer experience (e.g. removing billing and switching metrics).
- 4.11 One stakeholder suggested that our proposals risk unintended consequences if suppliers focus on improving their CA star rating ranking rather than on addressing customer needs. Some stakeholders were keen for us to consider financial or regulatory penalties for poor performance under the CA star rating.
- 4.12 Most respondents welcomed our longer-term proposal to develop a bespoke measure of customer experience. Many stakeholders expressed desire to engage with us about this. Some stakeholders had suggestions about how to measure customer experience. There were some concerns that a new measure of customer experience could confuse customers due to multiple sources of competing customer service data.

Decision

- 4.13 We have considered all feedback received. We have decided to implement our proposal to require suppliers to publish the latest licensee's overall customer service performance rating and its scores for each customer service category as measured by the Citizens Advice star rating, as soon as possible after it becomes available, in a prominent location, in a format that is readily accessible and that

meets the needs of Domestic Customers, including those Domestic Customers in Vulnerable Situations.

- 4.14 There is a broad consensus from stakeholders on the important role that incentives can play in shifting supplier culture towards a greater focus on delivering consistent improvements in customer service standards. Stakeholders also recognised that this reputational-based requirement would be helpful in increasing transparency for consumers so that they are able to make informed choices about energy supply contracts.
- 4.15 We consider that we have struck the right balance in our SLC drafting, and that we have reflected the feedback that we have received. We have avoided a prescriptive approach to specifying the format and location under this requirement. This will allow suppliers to have the flexibility to determine the most appropriate way of complying with the SLC, which takes into account the needs of their customers.
- 4.16 Our response to the licence drafting suggestions received can be found in Appendix 4. Our detailed assessment of our decision can be found in our Impact Assessment. Further, our assessment contained in the July 2023 statutory consultation supports our conclusions that the benefits we would expect to see from introducing this new licence condition outweigh the costs to suppliers.
- 4.17 Our new licence requirements will go live on 14 December 2023.
- 4.18 In response to concerns over potential 'gaming' or any unintended consequences arising from using the CA star rating, we consider that the CA star rating is a well-respected, well-established measure that accurately captures overall supplier performance. CA also has legislative powers to collect data on supplier performance.
- 4.19 This new licence requirement is intended to complement the existing licence obligation to treat customers fairly and we fully expect suppliers to deliver, more broadly, a good standard of customer service that meets the needs of their customers. As part of our holistic approach under the consumer standards framework, we will continue to monitor supplier performance. We will also work with CA, to take action early if we identify any "gaming" of the CA star rating, or unintended consequences of our proposals.
- 4.20 We understand that CA is keen to work with suppliers to consider how to support efficient implementation of this new licence obligation. We would therefore encourage suppliers to engage with CA about this.

Next steps on incentives for suppliers to improve performance

- 4.21 We are continuing to work on improving our monitoring of supplier performance to better understand the service they provide to customers. This includes supplier data that is provided under the new customer service RFI. Improving supplier performance data is a critical key enabler to us taking more proactive approach to policy development, compliance and enforcement.
- 4.22 As outlined in our May Policy Consultation⁵¹, we continue to consider that use of supplier incentives (e.g. reputational, regulatory or financial incentives) could play a key role in driving better outcomes for consumers.
- 4.23 Over the next year, we will start to explore the development of a new measure of customer experience, alongside input from industry parties (eg consumers, suppliers and consumer groups). We consider that this reputational incentive, alongside a competitive market, can further drive suppliers to consistently provide better outcomes for consumers.

⁵¹ <https://www.ofgem.gov.uk/publications/consultation-framework-consumer-standards-and-policy-options-address-priority-customer-service-issues>

Appendices

Appendix	Name of appendix	Page no.
1	Summary of decision	51
2	SLC modifications	56
3	Guidance on Ofgem’s expectations for consumers to be able to contact their supplier	57
4	Reasons for any differences between the proposed SLC modifications and Guidance on Expectations of Supplier Contact Ease, and those set out in this Notice and Guidance on Expectations of Supplier Contact Ease	58
5	Impact Assessment	63

Appendix 1 - Summary of decision

Contact Ease

- 1.1 We are adding new licence requirements for supplier enquiry services to:
- Be available via contact methods that meet customer needs.
 - Be open hours that meet customer needs.
 - Be free for customers that are struggling to pay their energy bills.
 - Prioritise vulnerable customers that need immediate support, or representatives acting on their behalf.
- 1.2 We are providing suppliers and network operators further time to bring about a cost-effective, industry solution to be available 24/7 for customers without supply due to meter issues. This licence condition will only come into effect in the future via Notice, after consultation and with at least two months' notice.
- 1.3 Alongside the licence conditions, we are also publishing a guidance document outlining our expectations in relation to supplier contact ease.
- 1.4 In response to our statutory consultation, stakeholders highlighted two overarching comments: i) that the guidance was seen as adding an additional layer of prescription to our licence obligations and ii) that the inclusion of current best practice in the market was unhelpful as it could have been misinterpreted as adding new prescriptions and could lead to the document becoming outdated. To address the first comment, we have made changes to the language used throughout the guidance document to clarify that, in line with our intent, the guidance provides possible delivery models (rather than prescribing any) and sets out our expectations for domestic suppliers in relation to licence requirements on contact ease. To address the second overarching comment, we have removed any reference to current market best practice in the guidance document. See Appendix 4 for more information on changes made in response to stakeholder feedback.
- 1.5 Table A1 below summarises the content of the guidance document once these changes have been account for.

Table A1: Summary of guidance document content

Licence requirement	Guidance Document
SLC 31G.3E The licensee must have regard to any guidance on standard condition 31G.3A to 31G.3D which, following consultation, the Authority	<ul style="list-style-type: none"> • Guidance aimed at providing clarity on our current expectations for suppliers satisfying licence obligations. • Guidance does not introduce new requirements and suppliers may be able to demonstrate compliance in other ways not set out in guidance.

Licence requirement	Guidance Document
<p>may issue and may from time-to- time revise (following further consultation).</p>	<ul style="list-style-type: none"> • Our guidance may change to reflect changes in customer needs. We will consult on any changes. • The guidance focuses on contact ease. However, we want suppliers to deliver good customer service overall. • We will monitor outcomes on suppliers’ customer service performance and evidence on customer satisfaction. We will ask suppliers to justify and explain their performance if we see that their overall performance is potentially non-compliant or is otherwise poor, has been declining or is significantly lower than other licensees’. This includes cases where suppliers are demonstrating poor performance by the most basic threshold set by Citizens Advice as part of their Star rating (eg in relation to average call waiting times).
<p>SLC 31G.3A The licensee must provide, or procure the provision of, an enquiry service that enables Domestic Customers to contact the licensee. As a minimum the enquiry service must (a) Offer a range of contact methods that meet the needs of the licensee’s Domestic Customers, including those of its Domestic Customers in Vulnerable Situations</p>	<ul style="list-style-type: none"> • Suppliers must take actions to determine customers’ needs. To meet customer needs, we would expect suppliers to provide: <ul style="list-style-type: none"> - A method of contact for customers that are digitally excluded (eg phonenumber). - A method of contact for customers who find it easier to communicate digitally (eg digital methods of contact). - Methods of contact for customers that have special communication needs (eg customers with a visual or hearing impairment, or customers with a learning disability). • We would expect suppliers to review effectiveness of contact methods, to ensure that they continue to meet customer needs.
<p>SLC 31G.3A [...] the [licensees’] enquiry service must (b) be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations</p>	<ul style="list-style-type: none"> • Suppliers must take actions to determine customers’ needs and take this into account when setting opening hours. • For example, we would expect suppliers to consider customers that are unable to engage between 9:00-17:00 Monday to Friday. We may therefore ask a supplier to be able to justify and explain how their opening hours meet these customers' needs if we observe declining or poor customer service, and it is not open for meaningful lengths of time outside of this time period (eg based on current analysis, less than 7 hours in total over weekend or less than 2 hours a day outside 9:00-17:00 Monday to Friday). • To reflect needs of PPM customers, we would expect opening hours to be coordinated with friendly credit eligibility hours. So that if a customer runs out of credit, they are either able to contact their supplier or are

Licence requirement	Guidance Document
	<p>eligible for friendly credit. We acknowledge that some PPMs do not have the friendly non-disconnect function and that therefore this is not possible for these customers (eg traditional gas PPMs).</p> <ul style="list-style-type: none"> • We recognise opening hours may differ across different suppliers, and across different contact methods, to reflect specific customer needs. • We would expect suppliers to continuously review their opening hours, as appropriate, to ensure that they are open at times that best meet their customers’ needs.
<p>SLC 31G.3B</p> <p>When providing the enquiry service the licensee must implement appropriate processes to prioritise enquiries from:</p> <p>a) Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice;</p> <p>b) Any representatives acting on behalf and in the interest of a Domestic Customer in a Vulnerable Situation who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice.</p>	<ul style="list-style-type: none"> • We provide examples of the characteristics and circumstances that may require immediate assistance (eg PPM customer about to run out of credit). • We highlight different approaches that suppliers could use to implement this requirement (eg triaging enquiries). • We would expect suppliers to have appropriate process to easily facilitate a third-party contacting them on behalf of a vulnerable customer.
<p>SLC 31G.3C</p> <p>When providing the enquiry service, the licensee must implement appropriate processes to provide the enquiry service free of charge to Domestic Customers who are having or will have difficulty paying all or part of the Charges.</p>	<ul style="list-style-type: none"> • We highlight examples of different approaches that suppliers could use to implement this requirement (eg options that target customers that have, or will have, difficulty paying their energy bills). • To meet the needs of all customers who are, or will be struggling to pay their bills, we would expect suppliers to offer a free phone number to eligible customers. • In accordance with our licence conditions, suppliers must have contact methods that meet the needs of their customers. We would currently expect suppliers to provide the option of a free telephone line for customers who are, or will be struggling to pay their bills. However, we acknowledge that some of these customers may choose to engage with their supplier via different free contact methods (eg some customers who are having or

Licence requirement	Guidance Document
	<p>will have difficulty paying their energy bills may prefer to engage via an app or social media).</p> <ul style="list-style-type: none"> We would expect eligible customers to be made aware of free methods of contact as soon as the supplier becomes aware of their eligibility.
<p>Our expectations in relation to existing licence requirement (eg SLC 0)</p>	<ul style="list-style-type: none"> We will ask suppliers to justify and explain their performance if they are demonstrating poor performance by the most basic threshold set by Citizens Advice as part of their Star rating: <ul style="list-style-type: none"> - In relation to average call waiting times, we would expect a supplier to be able to justify and explain its level of performance if it took, significantly or consistently, longer than 5 minutes on average per month to answer phone calls (or responds to less than 40% of emails within 2 working days). We recognise that average call waiting times do not reflect experience of all customers. - We acknowledge that many enquiries are received via contact methods other than by phone. We would expect a supplier to be able to justify and explain if it fell, significantly or consistently, below the basic thresholds set by Citizens Advice as part of their Star rating, for responding to alternative methods of contact methods (eg responding to less than 40% of emails within 2 working days). We expect customers to be able to easily and clearly identify how to contact their suppliers (eg contact details on, or "one click away" from homepage). We expect suppliers to take into account customer needs when ensuring that enquiry service information is easy to find.

Supporting customers struggling with their bills

1.6 We are adding new licence requirements for suppliers to:

- Engage, understand ability to pay and offer suitable debt repayment plans at the earliest opportunity (ie no later than after two consecutive missed monthly payments or one missed quarterly payment, or when a customer has informed the supplier that they are unable to make the next scheduled payment).
- Consider pausing repayments for a period of time.

Making available information on supplier performance

1.7 We are adding a new licence requirement for suppliers to publish information on their customer service performance.

Appendix 2 – SLC modifications

- 1.1 We have included SLC 27.5 to SLC 27.8A and relevant parts of SLC 31G below and the changes we are making. Changes to existing SLCs are shown in strikethrough for deletions and double underlining for new text. Changes from statutory consultation version of proposed SLCs are as above but also highlighted in yellow.
- 1.2 Due to a lack of materially significant differences, we have only included the modifications to the electricity supply licence below. For both the modifications to the gas and electricity supply licences, please see the decision notices published alongside this document.

Schedule 1- Modifications to the standard conditions (SLCs) of all electricity supply licences

We have included SLC 27.5 to SLC 27.8A and relevant parts of SLC 31G below and the changes we are making. Changes to existing SLCs are shown in ~~strikethrough~~ for deletions and double underlining for new text. Changes from Statutory Consultation version of proposed SLCs are as above but also highlighted in **yellow**.

Customers in payment difficulty

27.5 Subject to 27.5A, the licensee must offer each of the services set out in paragraph 27.6 when it becomes aware or has reason to believe that a Domestic Customer is having or will have difficulty paying all or part of the Charges.

27.5A Without prejudice to any other right or obligation under this licence, the licensee must not charge the Domestic Customer for providing the facilities or information set out in paragraph 27.6.

27.5B In complying with 27.5 the licensee must make proactive contact, **as described in paragraph 27.8A (b)**, at the earliest opportunity to identify whether a customer is in payment difficulty, by contacting the Domestic Customer no later than after:

- (a) two **consecutively** missed monthly scheduled payments; or

- (b) one missed quarterly scheduled payment; or
- (c) a customer has informed the licensee that they are unable to make the next scheduled payment.

27.6 The services referred to in paragraph 27.5 are:

- (a) the facility for a Domestic Customer to pay Charges:
 - (i) by using, where available, a means by which payments may be deducted at source from a social security benefit received by that customer;
 - (ii) by regular instalments calculated in accordance with paragraph 27.8 and paid through a means other than a Prepayment Meter; and
 - (iii) by using a Prepayment Meter, where it is safe and reasonably practicable in all the circumstances of the case for the Domestic Customer to do so and where any instalments to be paid are calculated in accordance with paragraph 27.8; and
- (b) the provision of information about how the Domestic Customer could reduce the Charges for the Supply of Electricity that he must pay by using the electricity supplied to his premises more efficiently.

27.7 If a Domestic Customer, having agreed to make payments for Charges using the service referred to in sub-paragraph 27.6(a)(i), is no longer in receipt of social security benefits from which payments can be deducted at source, the licensee must offer the services referred to in sub-paragraph 27.6(a)(ii) and 27.6(a)(iii).

27.8 The licensee must take all reasonable steps to ascertain the Domestic Customer's ability to pay and must take this into account when calculating instalments, giving due consideration to:

- (a) relevant information provided by third parties, where it is available to the licensee; and
- (b) where instalments will be paid using a Prepayment Meter, the value of all of the charges that are to be recovered through that meter.

27.8A For the purposes of ascertaining a Domestic Customer's ability to pay as set out in paragraph 27.8, the licensee must give due consideration to:

- (a) Having appropriate credit management policies and guidelines, which includes:
 - (i) Allowing for customers to be dealt with on a case-by-case basis; and
 - (ii) Linking staff incentives to successful customer outcomes not the value of repayment rates.

- (b) Making proactive contact with customers, which includes:
- (i) Making early contact to identify whether a customer is in payment difficulty as set out in 27.5B;
 - (ii) Regularly reviewing methods of proactive contact to ensure they meet the needs of customers, in particular in circumstances where the licensee has not made successful contact with the customer;
 - (iii) Using every contact as an opportunity to gain more information about the customer's ability to pay when the licensee becomes aware or has reason to believe the customer is having or will have payment difficulty; and
 - (iv) Making customers aware of debt advice services when they raise concerns about their ongoing ability to pay, in accordance with Supply Licence Condition 31G.
- (c) Understanding individual customers' ability to pay, which includes:
- (i) Providing clear guidance and training for staff on how to elicit information on ability to pay and monitoring the effectiveness of this;
 - (ii) Providing appropriate channels for customers to quickly and easily raise concerns and facilitating conversations around customers' ability to pay when requested.
 - (iii) Making full use of all available information; and
 - (iv) Proactively exploring payment amounts and payment methods which are appropriate to the individual circumstances of each customer; this includes debt repayment schemes such as those by which payments may be deducted at source from a social security benefit received by that customer.
- (d) Setting repayment rates based on ability to pay which includes:
- (i) Ensuring all available information is obtained and taken into account, including the customer's circumstances identified on a warrant or site visit or when installing a prepayment meter on a warrant;
 - (ii) Only setting default amounts when there is insufficient information to ascertain the customer's ability to pay and where default amounts are set, it should be made clear that the repayment rate may change based on information about the customer's ability to pay. In any event the levels of any default repayment rate should be reasonable; and
 - (iii) Not insisting on substantial upfront payments before reconnection; and
 - (iv) Pausing scheduled repayments for an appropriate period of time as part of the customer's repayment plan and reviewing a customer ability to pay the customer's repayment plan in accordance with their ability to pay at regular intervals before re-instating scheduled repayments as part of the customer's repayment plan.
- (e) Ensuring the customer understands the arrangement, which includes:

- (i) Clear communication with the customer which allows them to understand how much they are regularly repaying; how the repayment will be deducted; when the debt will be repaid; and what to do if they experience difficulties during the arrangement; and
 - (ii) For prepayment meter customers repaying debt by a weekly amount explaining that debt will be recovered regardless of usage.
- (f) Monitoring of arrangements after they have been set up, which includes:
- (i) Individual arrangements must be monitored:
 - for credit meter customers to check for the occurrence of failed repayment arrangements;
 - and for prepayment meter customers to check whether the meter is being used initially and on an ongoing basis;
 - (ii) Monitoring of the approach taken by staff when agreeing repayment rates, using call listening and other techniques, to encourage a consistent and appropriate approach;
 - (iii) Monitoring of failed repayment arrangements to understand whether inappropriate rates are being set;
 - (iv) Monitoring of overall repayment rates and recovery periods to understand trends.
- (g) Re-engaging with the customer after an initial occurrence of a failed repayment arrangement, which includes: engaging with the customer in a timely manner to discuss the repayment plan, including whether a different repayment plan or repayment method would be more suitable.

Condition 31G. Assistance and advice information

31G.1 The licensee must ensure that each Domestic Customer is provided with information in a Form and at a frequency that is sufficient to enable that Domestic Customer to quickly and easily understand how to:

- (a) identify and contact each Relevant Party about a problem, question or any other request for assistance. This includes queries, complaints, disputes or emergencies; and
- (b) seek impartial advice from Citizens Advice consumer service.

31G.2 The licensee must ensure that each Domestic Customer is provided, as appropriate in the circumstances, with information in a Form and at a frequency that is sufficient to enable that Domestic Customer to quickly and easily understand:

- (a) what their rights are as regards to the means of dispute settlement available in the event of a dispute, including how to identify and contact the Relevant Ombudsman for the circumstances; and
- (b) how to access appropriate assistance and advice. This includes information about:
 - (i) debt prevention and management;
 - (ii) improving energy efficiency, including management of electricity consumption and associated costs; and
 - (iii) social, financial and energy efficiency programmes.

31G.3 In complying with paragraphs 31G.1 and 31G.2 the licensee must take into account:

- (a) that Domestic Customer's characteristics and current Tariff's features; and
- (b) where appropriate, that Domestic Customer's preferences.

31G.3A The licensee must provide, or procure the provision of, an enquiry service that enables Domestic Customers to contact the licensee. As a minimum the enquiry service must:

- (a) Offer a range of contact methods that meet the needs of the licensee's Domestic Customers, including those of its Domestic Customers in Vulnerable Situations;
 - (b) Be available to receive enquiries and offer assistance, guidance, or advice at times that meet the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations; and
 - (c) Be available 24 hours every day to receive enquiries from, and offer assistance, guidance, or advice to, Domestic Customers who are experiencing an interruption in supply of electricity caused by a meter fault. in circumstances where the interruption in supply is such that it is the licensee's responsibility to resolve it.
- Paragraph (c) in this Condition 31G.3A will only take effect following consultation and after the Authority has given the licensee at least two months' Notice.

31G.3B When providing the enquiry service, the licensee must implement appropriate processes to identify and prioritise enquiries from:

- (a) Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice;
- (b) Any representative acting on behalf and in the interest of a Domestic Customer in a Vulnerable Situation who, due to their circumstances or characteristics, may require immediate assistance, guidance or advice.

31G.3C When providing the enquiry service the licensee must implement appropriate processes to identify and provide the enquiry service free of charge to Domestic Customers in Vulnerable Situations who, due to their circumstances or characteristics, are likely to experience detriment, if there is a cost to the enquiry service that who are having or will have difficulty paying all or part of the Charges.

31G.3D The licensee must publish information about the licensee's customer service performance as measured by the Citizens Advice star rating, as soon as possible after it becomes available, at a prominent location, in a format that is readily accessible and that meets the needs of Domestic Customers, including those of Domestic Customers in Vulnerable Situations,- the licensee's latest overall customer service performance rating and its scores for each customer service category as measured by the Citizens Advice star rating.

SLC 31G.3E The licensee must have regard to any guidance on standard condition 31G.3A to 31G.3D which, following consultation, the Authority may issue and may from time-to- time revise (following further consultation).

[...]

Definitions

31G.10 For the purposes of this condition:

"Concise Guidance" means the concise guidance published by Citizens Advice or Citizens Advice Scotland under section 19A of the Consumers, Estate Agents and Redress Act 2007.

"Energy Consumer Guidance" means the energy consumer guidance published by Citizens Advice or Citizens Advice Scotland under section 19A of the Consumers, Estate Agents and Redress Act 2007.

"Relevant Party" means the licensee, their Representatives and the Licensed Distributor (via the Licensed Distributor's Enquiry Service).

"Vulnerable Situation" has the same meaning as in SLC 0.

Appendix 3 - Guidance on Ofgem’s expectations for consumers to be able to contact their supplier

- 1.1 Please find a link to our proposed Guidance on Ofgem’s expectations for consumers to be able to contact their supplier.

<https://www.ofgem.gov.uk/publications/decision-consumer-standards>

Appendix 4 – Reasons for any differences between the proposed SLC modifications and Guidance on Expectations of Supplier Contact Ease and those set out in this Notice and Guidance on Expectations of Supplier Contact Ease

1.1 Please find below a summary of the key points made in the consultation submission and our response to them.

Contact Ease

	Suggestion	Outcome	Ofgem position
1	Remove references to best practice in Contact Ease Guidance	Guidance change	All reference to best practice removed to ensure document doesn't become out-of-date.
2	Remove reference to Retail Energy Code (REC) modification in Contact Ease Guidance	Guidance change	Reference to REC mod removed to ensure document doesn't become out-of-date.
3	Better define who requires "immediate support" from suppliers and therefore should receive a priority service	Guidance change	We consider principle-based licence condition most appropriate to cater for different circumstances and characteristics that may require immediate support. We have amended the guidance doc to provide examples of circumstances or characteristics that may require immediate assistance, guidance or advice.
4	Better define who suppliers should provide free enquiry services to.	Licence & guidance change	We consider that there is evidence that suppliers should be required to offer free services to customers who are having or will have difficulty paying all or part of their energy bills. We have amended the licence and chapter 2 of the guidance document to make this clearer.
5	Be explicit that suppliers should provide appropriate contact methods for customers that do not speak English	No change	Since, at this stage we currently have relatively limited evidence of this issue and the potential cost of addressing this, we have not included an explicit reference in the guidance to customers that do not speak English. However, we do consider that SLC 31G.3A would already cater for instances in which a supplier has a significant customer base who do not speak English. If we see further evidence that suppliers are not supporting customers who do not speak English, we will consider further policy interventions in this area.
6	Require suppliers to produce energy bills in a standardised format, so it is easier for customers to find contact information	No change.	We do not consider that it would be beneficial for us to be prescriptive about the format of energy bills. We consider that suppliers are better placed to determine how best to ensure contact information is easy to find.
7	Suppliers' enquiry service should free for all customers/digitally excluded customers	No change	We consider that suppliers should only be required to have free enquiry services for customers who are having, or will have, difficulty paying their energy bills. We do not currently consider that that we have sufficient evidence that other customer groups (eg digitally excluded

	Suggestion	Outcome	Ofgem position
			customers that are not having difficulty paying their bills) should have access to free enquiry services. See response to suggestion 4 above.
8	Be clear about the definition of a "Vulnerable Situation"	No change	"Vulnerable Situation" is a defined term in the licence.
9	Add requirement for Ofgem to consult on any changes to the guidance document	Licence change	We have amended licence conditions to make it clearer we will consult on future revisions of the guidance.
10	The status of the document is unclear. Ofgem should add any prescriptive requirements into the licence.	Guidance changes	We have amended the guidance to be clearer about the status of the document. For example, we have amended the upfront section on the status of the guidance to make it clearer. We have also amended language on our expectations throughout to focus on customer needs that we expect supplier to consider and make it clearer that the guidance is not adding prescriptive requirements.
11	Amend licence/guidance so that suppliers do not need to provide free enquiry services to all customers	Licence & guidance change	Amended licence drafting and chapter 2 of guidance to improve clarity that suppliers are only required to provide free enquiry services customers who are having, or will have, difficulty paying their energy bills
12	Suppliers should be required to ensure that customer enquiry services are sufficiently resource and staff are appropriately trained.	No change	This is within scope of existing licence conditions (eg SLC0 and SLC4). No change therefore required.
13	Suppliers should have specialist support for vulnerable customers.	No change	This is within scope of existing licence conditions (eg SLC0 and SLC4). No change therefore required.
14	Suppliers should be required to provide a priority direct telephone line for consumer/debt organisations.	No change	We consider that our proposals will require suppliers to have appropriate systems to prioritise consumer/debt organisations that are calling on behalf of a customer who, due to circumstances/characteristics, may require immediate assistance, guidance or advice. We are also concerned that providing consumer representatives with priority access could create additional demand for support from consumer representatives and increase the burden on these organisations. See Chapter 2 for more information.
15	Suppliers should improve authorisation process for representatives that call on behalf of another customer	Guidance change	Added new paragraph to chapter 3 of guidance document to make it clear that we would expect suppliers to have appropriate system and processes to facilitate this. Under the Winter 2023 Voluntary Debt Commitments suppliers will fully consider third-party authorisation.
16	Suppliers should improve the overall service provided to customers, not just contact ease.	No change.	We agree. Following stakeholder engagement, we have prioritised contact ease as a key current driver of poor customer service. To improve overall customer satisfaction we are compelling suppliers to publish information on overall customer service performance. We are also continuing to consider how we can drive further improvements in overall customer service. See Chapter 4 for further information.
17	Be clearer about which contact methods are appropriate for digitally excluded customers	Guidance change	We have amended Chapter 2 of guidance document to make it clear that we expect suppliers to provide a method of contact that meets the need of digitally excluded. We acknowledge that there are limited contact methods available for digitally excluded customers, we consider that suppliers should

	Suggestion	Outcome	Ofgem position
			determine which of these contact methods would best meet the needs of these customers.
18	Suppliers should be open longer than the levels identified in the guidance document	No change	We expect suppliers to be open at times that meet customers' needs. The guidance doesn't identify prescriptive times that suppliers must be open. The guidance uses analysis on current opening hours to provide clarity on thresholds at which we may ask suppliers to explain how opening hours meet licence requirements if we are observing poor customer service outcomes.
19	Ofgem should measure supplier empathy and query resolution	No change	We are working to improve our monitoring of supplier performance and understanding of overall customer experience. See chapter 4 of this document for more information.
20	Be clearer about expectations for 24/7 line (eg contact methods, scope of enquiry service)	Licence and Guidance change	<p>Licence drafting updated to be clearer that this is focused on supply interruptions caused by meter faults.</p> <p>Based on feedback on additional time required to implement an efficient, coordinated solution, we have added new licence drafting making it clear that SLC31G.3A will only take effect following consultation and after the Authority has given the licensee at least two months' Notice.</p> <p>To reflect our decision on the licence condition, we have currently removed the corresponding section from our contact ease guidance document. We may also consult to amend the guidance document as and when a decision on SLC31.3GA(c) taking effect has been made, to provide clarity on our expectations in relation to this</p>
21	In specific locations, add a reference in the guidance to customers with learning difficulties	Guidance change	References to customers with learning difficulties added to chapter 1 and 2 of our guidance document.
22	Amend the title of the guidance to make it more accessible	Guidance change	Amended title to make it simpler and more accessible.
23	Use Department for Work & Pensions (DWP) wording to make it clearer which persons or organisation may contact a supplier on behalf of another customer	Guidance change	In Chapter 3 of the guidance, we have added " <i>Advice or welfare rights organisations, professionals such as social workers, community nurses or doctor, family member or friends</i> " as examples of representatives that may contact a supplier on behalf of a customer
24	Provide clarity on what basis "average waiting time" will be measured	Guidance change	Amended chapter 3 of the guidance, to make it clear that "average" performance is calculated on a monthly basis.
25	Include references to relevant legislation (eg The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008)	Guidance change	Amended the introduction to guidance document to make it clear that there may be relevant legislative requirements.
26	Include reference to other licence obligations that are relevant to supplier contact ease (eg SLC31.G1).	Guidance change	Amended introduction to guidance document to make it clear that this licence requirement is relevant.
27	Guidance document should acknowledge that some customers struggling with their bills would prefer to engage via digital methods.	Guidance change	Sentence added Chapter 2 of the guidance to acknowledge this.

	Suggestion	Outcome	Ofgem position
28	The licence should provide further clarification about what "customer needs" means. The licence should refer to "reasonable needs".	No change.	This is terminology already used throughout the supply licence. The guidance document already provides some helpful additional clarity on customer needs that we would expect suppliers to consider
29	Guidance document should acknowledge that to meet customer needs, opening hours could be different for different contact methods	No change.	Guidance document already acknowledges this.
30	Underlining should be removed from the guidance document	Guidance change	Underlining removed throughout guidance document.
31	Guidance document should acknowledge that "friendly credit" not available for traditional gas PPM customer.	Guidance change	Paragraph added to Chapter 2 of guidance to acknowledge this.
32	Licence drafting requiring suppliers to "identify" enquiries from specific customers is redundant.	Licence change	Agree. It is inherent that as part of prioritising a targeted group of customers or providing free enquiry services to a targeted group of customers, that suppliers will need to identify these customers. Licence drafting updated.

Customers struggling with their bills

	Suggestion	Outcome	Ofgem position
1	In SLC 27.5B, the phrase "proactive contact" is unclear or could be interpreted as "successful contact".	Licence change	"Proactive contact" is already used in the licence. Added a reference to SLC28.A(b) to improve clarity on its meaning.
2	Be clearer that following any repayment pause, any reinstatement of scheduled payments should be altered to reflect ability to pay.	Licence change	Amended 27.8a (d) (iv) to make this clearer.
3	Be clearer about how long a repayment pause should last.	No change	We do not consider that being prescriptive would be beneficial for customers. The length should be determined what is "appropriate" and the customers' ability to pay.
4	Concerned that repayment holidays are not appropriate for all customers and could cause harm (eg further debt).	No change	We agree. No change required to facilitate this. Suppliers only required to give "due consideration" to offering repayment holidays.
5	Be more prescriptive about how to determine customer ability to pay, eligibility for repayment pauses and whether customers can have multiple pauses.	No change.	We do not consider that being prescriptive would be beneficial for customers. We consider that existing licence conditions have sufficient level of prescription. Under the Winter 2023 Voluntary Debt Commitment suppliers will fully consider information including affordable payment offers and Standard Financial Statements when setting repayment rates.
6	Be clearer that the two missed monthly payments should be consecutive.	Licence change.	Agree. Licence change to add clarity.
7	Alongside proactive contact, suppliers should provide information on how to reduce consumption and/access appropriate support.	No change.	We agree however SLC31G already requires suppliers to provide information on appropriate support (eg energy efficiency programmes) at appropriate frequency and form.
8	There needs to be an end to additional charges and late payment fees.	No change	This is an aspect of our debt pathway work that we are currently monitoring. See Chapter 3 for further information.

Making available information on supplier performance

	Suggestion	Outcome	Ofgem position
1	Be more prescriptive about <u>when</u> suppliers should publish information.	Licence change	Added clarity that suppliers publish "as soon as possible after it becomes available".
2	Be more prescriptive about <u>where</u> suppliers should publish information (eg on customer bills).	No change	Consider that existing principle-based drafting is sufficiently clear about desired outcomes (eg prominent location).
3	Be more prescriptive about <u>what</u> information suppliers should publish (eg full league table or star rating methodology).	Licence change	Added clarity that suppliers must publish their own latest overall performance score and scores under each service category. Beyond this mandatory data, licensees may determine what further data they wish to publish in regard to the CA star rating.
4	Unclear how smaller suppliers can comply with licence requirement (ie those that do not meet the minimum CA sample size).	Licence change	This new SLC applies to all suppliers. Under the revised CA methodology, smaller suppliers who do not have a complete data set, will still receive an overall performance rating and scores for the individual survey categories for which the complete data set has been provided. Licence amended to make it clear that licensees must publish performance information as soon as possible after it becomes available.

Appendix 5 – Impact Assessment

Please find a link to our Impact Assessment.

<https://www.ofgem.gov.uk/publications/decision-consumer-standards>